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Official Committee Hansard

SENATE

ENVIRONMENT AND COMMUNICATIONS LEGISLATION
COMMITTEE

Estimates

Public

TUESDAY, 24 OCTOBER 2023

CANBERRA

BY AUTHORITY OF THE SENATE

ENVIRONMENT AND COMMUNICATIONS LEGISLATION COMMITTEE

Tuesday, 24 October 2023

Members in attendance: Senators Bilyk, Cadell, Davey, Faruqi, Grogan, Hanson-Young, Henderson, Hughes, McKenzie, O'Sullivan, Payman, David Pocock, Rennick, Roberts and Shoebridge

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

In Attendance

Senator Carol Brown, Assistant Minister for Infrastructure and Transport

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

Mr Jim Betts, Secretary

Ms Maree Bridger, Chief Operating Officer

Mr Richard Windeyer, Deputy Secretary

Dr Stephen Arnott PSM, Deputy Secretary

Ms Diana Hallam, First Assistant Secretary, Research, Data and Strategy Division

Ms Shona Rosengren, Assistant Secretary, Head of Bureau

Mr Justin Iu, Assistant Secretary, Strategy, Economic Policy and Evaluation Branch

Mrs Rachel Houghton, First Assistant Secretary, People, Culture and Change Division

Ms Susan Charles, Assistant Secretary, Communications, Ministerial and Parliamentary Branch

Ms Stephanie Bourke, Assistant Secretary, Human Resources and Property Branch

Mr Lachlan Wood, Acting Chief Financial Officer

Ms Gillian Munro, Acting Assistant Secretary, Finance Branch

Ms Sonia Bradley, Assistant Secretary, Business Services Branch

Ms Michelle Mant, Acting Assistant Secretary, Assurance, Integrity, Risk and Governance Branch

Mr Ian Porter, First Assistant Secretary, Net Zero Unit

Mr Jeff Goedecke, Chief Information Officer

Program 5.1

Mr Jason Ashurst, Acting First Assistant Secretary, Communications Infrastructure Division

Ms Kate McMullan, Assistant Secretary, Telecommunications Resilience Branch

Ms Victoria Robertson, Acting Assistant Secretary, Digital Inclusion and Deployment Branch

Ms Nicolle Power, Assistant Secretary, Universal Services Branch

Ms Shanyn Sparreboom, Assistant Secretary, Competition and Spectrum Branch

Mr Ben Phelps, Assistant Secretary, Broadband Policy Branch

Ms Bridget Gannon, Acting First Assistant Secretary, Online Safety, Media and Platforms Division

Ms Margaret Lopez, Acting Assistant Secretary, Media Industry and Sustainability Branch

Ms Pauline Ross, Acting Assistant Secretary, Online Safety Branch

Mr Andrew Irwin, Acting Assistant Secretary, Platforms and News Branch

Mr James Penprase, Assistant Secretary, Media Reform Branch

Ms Maria Vassiliadis, Assistant Secretary, Classification Branch

Mr Samuel Grunhard, First Assistant Secretary, Communications Services and Consumer Division

Ms Kathleen Sillari, Assistant Secretary, Consumer Safeguards Branch

Ms Karly Pidgeon, Assistant Secretary, Regional Mobile Infrastructure Programs Branch

Mr Daniel Caruso, Assistant Secretary, Post, International Telecommunications and Australian Communications and Media Authority

Ms Meghan Hibbert, Assistant Secretary, Regional Connectivity Branch

Program 6.1

Mr Phil Smith, First Assistant Secretary, Office for the Arts Division

Ms Alexandra Wilson, Acting Assistant Secretary, First Nations Languages and Regional Arts Branch

Ms Marie Gunnell, Assistant Secretary, Cultural Policy Strategy and Program Support Branch

Ms Alison Todd, Assistant Secretary, Arts Development and Investment Branch

Ms Zoe Rodriguez, Acting Assistant Secretary, Creative Industries Branch

Ms Ann Campton, Assistant Secretary, Collections and Cultural Heritage Branch

Ms Rebecca Rush, Assistant Secretary, Screen and Arts Workforce Development Branch

Australian Broadcasting Corporation

Mr David Anderson, Managing Director

Ms Melanie Kleyn, Chief Financial Officer

Mr Justin Stevens, Director, News, Analysis and Investigations

Special Broadcasting Service

Mr James Taylor, Managing Director

Ms Clare O'Neil, Director, Corporate Affairs

Ms Nitsa Niarchos, Chief Financial Officer

Australian Communications and Media Authority

Ms Nerida O'Loughlin, Chair

Ms Creina Chapman, Deputy Chair

Ms Linda Caruso, General Manager, Communications Infrastructure Division

Ms Helen Owens, General Manager, Corporate and Research Division

Ms Cathy Rainsford, General Manager, Content Division

Ms Rochelle Zurnamer, Executive Manager, Gambling and Mis/Disinformation Branch

Ms Jenny Allen, Executive Manager, Content Safeguards Branch

Mr Paul Howe, Executive Manager, Finance Reporting and Operations Branch

Mr Christopher Hose, Executive Manager, Spectrum Planning and Engineering Branch

Mr Jeremy Fenton, Acting General Manager, Consumer Division

Ms Tanya Farrell, Acting Executive Manager, Unsolicited Communications and Scams Branch

Mr Craig Riviere, Executive Manager, Telecommunications Safeguards and Numbering Branch

Ms Rachel Blackwood, Executive Manager, Spectrum Allocations Branch

Australia Post

Mr Paul Graham, Group Chief Executive Officer and Managing Director

Ms Tanny Mangos, Executive General Manager, Community, Sustainability and Stakeholder Engagement

Mr Nick Macdonald, General Manager, Corporate Secretary and Board

Office of the eSafety Commissioner

Ms Julie Inman Grant, Commissioner

Mr Toby Dagg, General Manager

Ms Deborah Welsh, Executive Manager, Strategy Engagement and Research

Mr Stuart Wise, Head of Branch, Corporate

Ms Kathryn King, General Manager, Technology and Strategy Group

NBN Co Limited

Mr Stephen Rue, Chief Executive Officer

Mr John Parkin, Chief Operating Officer

Mr Gavin Williams, Chief Development Officer, Regional and Remote

Classification Board

Ms Fiona Jolly, Director

Classification Review Board

Ms Susan Bush, Convenor

Creative Australia

Mr Adrian Collette, Chief Executive Officer

Mr Tim Blackwell, Executive Director, Corporate Resources

National Archives of Australia

Mr Simon Froude, Director-General

National Film and Sound Archive

Mr Patrick McIntyre, Chief Executive Officer

Ms Jacqui Uhlmann, Head of Collection

Mr Keir Winesmith, Chief Digital Officer

Ms Rebecca Coronel, Head of Collection Preservation

Mr Chris Mercer, Head of Programs and Place

Committee met at 09:01

CHAIR (Senator Grogan): I declare open this hearing of the Environment and Communications Legislation Committee into the 2023-24 supplementary budget estimates. I begin by acknowledging the traditional owners of the land on which we meet and pay my respects to their elders past, present and emerging. The committee has fixed Friday 15 December as the date for the return of answers to questions taken on notice. The committee's proceedings today will begin with corporate matters and general matters relating to the communications and arts portfolio.

Under standing order 26, the committee must take all evidence in public session. This includes answers to questions on notice. I remind all witnesses that in giving evidence to the committee they are protected by parliamentary privilege. It is unlawful for anyone to threaten or disadvantage a witness on account of giving evidence to a committee. Any such action may be treated by the Senate as a contempt. It is also a contempt to give false or misleading evidence.

The Senate has endorsed the following test of relevance for questions at estimates hearings: any question going to the operations or financial positions of the department and agencies which are seeking funds in estimates are relevant questions for the purpose of estimates hearings. I remind officers that the Senate has resolved that there are no areas in connection with the expenditure of public funds where any person has the discretion to withhold details or explanations from the parliament or its committees unless the parliament has expressly provided otherwise.

The Senate has resolved also that an officer of a department of the Commonwealth shall not be asked to give opinions on matters of policy and shall be given reasonable opportunity to refer questions asked of the officer to superior officers or to a minister. This resolution does not preclude questions asking for explanations of policies or factual questions about when and how policies were adopted. Witnesses are reminded of the Senate order specifying the process by which a claim of public interest immunity should be raised, and I incorporate the public interest immunity statement into the *Hansard*.

The extract read as follows—

Public interest immunity claims

That the Senate—

(a) notes that ministers and officers have continued to refuse to provide information to Senate committees without properly raising claims of public interest immunity as required by past resolutions of the Senate;

(b) reaffirms the principles of past resolutions of the Senate by this order, to provide ministers and officers with guidance as to the proper process for raising public interest immunity claims and to consolidate those past resolutions of the Senate;

(c) orders that the following operate as an order of continuing effect:

(1) If:

(a) a Senate committee, or a senator in the course of proceedings of a committee, requests information or a document from a Commonwealth department or agency; and

(b) an officer of the department or agency to whom the request is directed believes that it may not be in the public interest to disclose the information or document to the committee, the officer shall state to the committee the ground on which the officer believes that it may not be in the public interest to disclose the information or document to the committee, and specify the harm to the public interest that could result from the disclosure of the information or document.

(2) If, after receiving the officer's statement under paragraph (1), the committee or the senator requests the officer to refer the question of the disclosure of the information or document to a responsible minister, the officer shall refer that question to the minister.

(3) If a minister, on a reference by an officer under paragraph (2), concludes that it would not be in the public interest to disclose the information or document to the committee, the minister shall provide to the committee a statement of the ground

for that conclusion, specifying the harm to the public interest that could result from the disclosure of the information or document.

(4) A minister, in a statement under paragraph (3), shall indicate whether the harm to the public interest that could result from the disclosure of the information or document to the committee could result only from the publication of the information or document by the committee, or could result, equally or in part, from the disclosure of the information or document to the committee as in camera evidence.

(5) If, after considering a statement by a minister provided under paragraph (3), the committee concludes that the statement does not sufficiently justify the withholding of the information or document from the committee, the committee shall report the matter to the Senate.

(6) A decision by a committee not to report a matter to the Senate under paragraph (5) does not prevent a senator from raising the matter in the Senate in accordance with other procedures of the Senate.

(7) A statement that information or a document is not published, or is confidential, or consists of advice to, or internal deliberations of, government, in the absence of specification of the harm to the public interest that could result from the disclosure of the information or document, is not a statement that meets the requirements of paragraph (1) or (4).

(8) If a minister concludes that a statement under paragraph (3) should more appropriately be made by the head of an agency, by reason of the independence of that agency from ministerial direction or control, the minister shall inform the committee of that conclusion and the reason for that conclusion, and shall refer the matter to the head of the agency, who shall then be required to provide a statement in accordance with paragraph (3).

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

(13 May 2009 J.1941)

(Extract, Senate Standing Orders)

CHAIR: I remind all senators that, as we continue our work in implementing the *Set the standard* report, as chair, I will ensure that proceedings are conducted in an orderly, respectful and courteous manner.

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

[09:03]

CHAIR: I'd like to welcome Senator the Hon. Carol Brown, Assistant Minister for Infrastructure and Transport, representing the Minister for Communications and the Minister for the Arts. Welcome, Mr Jim Betts, Secretary of the Department of Infrastructure, Transport, Regional Development, Communications and the Arts.

I will remind everybody before we start this session that this is corporate matters, and I will remind senators that this part of the program relates to matters concerning central departmental administration, such as building services, ICT, staffing levels and media procurement. Questions relating to individual policies and programs should be addressed to officials when specific programs are considered in the subsequent sessions. We'll kick off with Senator Henderson.

Senator HENDERSON: I'd like to start by asking about some general costs for your department. In the last financial year how much departmental funding was allocated to welcome to country and smoking ceremonies?

Mr Betts: I provided similar information to the other committee yesterday, but I'm very happy to go through it today. This is in relation to the period of financial year 2022-23, plus this financial year up until 31 August. The total amount is \$26,551.95, but, within that, \$9,960.70 relates to events within the arts portfolio.

Senator HENDERSON: How many separate events does that relate to?

Mr Betts: We've got a list. I'll ask Ms Bridger to either give you that information now or come back to you a little bit later on in the session, when we've had a chance to get that at our fingertips.

Senator HENDERSON: If it's possible to get that during the morning and bring it back, that would be terrific.

Mr Betts: Absolutely.

Senator HENDERSON: What about departmental spending on travel this financial year? In fact, not just this year, for the last—

Mr Betts: For the last financial year—

Senator HENDERSON: Yes, for the last financial year and this financial year to date.

Mr Betts: Taking 2022-23 first—5,856 trips at a total costs of \$6.8 million. This is air travel.

Senator HENDERSON: These are separate departmental trips by the department's officials?

Mr Betts: Correct. Of those, 224 were international, at a cost of \$2.3 million.

Senator HENDERSON: Could you provide a breakdown of those trips. That just seems an extraordinary number of trips.

Mr Betts: We're a department of regional development. We have staff located all over the country. That requires staff to fly to perform their job.

Senator HENDERSON: But they're based around the country. Why so much travel?

Mr Betts: Because we are the department of, among other things, regional development and infrastructure. I think it's highly important that staff don't just remain located in Canberra but actively engage with communities—

Senator HENDERSON: No, I just asked the question that staff are actually, as you said, located in all parts of the country, so I'm just curious as to why this much travel.

Mr Betts: I'm happy to answer that, if you'll let me. For instance, we have the Office of Northern Australia. A number of staff are located in Darwin and a number of staff are located in Cairns, but they don't stay in those locations. They will travel, for instance, to a variety of locations around northern Australia. Similarly, our infrastructure investment group is responsible for tens of thousands of projects all around the country. I'm responsible for relationships with states and territories in infrastructure and in transport. Often we meet with our counterparts face to face. So I think it's (a) not exceptional in terms of historic trends, by any means, other than during COVID, when obviously travel was curtailed—

Senator HENDERSON: Sorry, just for 2023-24 to date?

Mr Betts: For 2023-24, 556 trips at \$0.9 million, of which 22 were international, at \$0.2 million. I suspect those figures go to 31 August.

Senator HENDERSON: On notice, can you please provide a list of the flights undertaken, including the dates of travel, the nights spent at each location, the reason for the travel, the cost of each trip and also the number of staff on each trip and their APS level?

Mr Betts: I'll try to provide that information to you.

Senator HENDERSON: Thank you very much. Can you just give me a bit more information about the international travel?

Mr Betts: Yes, sure. For the financial year 2022-23—224 trips, at \$2.3 million. Often that's for going to international functions—International Maritime Organization, Telecommunications Union et cetera—supporting Australia's diplomatic efforts on an international stage. So, as I said, for 2022-23 there were 224 trips at \$2.3 million, and so far this financial year, up to 31 August, 22 trips at \$0.2 million.

Senator HENDERSON: How much funding was spent by your department in supporting or in connection with the Voice referendum?

Mr Betts: We didn't expend anything in relation to the Voice referendum, in accordance with APSC guidelines and Department of Finance guidelines.

Senator HENDERSON: So you didn't hold any events or fund any events or attend any events in relation to the referendum?

Mr Betts: No. Correct. The only activity in relation to the referendum was first of all to remind staff of their obligation to remain impartial in the context of the referendum, again in accordance with whole-of-government guidelines, and also, in the run-up to the referendum and its immediate aftermath, to remind people to be respectful at all times, not least of our First Nations staff.

Senator HENDERSON: What about attendance at Garma? Did your department attend Garma?

Mr Betts: Yes. Three of our staff attended Garma—myself, as secretary, plus two members of our Indigenous network—alongside the Australian Public Service Commissioner, the CEO of the National Indigenous Australians Agency, the Secretary of the Department of Employment and Workplace Relations and a number of other senior officials from other government departments.

Senator HENDERSON: Did you have any role or engage in any activities in relation to support for the Voice at the Garma Festival?

Mr Betts: No.

Senator HENDERSON: Can I ask about any complaints of sexual harassment, stalking, or other improper or potentially criminal behaviour in your department?

Mr Betts: You can if you want, but as I explained to the other committee yesterday—and this has been well documented in the media—when senators raise these issues they are dealing with issues where we're talking about very, very vulnerable people, some of whom have entrusted information to people on a confidential basis—and that confidence appears to have been betrayed in at least one case—and you run the risk of exposing those vulnerable young women to harm and disclosing information to perpetrators who may be under an investigation.

My advice to you is to heed what the chair said in terms of respectful behaviour and think of the respect that you owe to the young women who may be at the heart of what has now become a media storm as a result of it being whipped up by senators.

Senator HENDERSON: With respect, I don't need advice—I'm including in relation to my respect for vulnerable women. But I understand that you canvassed a number of these issues today. Can you provide the total number of either allegations or complaints in your department?

Mr Betts: In relation to bullying and harassment?

Senator HENDERSON: Bullying, harassment, sexual violence—

Mr Betts: I gave that list—I provided that yesterday.

Senator HENDERSON: Pardon?

Mr Betts: I provided that to the committee yesterday.

Senator HENDERSON: Can you provide that again today—just the total?

Mr Betts: Yes. Okay. Let's go through it now—

Senator HENDERSON: Just the total numbers, just in summary. I understand that you gave evidence extensively yesterday.

Mr Betts: No, I'm not going to just give it to you; I'm going to explain it. For the period 23 October to 22 October, there were no formal investigations into bullying and harassment, but we received 21 complaints. Six of those complaints did not progress to preliminary assessment because management action was taken or the complaint was withdrawn. That left 15, which progressed to preliminary assessments. In six cases management action was taken. No action was deemed necessary in five other matters, one complaint was withdrawn, and three are subject to ongoing assessments.

Senator HENDERSON: Are you concerned about the number of complaints or potential—

Mr Betts: I'm always—

Senator HENDERSON: Sorry, Secretary, if I can just finish my question. Are you concerned about the number of complaints in this respect in your department?

Mr Betts: The number of complaints in my department is not dissimilar to that in other departments. However, that's not the point. I'm concerned about any complaints. However, I would say that if people who are in a vulnerable position and are thinking of making a complaint are fearful that it will be weaponised by senators and used for political purposes they will be much more reluctant to raise these matters in future. That's why I'm urging you to be cautious in politicising these matters.

Senator HENDERSON: You mentioned that there was a betrayal. Can you explain what you mean? Someone was given confidential information but appears to have betrayed that confidence. Is that right?

Mr Betts: Yes.

Senator HENDERSON: Is that a disciplinary matter that you're dealing with?

Mr Betts: Yes.

Senator HENDERSON: Thanks, Secretary. I'll raise this more in the context of the next outcome, but I do want to raise concerns about the minister's and the department's responses to FOI applications by the shadow minister. Are you aware of these applications and the delay that's been involved in responding to FOI applications?

Mr Betts: Are you talking about Minister Rowland?

Senator HENDERSON: That's right.

Mr Betts: We have some information on FOI performance. What was the question?

Senator HENDERSON: Are you aware of the delays involved in a number of FOI applications to Minister Rowland?

Mr Betts: I'm aware that we have a statutory compliance rate this year across the department of 94 per cent, as against 77 per cent in the year 2021-22, and just two FOI requests were handled outside of the statutory time frames out of 33?

Senator HENDERSON: What are those two FOI requests?

Mr Betts: I won't take it on notice. We'll try to provide that information to you today.

Senator HENDERSON: We might come back to that because I want to raise particular concerns. Could you obtain this information in relation to FOI applications concerning the Mobile Black Spot Program, because the minister has not complied with the statutory time frame and we want to seek an explanation as to what's going on there.

Mr Betts: Okay. Obviously, you have recourse through the normal channels to make complaints about any handling—

Senator HENDERSON: I'm raising this issue now.

Mr Betts: I can give you factual information about that, but if you've got a concern about the minister then you should raise that directly with them.

Senator HENDERSON: No, my concern is to ask these questions in Senate estimates.

Senator HUGHES: Perhaps Senator Brown might be able to help us out.

Senator Carol Brown: I don't have the details here, but the department is—

Senator HUGHES: Perhaps you can get it during the day?

Senator Carol Brown: Sure. Once the department gives you the information, that may be all that you require, but, if there's something else, I'm happy to try to provide it.

Senator HENDERSON: If you could find that information and come back, we'll come back to it. Thank you very much, Secretary.

CHAIR: Senator Hanson-Young.

Senator HANSON-YOUNG: I've got some questions that cut across both the comms and the arts portfolios. That's why I thought possibly here is the best, but could you help me as much as possible.

Mr Betts: Dr Arnott is here. Maybe I could ask him to come to the table.

Senator HANSON-YOUNG: I'm really interested in where a bunch of the promised legislation is up to. We were told that there would be legislation in relation to prominence, antisiphoning, content regulations for streaming services, gambling advertising and the mis- and disinformation bill. That's five pieces of legislation that I was told at the beginning of this year that we would be dealing with this year. We haven't seen any of those pieces of legislation as yet, and we're at the end of October. What's going on here? Is it that the government committed too much, bit off more than they could chew, or has there been a rethink of priorities?

Mr Betts: Can I be clear: we're still on the corporate item?

CHAIR: We are. I wonder—

Senator HANSON-YOUNG: The issue is that these have crossover ministers. Some is within Communications and some is within Arts. That's why I'm asking it here.

Mr Betts: We will answer your question. I just wanted to be clear from a procedural point of view because I've got a lot of staff who are tied up here.

CHAIR: Yes. I will ask senators to stick to the corporate as best we can so we can release those people to get on with other things. That would be very useful.

Senator HANSON-YOUNG: I have no intention of holding things up; I just want to get some answers.

CHAIR: I take Senator Hanson-Young's point.

Mr Betts: I completely respect where you're coming from, Senator Hanson-Young. The first thing I want to say before I hand over to my colleagues to answer your questions in detail is that, obviously, we cannot be asked to express opinions on how the government has arrived at various positions that it's arrived at. Matters around the development and timing of legislation are matters for cabinet. Nonetheless, officials can provide factual information around where we are at and where we expect to be in terms of legislative introduction et cetera. Mr Windeyer will be able to speak to antisiphoning, prominence and one or two other things. Dr Arnott and Mr Windeyer are jointly responsible for the streaming quotas. Between them, they'll take it from there.

Mr Windeyer: With respect to antisiphoning and prominence—and Mr Penprase may be able to add further detail—yes, legislation is not currently available, but considerable work is underway. I wouldn't want to speculate particularly on exactly when legislation will be introduced, but, from the department's perspective, we are still working on the basis that we have described previously—intending to be in a position for legislation to be able to be introduced this year. There is considerable work that is underway. Considerable consultation over a number of stages has taken place on both of those matters. There have been a couple of different consultation rounds and

consultation processes that we have taken feedback from industry on. If you want us to give you a little bit more sense of that process and where we're at, I'll hand over to Mr Penprase on that in a second.

Other things you mentioned were mis- and disinformation. Again, it is not for us to speculate on exactly what the government's decisions around legislative timetables would be. I would note that we have obviously put out a draft bill for exposure. We have had considerable comment and interest in that bill, which we are now working through in order to be able to provide advice to government on the next steps on that bill.

Senator HANSON-YOUNG: But in that regard there's not an explanation that that legislation will be introduced this year?

Mr Windeyer: I genuinely don't think I can clarify that one way or the other. We're working as quickly as possible to be in a position for it to be introduced as soon as possible.

Senator HANSON-YOUNG: Okay. Are there any legislative implications or regulation that we're expecting out of the News MAP process?

Mr Windeyer: I think there is nothing specifically on the current timetable. I suppose the way to think of News MAP is as a program of work which has involved a range of short-term or immediate funding issues development. In a sense, at its heart, News MAP is about developing an evidence based and policy framework for thinking about the world of news in all its dimensions going forward, so there isn't a specific legislative piece before us at the moment, but there is work underway around development of that evidence base, both with funding provided to organisations like PIJ—

Senator HANSON-YOUNG: Perhaps I can come back to News MAP in the next section. I'm happy to park that and go into more detail if that's helpful.

Mr Windeyer: It is similar with antisiphoning, prominence, and mis- and disinformation. Probably the one that has greatest crossover in an internal staffing sense is streaming.

Senator HANSON-YOUNG: Yes, so let's go to streaming. How are we going?

Dr Arnott: We continue to work on the obligation and the legislation. As you know, we have undertaken extensive consultation with industry and received valuable feedback from industry. We're continuing to, let's say, refine and work on the obligation. We are continuing to consult to get the data and the analysis that we need to make sure that we understand fully the impact of any obligation on streaming services. The intention is still to ensure that the obligation comes into effect from 1 July 2024, as was committed in Revive.

Senator HANSON-YOUNG: That's good to know. Last time we spoke, we talked about the five options. Has that been refined down to two?

Dr Arnott: We're still working on options and we do have refined options following the first consultation paper.

Senator HANSON-YOUNG: Are there two options or not?

Dr Arnott: We haven't yet formed a view. The government will consult further on refined options.

Senator HANSON-YOUNG: How much engagement do the international streaming services have with this process?

Dr Arnott: If you want to get into that detail, I might ask my colleague Rebecca Rush to come to the table, because she's been leading that consultation work, but I would say, in a word, the engagement is 'extensive'.

Ms Rush: Yes, that's correct. There's been extensive consultation with the streaming services in the refinement of the models.

Senator HANSON-YOUNG: I'm interested in how much of the department's time is being spent hearing from and dealing with the views, opinions and lobbying efforts of those big global streaming giants versus the Australian context. There are some big gorillas in the room and then some smaller players who we obviously need to make sure don't get squeezed out through the process here.

Ms Rush: I see what you're saying. I think it's incumbent upon the department to hear all views. The team and I are making sure that we're hearing and engaging equally with the production sector, free-to-air television, large streaming services, subscription television—essentially, the whole ecosystem. That's our job in order for us to make sure that we're providing accurate, balanced advice to the ministers who are responsible for implementation.

Senator HANSON-YOUNG: Perhaps this is more a question for Mr Betts: how much cross-portfolio engagement has there been on this issue? I'm thinking trade and foreign affairs. A lot of these big gorillas in the room are not Australian companies; most of them are based in the US. We've got the Prime Minister in the US

today. Is this something that's going to be raised? Not every country does this, and I'm trying to work out how much it has spilled out beyond this portfolio.

Ms Rush: That's a really important question. Our dialogue with DFAT is ongoing. Certainly, I have briefed the Washington post directly and I have briefed the equivalent of DFAT—the USTR—who are very engaged in this issue and who are trying to understand how we're developing this regulatory approach. In answer to your question, we have had extensive engagement and sought multiple pieces of legal advice in relation to the models that we're developing for consideration by government.

Senator HANSON-YOUNG: Mr Betts, are you aware as to whether this is one of the topics that the Prime Minister might talk to his US counterparts about on this trip?

Mr Betts: I'm not aware.

Senator HANSON-YOUNG: If anybody could get an answer to that question by the end of today, that would be helpful.

Mr Betts: I don't fancy my chances; I'm not that important! We'll see what we can do.

Senator HANSON-YOUNG: We're talking big dollars in Australia here. It's not every day that the Australian Prime Minister goes to the US, and not every day that a country wants to regulate big tech companies. If we can get this right, it will be world leading—correct?

Dr Arnott: Yes.

Senator HANSON-YOUNG: You'd want to think that our Prime Minister and Foreign Affairs would be engaged in this issue.

Ms Rush: They certainly are. That's why we've needed the extra time—to make sure that we get this right.

Senator HANSON-YOUNG: I'm happy to go into more details as we get into the sections.

CHAIR: Do you have any further corporate questions?

Senator HANSON-YOUNG: I have one other general corporate question. Mr Betts, bringing these departments back together has been a process of this government. Twelve months on, how much is the arts and culture element being supported—staff-wise or funding-wise? It's been the poor cousin for so long.

Mr Betts: The department was actually created its current form in 2020, so we've been going for a few years now. We regularly review the distribution of resources across the department to make sure that they're appropriate to the level of activity. I would say that the combination of landing the national cultural policy, Revive, at the end of January, plus the funding that's flowed through to the national collecting institutions and other investments the government has chosen to make, means that, when as secretary I look across the department, things are always tight—years of efficiency dividends and so on—but I could not, hand on heart, say that the arts is a poor relation in terms of other parts of the department. I think we have the resources that we need to deliver the program that the government has set for us. Obviously, discussions take place at budget every year. I'm very pleased that the arts is part of this portfolio, and I think the team is doing an amazing job. Everybody is working hard across every part of the department at the moment. We could always do with more resources, but the arts element is not conspicuously underfunded compared to any other part of the department.

Senator HANSON-YOUNG: Now that Revive has been adopted, has that revealed elements where there are gaps in resourcing?

Mr Betts: No, I don't think so. I think it's set up—

Senator HANSON-YOUNG: Not much money was committed to underpin Revive. It's a great document, but there's not much money there.

Mr Betts: There is an amount of money that is proportionate to the policy direction set in Revive, but much of that involves a work program, which will obviously then eventuate in further conversations with government down the track at key points as things are delivered. Dr Arnott can maybe speak to that in more detail. We're in danger of getting into the detail of the arts portfolio, which is the subject of another session.

CHAIR: Senator Hanson-Young, could you try to stay a bit tight on the corporate matters because we will have time later today to explore.

Senator HANSON-YOUNG: Okay. My final question is to the minister. You heard that long list of legislative reforms that the government has committed to. When will your government actually deliver legislation on prominence, antisiphoning, streaming services, gambling advertising reform, and mis- and disinformation? Those are five packages that we're still waiting to see.

Senator Carol Brown: All of those issues are a priority for government.

Senator HANSON-YOUNG: Everything is a priority.

Senator Carol Brown: Prominence and antisiphoning are still reforms for 2023. In terms of streaming services and the content quotas, as has already been indicated, we're doing further work in terms of our refined thinking on what will be put forward, but the target implementation date we originally set, which was 1 July 2024, has not changed. We're committed, obviously, to making sure that we get this right. It's an important piece of work.

Senator HANSON-YOUNG: So has cabinet seen the prominence and the antisiphoning proposals and legislation?

Senator Carol Brown: I don't have that information, I'm sorry.

Senator HANSON-YOUNG: Surely you could get it. We're getting into that in the next stage anyway. I would like to know. There are only four sitting weeks left of 2023. We're running out of time.

Mr Betts: We don't talk about cabinet business.

Senator HANSON-YOUNG: I think it's a fair enough question as to whether cabinet has—

Senator Carol Brown: I'm sorry, Senator—

Senator HANSON-YOUNG: I'm not asking what cabinet decided. I'm not asking for details.

Senator Carol Brown: No. I'm just saying that I don't have that information. I just go back to the streaming service and the content quotas. We may not see that legislation by the end of the year, but we are committed to the original target implementation date of 1 July.

Senator HANSON-YOUNG: I understand that. I'm now more alarmed by the fact that you think the Senate is going to pass prominence and antisiphoning legislation in the next four weeks. It's legislation we haven't seen. I can tell you it's not going to happen, especially if you're not going to come to this table and tell us what's going on.

Senator Carol Brown: That's the advice I have.

Senator HANSON-YOUNG: We can get into that later.

CHAIR: Senator Henderson.

Senator HENDERSON: Secretary, I want to return to my questions about the department's handling of FOI applications. What's the longest FOI request that's outstanding in the communications portfolio, please?

Mr Betts: I will get that information for you as quickly as I can. I don't have it in my notes.

Senator HENDERSON: Mr Windeyer, do you have any information about that?

Mr Windeyer: I don't. I'm happy to get it. I just want to check I heard the question correctly. What's the longest—

Senator HENDERSON: FOI request that is outstanding.

Mr Betts: Longest in terms of the time it has taken—

Senator HENDERSON: The time.

Mr Windeyer: Thank you, Senator. We will get that answer and come back to you.

Senator HENDERSON: If you could bring that back—

Mr Windeyer: We'll come back in the session on that.

Senator HENDERSON: I want to raise particular concerns about a freedom-of-information request made by the shadow minister on 30 March in relation to documents concerning the black spots program. He is seeking copies of any documents relating to consideration or decisions to allocate funding to 54 target locations. The request has not been responded to. The shadow minister has now taken this to the Australian Information Commissioner. There was a notice of decision received on 28 April, some two months later. Since March the shadow minister has been waiting for this information. Why have the department not provided this information under your statutory obligation to do so?

Mr Windeyer: I'll throw to Mr Grunhard to start off on that question.

Mr Grunhard: We did go back to Mr Coleman's office on that one and seek a revised scope. Subsequently a revised FOI request came in, and we released, I think, some 600-odd pages of documents under FOI 23-280, which is available on our FOI disclosure log. You're absolutely correct that the initial request was refused due to the volume of material that would have been within scope. We went back and worked with Mr Coleman's office

to ensure that we had a revised scope and were able to provide some of information that's been released. I should just add that—

Senator HENDERSON: Does that include all internal communications, including adviser notes, emails, texts, and WhatsApp and Signal messages?

CHAIR: Senator Henderson, I wonder, given that the revised scope was negotiated with your colleague—

Senator HENDERSON: Sorry, Chair. I've got the call. Point of order.

CHAIR: Senator Henderson, let's not start off this way.

Senator HENDERSON: Point of order.

CHAIR: Please don't cut across people when they're speaking.

Senator HENDERSON: Point of order, Chair.

CHAIR: It is very rude, and I will ask you not to do that.

Senator HENDERSON: I'm making a point of order.

CHAIR: Yes, but don't speak over people in doing it.

Senator HENDERSON: Chair, excuse me.

CHAIR: I will come to you. Yes, your point of order, Senator Henderson?

Senator HENDERSON: I have the call, and I'd ask you not to interrupt me. I'm not doing anything inappropriate. I'm entitled to question the officials, and I'm sorry, Chair; you can't just run interference.

CHAIR: I am entitled to maintain order and time, and, where I feel that things are going over, I am indeed—

Senator HENDERSON: I'm not being disorderly, and I have the call.

CHAIR: allowed to make a comment. Senator Henderson, I will have you not speak over people.

Senator HENDERSON: Excuse me, Chair.

CHAIR: Show some respect, and let people finish what they're saying.

Senator HENDERSON: Please don't reflect on me. I was not being disorderly.

CHAIR: Yes, you were.

Senator HENDERSON: I was being within the standing orders.

CHAIR: I am the chair, and I'm saying it's disorderly to speak over people.

Senator HENDERSON: But you've got limited powers under the standing orders.

CHAIR: Senator Henderson, please.

Senator HENDERSON: If a senator has the call, you can't interrupt. Can I go back to the FOI application. Could you just explain the basis for the delay and what you have provided, please.

Mr Grunhard: I'll just go to Ms Pidgeon on the details of what has been—

Senator HENDERSON: There was also a separate FOI application to the minister. That's what I'm also seeking—not the departmental FOI but what's happened to the application to the minister herself, please.

Mr Grunhard: I think there are two questions there. On the first question, I'll go to Ms Pidgeon on the details of what was released in that FOI. On the—

Senator HENDERSON: Could I just address the application to the minister, because that's the one that I'm referring to—the one that was lodged on 30 March and for which there was a notice of decision on 28 April.

Mr Grunhard: On the question of an FOI request to the minister or her office, I'm afraid I can't answer that. That would have to be a question directed to the minister or her office.

Senator HENDERSON: Could you obtain that information? I imagine that you manage the minister's FOI claims.

Mr Grunhard: I'm happy to take on notice what I can find out, but I just note that obviously it would have been for the minister's office to respond to any FOI request about documents that they hold.

Senator HENDERSON: You don't have anything to do with the minister's response to FOI claims?

Mr Grunhard: It was some time ago. I'll have to check for you on notice.

Senator HENDERSON: If you could take that on notice and come back to me—

Mr Grunhard: No problem.

Senator HENDERSON: What I'm seeking—this has now gone to the information commissioner. The minister was asked for a range of information in relation to her management of the black spot program. The minister has not complied with the request. We're seeking information as to why the FOI application has not been complied with.

Mr Grunhard: I understand. We'll see what we can find out.

Senator HENDERSON: Mr Windeyer, do you have any further information about this?

Mr Windeyer: I don't. As Mr Grunhard says, FOI requests to the minister are things on which we would need to go and seek what information we can from the minister's office.

Mr Betts: Or the Senate could ask the minister, which would be an easy way home.

Senator HENDERSON: Sorry, Secretary. I didn't hear that.

Mr Betts: You could ask that directly of the minister.

Senator HENDERSON: Assistant Minister, do you have any insights into Minister Rowland's management of her FOI applications?

Senator Carol Brown: I don't have any of that information with me, but I'm happy to take it on notice for you.

Senator HENDERSON: Thank you very much.

Senator Carol Brown: Do you want to detail exactly what information you're looking for?

Senator HENDERSON: Yes. As I've already mentioned, there was an application under the FOI Act on 30 March. There was a notice of decision on 28 April. The minister has not complied with the FOI application. That's of serious concern. There's a statutory obligation to do so. I'd seek information as to what's going on.

Senator Carol Brown: I'll take that on notice and get back to you, or to the committee.

Senator HENDERSON: Secretary, how do you track the FOI applications? Are you able to provide with us information about weekly reports or regular reports from the minister's office? What support do you provide the minister's office? And isn't it the case that the department does manage the minister's FOI applications?

Mr Betts: I might take some advice on how ministerial FOI requests directed at ministers' offices are handled. My expectation is they'd be handled by the minister's office. We gather and report regularly on our FOI performance. I gave you some data earlier on. As of 31 August we had 61 active requests. Our statutory compliance rate this year was 94 per cent, against 77 per cent in the last year of the previous government, and just two out of 33 were outside our statutory time frames.

Senator HENDERSON: When the department's decision-maker has finalised a request, do you send a copy of the proposed response to the minister's office?

Mr Betts: It's routine to alert the minister's office. The decision lies with the department, but it's routine to inform the minister before the information goes out, yes. And that has been so under many governments.

Mr Windeyer: In a sense, we provide the notice of what our response is. It's not a proposed response as such. We simply provide them notice of what the response will be.

Senator HENDERSON: On notice, can I ask you to table the 20 oldest FOI requests sitting with the department in order of the date of request, for those that are outstanding, including the name of person who's made the request, the nature of the request and the status of that request, please?

Mr Windeyer: We can take that on notice.

Senator HENDERSON: How many applications to the department or the minister have been appealed or referred to the information commissioner?

Mr Betts: There are currently 27 active items before the information commissioner for review. That's my understanding.

Senator HENDERSON: Can you detail how many of those relate to Minister Rowland's responsibilities?

Mr Betts: We'll find that out for you. I suspect there will be a significant overlap between that and the previous item.

Mr Wood: I have the breakdown by year. I don't have it split by ministers' responsibilities, but I can come back to you on that.

Senator HENDERSON: What about outstanding claims before the information commissioner?

Mr Wood: For those before the information commissioner, I have it by year, but not split by minister. I will get the team back to get that together.

Senator HENDERSON: If you can provide all that information on notice—including the basis on which those applications went to the information minister. How many adverse findings have been made by the information minister—

Mr Betts: Commissioner.

Senator HENDERSON: in the last 18 months or so, Mr Betts?

Mr Betts: I don't know the answer to that. I will find out. I think you mean the commissioner, right?

Senator HENDERSON: That's right. Thank you very much. I have no further questions.

CHAIR: On that basis, I think that we will dispense with corporate matters and general questions.

[09:42]

CHAIR: We will now move to outcome 5, program 5.1, Digital technologies and communications services. I will, at this point, explain for everyone's clarity that the role of the chair in an estimates process is, indeed, to ensure that the questions are put and answered in an orderly manner and to ensure that questions are relevant. In taking a point of order, I do not have to take it in the middle of a sentence. There will be order in this room, and I will not tolerate people speaking over each other. On that, we will go to questions. Senator Hanson-Young.

Senator HANSON-YOUNG: I want to come back to the issue of prominence and antisiphoning. Will dealing with the issue of prominence require both legislation and regulation? I imagine there must be some way. We've never done this before. We have to set it up, and then there are going to need to be some things that will be changeable over time. I'm trying to work out how the mechanics of this will work.

Mr Penprase: The final proposal for whatever prominence frameworks to be developed has not been settled and finalised yet. There was a proposals paper released earlier this year that put a number of possible constructions for that framework together. They ranged from a reporting scheme at the one end through to a full prominence framework. Most of those would require legislation in some form, but whether we're talking legislation plus delegated legislation remains to be seen. That's an implementation matter which hasn't been settled at this point.

Senator HANSON-YOUNG: So we're not at that point yet. Has the government settled on a model for how prominence would work, even if you haven't worked out exactly how it's going to be implemented?

Mr Penprase: Those four models that were sketched out in the proposals paper were subject to consultation. The government is considering the views, feedback and information provided in relation to those and considering which may be the preferred or optimal model going forward.

Senator HANSON-YOUNG: I've just been told that we're going to have this legislation before the end of the year, and there still isn't a settled model—an agreed model?

Mr Penprase: The settling of the model will go through normal government processes. That's in train, and the intent is for a bill to be introduced before the end of the year.

Senator HANSON-YOUNG: So no particular model has been put to cabinet?

Mr Penprase: The prominence framework is being considered through normal government processes. That's routine for matters of this nature. I can't provide any more details as to when, where and how.

Senator HANSON-YOUNG: So that I'm clear—perhaps the minister can answer this—will the model that is chosen need sign-off by cabinet before legislation is introduced, or is this an issue that cabinet has decided the minister can have free rein on?

Senator Carol Brown: I can't answer that. The government doesn't normally disclose cabinet deliberations—

Senator HANSON-YOUNG: I'm not asking for the deliberations—

Senator Carol Brown: or if or when something is going to go to cabinet.

Senator HANSON-YOUNG: Do you expect that this would need to go to cabinet before it's introduced into the parliament? Not everything does.

Senator Carol Brown: I'll take that on notice.

Senator HANSON-YOUNG: To be clear, the minister responsible for this is purely Minister Rowland?

Mr Windeyer: That's correct.

Senator HANSON-YOUNG: Has there been any modelling by the department as to the cost implications of introducing prominence and who carries that—the manufacturer? Those who are going to have their app displayed on the front page? There must be different models as to who has to carry the cost.

Mr Penprase: There's no specific modelling per se in a strict economic modelling sense, but some of the proposals that were advanced earlier in the year countenanced that issue of who should be the responsible party for the prominence framework. Should it sit with manufacturers of sets, noting that those sets do contain software and other technologies that are supplied by other parties as well, operating systems in particular? That question is part of the deliberation on the shape of the framework. To the extent that the consultation process yielded views on cost impacts or potential impacts, those have been and are being taken into account in the development of that framework.

Senator HANSON-YOUNG: Who has the department consulted with in relation to this issue? You've run a consultation process. I'm interested as to who has been in the room.

Mr Windeyer: On prominence?

Senator HANSON-YOUNG: Yes.

Mr Windeyer: We can get you that. It's extensive across a number of sectors.

Mr Penprase: Two processes of consultation were undertaken to support the development of the prominence framework. Late last year there was a background paper prepared, and that was distributed to a wide number of parties. We had 18 responses back. I can give you those, if you like.

Senator HANSON-YOUNG: Yes, please.

Mr Penprase: From the top, there's Free TV Australia; ABC; SBS; WIN Corporation; Nine Network; Google; Amazon; ACCAN, the Australian Communications Consumer Action Network; the Community Broadcasting Association of Australia; the Interactive Games and Entertainment Association; and the Consumer Electronics Suppliers Association. That was from a group of 31 broader stakeholders who were interested in providing written feedback. Late last year and then into the early part of this year, the proposals paper that I flagged before was circulated. I believe I might have given you the parties that were involved at the last estimates. We published on the department's website 23 of those submissions and comments in response to that proposals paper.

Senator HANSON-YOUNG: Foxtel is one of those that has been involved in consultation, yes?

Mr Penprase: That's right.

Senator HANSON-YOUNG: What is Foxtel's pitch to the government on prominence?

Mr Penprase: Like most providers of technology, particularly those that are operating in the box space, they are concerned about whether or not the prominence framework would apply to their services, how it might be shaped and what the prominence framework might or might not require them to do.

Senator HANSON-YOUNG: Has Foxtel asked the government specifically to drop this proposal?

Mr Penprase: I couldn't recall off the top of my head exactly what the ask was, but I think it was more reiterating the need to clarify the scope of the framework and its potential application.

Senator HANSON-YOUNG: 'Scope of the framework', as in they don't want to be caught by it?

Mr Penprase: Ultimately, yes. They would be concerned if the framework were to extend to their services or their devices.

Mr Betts: Can we be careful of putting Mr Penprase in a position where he has to speak for Foxtel, running the risk of verballing them, or putting him in a position where his comments might subsequently be represented as an opinion.

Senator HANSON-YOUNG: Sure. Wouldn't want to upset Uncle Murdoch! Foxtel is obviously the one big company that have been out publicly against this. Is there a model that you think would suit Foxtel?

Mr Penprase: I couldn't give an opinion about what may or may not suit Foxtel.

Senator HANSON-YOUNG: Is there a model that Foxtel has advocated directly to the government?

Mr Penprase: I couldn't comment on whether they do want a particular form.

Senator HANSON-YOUNG: I did rephrase my question. Is there a model that Foxtel has specifically advocated to the government?

Mr Penprase: I'd have to take that on notice.

Mr Betts: One thing you can say about Foxtel is that they're not short of channels through which they can communicate their own views to the world. Asking Mr Penprase to represent them probably puts him in an invidious position.

Senator HANSON-YOUNG: Fine, Mr Betts, but your department is here. Let's be fair. If I ask a question about that, I'm asking anyone in the department whether Foxtel has put forward a particular view as to which model they would prefer.

Mr Windeyer: We'll have to take that on notice and see if there's any particular model they have pushed forward in a particular submission.

Senator HANSON-YOUNG: Do we have any costing as to what prominence would mean for Foxtel in particular?

Mr Penprase: No. It would depend on the model ultimately adopted, and we don't have that decision settled yet, so, no, we don't have any specific cost information of the impact of a potential model on one party.

Senator HANSON-YOUNG: So you haven't been able to sit down with people as you consulted them and say for Channel 7 it will mean this; for ABC it will mean this; for Foxtel it will mean this. You haven't been able to provide any of that information?

Mr Penprase: The consultation process sought views on the impacts of the potential models—noting that there were a number of them—where the parties were able to provide that information. As a general comment, I would say no. Most of that information is commercially sensitive, particularly from partners who operate commercial businesses.

Senator HANSON-YOUNG: Of the 18 responses last year or the—I think you said—30-something responses to this year's round of consultation, have any of those entities or corporations given you information as to what they believe this will cost them?

Mr Penprase: Quantified information? No. It's not—

Senator HANSON-YOUNG: This legislation is going to come before the Senate, we're now told, before the end of the year. How are we going to be able to decide whether this is a positive or negative impact on Australian businesses or indeed international companies?

Mr Penprase: The explanatory memorandum will, as with all legislation, include a regulation impact statement or an impact analysis on the settled model. Once that's agreed, that will be a piece of information that will disclose—or discuss to the extent possible—the potential impacts of the framework.

CHAIR: We'll rotate the call.

Senator HANSON-YOUNG: We will come back and talk about some other issues.

CHAIR: Senator Pocock.

Senator DAVID POCOCK: I have some questions on the draft mis- and disinformation bill. My understanding of the draft is that platforms will continue to be responsible for, essentially, policing content. What is your understanding of how they currently do that?

Mr Windeyer: First, perhaps as a caveat, I note that the draft bill out for consultation is indeed just that. We are currently working through a process on the back of consultation, and so it's obviously within the possibility of government for that bill to be adjusted before it is settled. But you're right. Within the current approach, we are approaching this issue with the expectation that platforms are and should be responsible for the content on their platforms and taking steps to protect their consumers from harm. As you indicate, platforms are already taking steps in this space. Platforms have signed up to a voluntary code, under which they are making a number of decisions in relation to content, including mis- and disinformation type content. What we would see this bill looking to do—

Senator DAVID POCOCK: Sorry, my time is short here. What's your understanding of how they're currently doing that under the voluntary code? What is their process internally?

Mr Windeyer: It varies between the platforms. There is nothing that stipulates exactly what action they'll take with respect to a piece of content, and the nature of the services might mean that the sort of action that a platform like Facebook or Meta might take may make sense to be different to an approach that TikTok might take, for example. But we do know—and I'll pass to Mr Irwin to provide you with a little bit of detail—that they take action that varies. There are instances where they use and refer things through to a fact-checking service. There are instances where they get to the point of removing content from the platform, but it depends on the nature of

the content and the nature of the platform. But Mr Irwin might be able to give you a little bit more indication of that variety.

Mr Irwin: As Mr Windeyer said, the practice does vary between the platforms. We're able to tell from transparency reports that they provide under their current voluntary code that their approaches range. For example, Meta will typically use a fact-check service, and this will in many cases actually leave the content up, but you need to go through two click-throughs to actually get to the content. There's a bit of a warning and a link to the fact-check article. If you still want to go through to it, you can click twice and get through to it. TikTok, in its transparency reports, talks about a range of approaches. It might tag information or make it harder to find in its algorithms so that, if you really want to search for that particular piece of information, you will find it, but, if you're just a casual user browsing, it will be less likely to be found. They will also remove content and in some cases remove accounts as well. I should also say that the platforms are driven by various metrics to do so. Some of them take proactive steps where they use, for example, artificial intelligence to detect known narratives or known actors. But they will also be driven by a complaints process from the users.

Senator DAVID POCOCK: Is this just publicly available information that they are reporting, or have they given you a look behind the scenes at how their algorithms and these AI tools are working?

Mr Irwin: In short, it is public. They have a voluntary code that some in the industry—eight in the industry—have signed up to. That's largely the major platforms, Google, Meta, Microsoft, TikTok and Twitter, but also some others such as Redbubble, Adobe and Apple. Under that they provide transparency reports. One of the issues, though, with the transparency reports is that they're not consistent. While they do provide some information, this is information of the company's choosing and it's difficult to compare across platforms, across time, and in some of them it's unclear whether the information is Australia-specific information, Asia-Pacific information or global information.

Senator DAVID POCOCK: And this bill will ensure that we have all that information?

Mr Irwin: Correct. This bill is about bringing the transparency and bringing consistency to that transparency as well.

Senator DAVID POCOCK: Great. When it comes to transparency and consistency, why does this bill exempt the government from misinformation?

Mr Windeyer: There are a number of important freedoms that we are seeking to deal with in particular ways under the bill. In a sense, in some instances it's because there are categories of communicators, for want of a better process, which may have other processes sitting around them. This is not a bill trying to solve every criticism around content that people publish. We think there are very sensible reasons why it makes sense to make sure that the platforms aren't in the business of being able to treat official government communications as mis- and disinformation—that is, communication that, from the government perspective, is important. We think it is therefore reasonable that that is not caught and captured by the mis- and disinformation piece.

Senator DAVID POCOCK: So, because information is coming from government, it cannot be mis- or disinformation?

Mr Windeyer: For the purposes of the bill. I'll get Mr Irwin to cover that in a little bit more detail, because there are parts of the bill, as currently drafted, which differentiate between what can be captured under a possible code and standard and what can be captured for the purposes of information gathering, record keeping and transparency, which is slightly different. But, yes, with official government communication, the view is that it would make sense not to have the platforms be able to treat—because it's misinformation and disinformation or—

Senator DAVID POCOCK: Minister, do you think that government information should be held to the same standard, or should there be an exemption—it's somehow special?

Senator Carol Brown: The exemption was developed, as has been outlined already to ensure that when a government body is providing emergency advice on social media—for example, to evacuate during a bushfire period—that is not removed by digital platforms. This is actually one of the matters being looked at through the consultations, and views are being considered by the department.

Senator DAVID POCOCK: Mr Windeyer, is it constrained to emergency advice, or is there, say, wide exemption for any government? We just heard the minister say this is for critical emergency situations.

Mr Windeyer: It's not constrained to emergencies. It is constrained to government communications. I'll let Mr Irwin tell you—

Senator DAVID POCOCK: Sorry, Minister. This just doesn't pass the pub test. Why are we exempting the government from misinformation?

Senator Carol Brown: As I said, the exemption has been developed to ensure important government messages are not removed, but this is a matter that is being looked at through consultation, and views will be considered by the department.

CHAIR: But isn't that the responsibility of SMOS?

Senator Carol Brown: No.

CHAIR: Doesn't SMOS have an input into the political part?

Mr Windeyer: There are two categories here worth considering. One is, in a sense, political communication, which brings in what is captured and needs to be authorised et cetera under the Australian Electoral Act. Then there's a slightly different concept, which is government communication, which is official information, not political information, from government. The bill works on the premise that information coming from government—

Senator Carol Brown: So electoral information—

Mr Windeyer: Emergencies are a great example. It is designed to inform and assist the Australian community, and therefore it would be unhelpful if that were inadvertently captured by platforms and considered to be information that could be harmful.

Senator DAVID POCOCK: Minister, the Human Rights Commission has essentially said that the bill risks the freedoms it is designed to protect. The commission goes so far as to say the bill would undermine the ability of people to hold the government accountable. Do you feel their view is a fair critique of the draft bill?

Senator Carol Brown: The misinformation and disinformation that is seriously harmful threatens the safety and wellbeing of Australians, as well as our democracy, and the government takes that threat seriously. In the view of the government, doing nothing is not an option. The draft bill does provide a number of safeguards for freedom of expression and robust public debate—which is obviously very important for our democracy—and it sets a high bar for serious harm from what it defines to be misinformation and disinformation which may be spread at scale, and this includes malicious disinformation.

Senator DAVID POCOCK: So the Human Rights Commission's critique of this bill is not valid?

Mr Windeyer: Senator, I think—

Senator DAVID POCOCK: Sorry, I'm asking the minister.

Senator Carol Brown: What we've put out there is an exposure draft for consultation, and we believe that the draft bill provides a number of safeguards regarding freedom of expression.

Senator DAVID POCOCK: How many submissions has the department received in response to this?

Mr Windeyer: We have those numbers for you.

Mr Irwin: We received 3,025 submissions, strictly, but our website was open to the public for comments. Those making comments were made aware that these would not be published and would be considered by the government instead. We received 20,336 comments. Of the submissions, 563 have requested that their submissions remain private.

Senator DAVID POCOCK: Will the others be made public? Will there be some sort of report?

Mr Irwin: They are in the process of being made public right now. As of yesterday, we had 1,265 submissions up on our website. We've been going on a tranche basis, with approximately 300 submissions in each tranche. That's just a matter of processing time for the submissions, as we have to carefully consider matters of, say, privacy or, for example, defamation, hate speech and racial discrimination—things that may expose the department to legal action if we were to put them up straightaway on the website. These are being carefully considered within my branch and we have a two-chair review process for that.

Senator DAVID POCOCK: Is there a time line for an updated draft or for the introduction of this bill to the parliament?

Mr Windeyer: There isn't a stated time line. As I suggested a little bit earlier, we are working on providing advice to the government on the bill in light of the consultation, and we're working for the government to have a bill that is able to be introduced as quickly as possible. But there isn't a stated time line at this point.

CHAIR: We need to rotate the call. Senator Hughes.

Senator HUGHES: I'm on the same topic, so it's a great place to finish. With regard to those 20,000 comments that were made, are a sample of them going to be published?

Mr Irwin: That's not our intent. At the time of making comments, people were told that they would remain private, so to publish them would breach that.

Senator HUGHES: Is a comment a one-page submission, or is it a couple of words or sentences? What are the overwhelming number of them reflecting?

Mr Irwin: Sorry, are you asking—

Senator HUGHES: Are they a one-page comment? Are they two sentences? What defines a comment?

Mr Irwin: A paragraph to a page, but it's the method through which they chose to make it. There's a form on our 'Have your say' website that makes it clear that, when making the comment this way, it will not be published.

Senator HUGHES: Right. I sit on a number of committees and normally we publish a sample of them. Are they read?

Mr Irwin: Yes, they are.

Senator HUGHES: And the content relayed through?

Mr Irwin: Yes.

Senator HUGHES: There may be 20,000 comments and 19½ thousand say, 'This is a shocking bill,' and 500 say, 'Bring it on—suppress free speech.' Are we getting that sort of a—

Senator CADELL: Kim Jong-il likes it.

Senator HUGHES: Yes, that's right. North Korea—thumbs up. Are we getting that sort of sentiment being reflected to show what percentage are in favour of the bill and what percentage are against the bill? Is that sort of information relayed through? Because that's a substantial number of comments.

Mr Windeyer: It is a very substantial number of comments. Yes, whilst we have indicated that they are not going to be published, we have certainly read them or are in the process of reading them. Therefore, the views expressed will be taken into account in the way we provide advice through to the government.

Senator HUGHES: Are these just kept by the department? I know Senator Hanson-Young, Senator Pocock and others have a lot of interest in this. Is there any scope for people, particularly those of us who need to legislate it, to actually view some of these comments to see what Australians are saying?

Mr Windeyer: At this point the answer is that they're being kept by the department on the basis upon which we opened up for comment. The submissions, however, were in a different category. That was an offer made with almost the alternative approach, which was we would propose to make submissions public unless people specifically ask for them to be kept confidential. As Mr Irwin said, we've had a bit over 3,000 submissions and we've got 500 submitters that have indicated they would like their submission not to be published. Otherwise, in the submission process, as is the normal course for us, they will be made public.

Senator HUGHES: When is it estimated that you'll be up to date? You've published 1,200 now. Is that right?

Mr Irwin: 1,265.

Senator HUGHES: And you have another 1,300 to put up?

Mr Irwin: Thereabouts, yes.

Senator HUGHES: What's the time line on those going up?

Mr Windeyer: As quickly as possible. I'm sorry; that's not very helpful.

Senator HUGHES: That's a piece of string.

Mr Windeyer: I appreciate that. We are trying very hard to get them public. It really is a question of the speed with which we can work through the processing of them. We are being deliberate and considered in that process because we have had instances where some of those submissions have contained information that would be inappropriate or that we ought not to be publishing. We're going through a deliberate process. We are doing what we can to increase or find resources to enable us to do it faster. I can't give you a date by which we are expecting—that I can guarantee they'll be published, but we appreciate the—

Senator HUGHES: Before we get the bill, I would hope.

Mr Windeyer: That absolutely is in our mind as well; we need to make sure that they're published before people need to consider them.

Senator HUGHES: Are they being published in any order? Is it order as received? What's the order?

Mr Irwin: It's based on two considerations: order of receipt and time taken to process. There may be some that were received that take more detailed consideration and require that second-chair process that I mentioned

before. We're being very careful. We're conscious that, while we don't want to put harmful content up, we also don't want to limit people's speech on such a topic as well. So it may be the case that it's not a simple page number calculation; it's the nature of the content in there.

Mr Windeyer: We're trying to make sure that we're not just going specifically in the order they came in, if that's going to be a slower way to get them published. We're trying to move them as quickly as we can, which means it's not strictly in order.

Senator HUGHES: I'll come to the substantive part, onto the submissions. Will a number be published—say, 20,000 comments, 'X' number in favour, 'X' against—so that you can get some sense of the public sentiment coming through?

Mr Windeyer: At this point, that's not part of our intention. It's possibly not as simple as a binary where they fall into this category and they fall into that category. I don't think we could—based on what we've seen, it's hard to do it as just a 'for or against'. So, at this point, that isn't the intention.

Mr Irwin: I'd also add that, of those 2½ thousand submissions, there are many that are of similar form to the comment—that paragraph-to-a-page length that will express very similar sentiments to those that are in the comments as well.

Senator HUGHES: Does the minister's office have any say in the order that they're published and how this is working, or is it all within the department?

Mr Windeyer: No, it's in the department.

Senator HUGHES: I want to come to the bill itself. There have been some pretty hostile responses to it from across the spectrum. I just heard Senator Pocock. The Human Rights Commission, the civil liberties groups, the Law Council and the media union have all had a lot to say about this. But I want to talk specifically with regard to some points. Minister, you might be best placed here. Professor Anne Twomey has labelled the bill 'a bit of a fiasco' and in her submission—it was only published yesterday—she described it as 'at best, half baked'. She went on to say:

... it is hard to believe that anyone has seriously thought through how it would operate in practice and the likely consequences. It also raises a significant risk that the 'cure' is worse than the disease—i.e. that the damage to the democratic system of government and Australians generally arising from the restrictions on free speech on digital platforms may be greater than the damage caused by misinformation and disinformation.

Minister, isn't it just a little bit embarrassing to have such an esteemed and qualified person slamming this bill?

Senator Carol Brown: I will just repeat what I said earlier. Misinformation and disinformation are seriously harmful and threaten the safety and wellbeing of Australia, and the government takes the threat seriously. Your own government supported—

Senator HENDERSON: We don't support this.

Senator Carol Brown: At the last election Mr Fletcher, who was the minister at the time, said: ACMA's report highlights that disinformation and misinformation are significant and ongoing issues—and that digital platforms must be taken seriously. He also said:

The Morrison Government will introduce legislation this year to combat harmful disinformation and misinformation online. The legislation will provide the Australian Communications and Media Authority (ACMA) with new regulatory powers—

Senator HUGHES: Reading a statement from Minister Fletcher—keeping in mind we have a short amount of time—is not a draft bill. We're not talking about the same thing. We might have the same idea and the same thought that something may be followed, but bringing in bad policy, bringing in a draft bill that is absolutely appalling, is not the same as having the same idea that something should be done about a problem.

Senator Carol Brown: Can I just say—

Senator HUGHES: I'm asking the questions, Minister Brown. We also heard that Professor Twomey contradicted the communications minister on her claims that traditional media would not be affected by the bill. The professor said, 'The reality of the so-called exemption for media wouldn't work in practical terms.' In fact, when asked about the minister's comments on Sky News, she said, 'Well, I don't think it's particularly accurate.' In the government's rethinking of their draft bill—and I would have thought after 23 submissions and comments there would have to be serious rethinking—who's right: the leading constitutional lawyer and professor or the minister?

Senator Carol Brown: As I've already indicated, this is a draft bill. There has been substantial input into the draft bill, and we are working through those submissions, as has already been outlined. It is our intention that professional news content is exempt.

Senator HUGHES: What's the definition of that? How do you define them?

Senator Carol Brown: It would be exempt from the proposed powers, noting that they already have an existing—

Senator HUGHES: That's not a definition of the media. On 25 June, the minister promised in a media release that this bill would be brought into the parliament before the end of the year. I noticed Senator Hanson-Young has also referred to the very limited time frame until the end of the year. We have a draft bill that's been slammed. We're not getting a definition of what mainstream media is. We've now got constitutional lawyers as well as the whole spectrum of civil libertarian and human rights groups condemning it. Are we going to see a bill by the end of the year, as guaranteed by the minister?

Senator Carol Brown: As I've indicated, the government is now reviewing the submissions and undertaking further targeted—

Senator HUGHES: Not the question.

Senator Carol Brown: consultation with key stakeholders, and a range of matters are being considered, including definitions and the various exclusions and platforms in scope and enforcement mechanisms. We're working through the feedback that has been provided, and we'll take the time needed to get it right before we bring legislation before the parliament.

Senator HUGHES: Before the end of the year, as the minister said it would be—is that a yes or a no?

Senator Carol Brown: We will take the time to get it right before we bring—

Senator HUGHES: I'll take that as a no.

Senator Carol Brown: legislation before the parliament.

CHAIR: Senator Payman.

Senator PAYMAN: On the same topic, it would be good to understand how the work around the proposed misinformation and disinformation bill compares to other jurisdictions. I note that the EU is cracking down on misinformation and disinformation under their new Digital Services Act. Could the department please advise on the approach being taken in the EU? I understand it is similar to what is being proposed in Australia, in that it is focused on the systems and processes that the digital platforms have in place.

Mr Windeyer: What you say is correct. There are considerable similarities between the approach we're proposing to adopt in Australia and what's been adopted in Europe. The Digital Services Act is an act which has only recently come into effect—and parts of it are still yet to formally take effect. It's broader than our misinformation and disinformation legislation in Australia but it sets up a very similar regime.

The EU act places expectations on very large digital platforms to prevent harm from their services, and to have steps and processes in place to do that. Much like ours, it is premised on harm. The detail of what platforms do is set out in a code format which builds on an existing voluntary code that already operates in Europe. I'll get Mr Irwin to give you some detail that explains the similarities in what we see in a code in Europe and the presumed code approach in Australia.

Mr Irwin: The code is broadly a way for very large online platforms to meet their requirements under the act, but it's not the only way they can do it. For clarification, 'very large online platforms' is defined as those with greater than 10 per cent—which is 45 million users—of the consumer base in Europe.

The scope is probably broader than ours. They currently have, I believe, 33 signatories to their voluntary code, including the likes of Google, Meta, TikTok, Microsoft, Twitch and Vimeo. They also have other categories such as industry groups, fact checkers and adtech providers. It was reported in May this year that Twitter had backed out of the voluntary code in Europe. Notably, they will still be required to meet obligations under the act. They will just have to meet them in a different way than strictly the code.

The similarities between the EU and Australian approaches include similar definitions around misinformation and disinformation. The definition of misinformation is 'false or misleading content shared without harmful intent though the effects can still be harmful'. The example they give is when people share false information with friends and family in good faith. Disinformation is 'false or misleading content that is spread with an intention to deceive or to secure economic or political gain, and which may cause public harm'.

A notable difference with the exposure draft bill here is that in Australia we also add a high threshold of 'serious harm' for something to be caught in its scope. That's not within the EU's code. The EU act also has similar categories of excluded content as we do, including satire, parody and misleading advertising. They take a slightly different approach to news by excluding clearly identified partisan news and commentary, and reporting errors. News itself isn't excluded, but those elements are. Their penalties include six per cent of an organisation's global revenue as a maximum penalty. Ours are under that. The absolute maximum penalty is five per cent.

CHAIR: Thank you. Senator Henderson?

Senator HENDERSON: I want to refer to the minister's announcement last Thursday of the 42 sites she hand-picked to receive funding under the Mobile Black Spot Program. Is it true that nearly a quarter of the original 54 projects failed to get funding?

Mr Windeyer: It's true that twelve of the 54 locations do not have a solution coming from the competitive process that the department has just run. As we indicated at the last estimates, we did not receive an application from five locations. Subsequently, there were locations for which there were applications but which, in the department's assessment, were either ineligible or not value for money.

Senator HENDERSON: Mr Windeyer, as I understand it, it wasn't just because there was no solution received; there were also projects rejected because they didn't represent value for money. Can you walk us through those 12 projects, please, and explain why they weren't funded?

Mr Windeyer: Senator, as I've just said—and you're correct: in a sense there are, broadly, three categories for not being funded. We have those for which we didn't receive an application. Then there were some which were, for one reason or another, considered to be ineligible against the guidelines. And there were some which were not considered to be value for money. I'm happy to pass to colleagues to take you through more detail about those 12.

Senator HENDERSON: Isn't it the case that a number of these projects, which were handpicked by the minister, were never subjected to any sort of merits based assessment?

Mr Windeyer: The projects, as applied and as assessed as eligible to receive funding under the program, were not handpicked by the minister. The applications which lead to the projects that will receive funding are those that are put forward by the applicants, which are the industry itself. The nature of the projects that we have to work with is the nature of the ones that the applicants come forward with. The locations are identified but then the actual applications that get passed through for funding come down to those that we assess against the guidelines and the value-for-money criteria.

Senator HENDERSON: It wasn't just locations identified; there was also money allocated to each of those election commitment announcements. For instance, Mangrove—

Mr Windeyer: Senator—

Senator HENDERSON: I'll just address this question. Mangrove Mountain had an ineligible solution; the proposed solution did not address materially the target location, and the same thing happened for Majors Creek and the Princes Highway at Ulladulla. Bowen Mountain was not value for money and Queenstown was not value for money. And a number of other projects weren't value for money. Then, for Brand Highway in WA, Brigadoon in WA, Fernhill in WA, the Monaro Highway in New South Wales and Mount Tomah in New South Wales, no solution was received. It looks like the minister made an announcement promising money to those communities, when in fact there was no solution. So no merits based assessment had occurred in the first place.

Mr Windeyer: Senator, there absolutely has been a merits based process undertaken. As with any set of election commitments, which is what these were, in the first instance they went through a budget process to consider funding available for them and then we ran a merits based process to see what industry wanted to come forward with—

Senator HENDERSON: No, I'm talking about merits based as in the merit of the project when it was announced, not the department's subsequent process—

Mr Windeyer: Senator, projects weren't announced. Locations were announced for which we have now gone to market—

Senator HENDERSON: Target locations were announced with funding attached to each target location.

CHAIR: Senator, I will remind you again not to speak over the witnesses when they're trying to answer your questions. Mr Windeyer, please go ahead.

Senator HENDERSON: Chair, I'm not doing anything in breach of the standing orders. I'm entitled to question the witnesses robustly. It's no different to what Senator Hughes just did, thank you.

Senator BILYK: You're not letting him answer.

Senator HENDERSON: Mr Windeyer, isn't it the case, as we have discovered now, that a whole lot of these projects did not have an appropriate merit based assessment when they were announced—prior to them being announced?

Mr Windeyer: Senator, that is not the case as far as we would be concerned. The locations were identified; projects were not identified. As far as we are concerned, the funding associated with the delivery against these was what went through the budget process. That was a process undertaken through the normal government budget deliberations. When we run a program, we run it with a set of very public guidelines and we assess applications against those guidelines. As I think we have indicated, there are absolutely a number of locations for which the industry did not see or did not come forward with a solution, but that—

Senator HENDERSON: So the minister didn't do her homework—isn't that the case?

Mr Windeyer: I don't think that's a reasonable characterisation at all. The minister is not the telecommunications industry. The minister, I imagine—

Senator HENDERSON: But she was the shadow minister at the time. She made these announcements. She made this promise to the community. The communities were hoping and trusting in the Labor Party that a solution would be found, and she has not delivered.

Mr Windeyer: Throughout the history of the Mobile Black Spot Program there are communities identified either in the hope for someone to come forward and apply to deliver a solution or even that are announced as being likely to deliver a solution and then it turns out it is difficult or impossible to deliver. So it is not unusual for communities to be identified as possibly in need of a solution and then the industry to fail to be able to deliver that. There may be other processes that could look to deliver connectivity improvements in those locations, but through this particular process that we have run, which was a competitive, merit based assessment against the guidelines, we've got 42 successful applicants.

Senator HENDERSON: With nearly a quarter of projects missing out, I want to refer to the seat of Eden-Monaro, which lost five projects alone. Was this information conveyed to the local member, Ms McBain, who featured in a video with the then shadow minister promising that these projects would be delivered? Was that information conveyed to Ms McBain and the minister, and was there any attempt to lobby for these projects to be funded?

Mr Windeyer: Coming at that in reverse, let me put it this way. The minister agreed without any questions the recommendations that the department put forward following the assessment process. In that sense, there was no attempt to deviate or depart from the assessment we put forward. As to what was conveyed to the member, we have not had any communication and haven't conveyed anything, and we don't provide the information to the minister against electorates.

Senator HENDERSON: But I recall, when you were briefing me on this project when I was the shadow minister, that you had no understanding or information as to the integrity of any of these announcements—isn't that the case?

Mr Windeyer: Senator, I think the—

Senator HENDERSON: You made it clear to me, in a briefing that I had with you, that you would be reassessing all of these projects, so you could not give me any guarantees or assurances that there was any merit to any of these projects.

Mr Windeyer: I think our position, and I think what I would have said, is that we did not have a hand in identification of the locations.

Senator HENDERSON: You did say that. That's correct.

Mr Windeyer: And that those locations—in effect, we are treating them as election commitments. Our job was not to second-guess the locations that were identified as part of election commitments. But what we would be doing is running a rigorous process to get applications to deliver in those locations. That's what we have done, and it turns out that, through the process we have run thus far, not all of those locations have had an application come forward.

Senator HENDERSON: The problem is that local members and ministers like Ms McBain wrote letters and said things like—I will refer to a letter she has written to a constituent: 'That's why I'm pleased to announce that a Labor government will invest \$500,000 to improve mobile coverage in Wee Jasper.' The problem is that the then shadow minister, now minister, joined with local members and made firm commitments to deliver money, misleading these communities, I would put to you.

Mr Windeyer: From the perspective of the department being able to run a process and manage the delivery of election commitments on behalf of the government, we have run a process. We have applications, which we are in the hands of the industry to come forward with. It is true that some of those communities have not got an outcome from this particular process, but that is not to say there won't be or there aren't other ways that we could find a solution for them. We are considering whether or not there might be the prospect of success in some of those communities if we run a different type of program. It may be that some of them could get identified and dealt with through other programs. We will continue, as is our job, to look for and work with the government for the purposes of delivery of the election commitments.

Mr Betts: It seems ironic that officials are being asked to answer for providing value for money assessments in accordance with the relevant legislation and that the minister is accepting the guidance of officials based on considerations. The irony is that—

Senator HENDERSON: Thank you. I will direct my next question to the assistant minister, because this is highly embarrassing for the government.

CHAIR: And we will need to rotate the call, if you would like to finish up.

Senator HENDERSON: Could I ask this question?

CHAIR: I just said we're going to rotate the call, if you could just finish up.

Senator HENDERSON: Assistant Minister, this is highly embarrassing for the government, isn't it? Nearly a quarter of these projects that were promised to communities around this country have not been delivered. Clearly there was not a proper assessment of these locations. What do you say to the way these communities have been misled?

Senator Carol Brown: I think it's important to get some information and facts on the table. I don't agree with your assessment. The IMCR is funding solutions to 42 locations, and a further four locations are expected to receive coverage improvements through existing projects—

Senator HENDERSON: Assistant Minister, nearly a quarter of these projects are not delivered. What do you say to that?

Senator Carol Brown: This means that 46 locations have a coverage improvement pathway that is nearly seven in every eight locations, or 85 per cent. Options, as we heard just moments ago, are being considered to further test industry solutions for two locations where an application ineligible against the guidelines was received but where the department's advice indicates a reasonable prospect of a value-for-money solution.

There are six locations without recommended or other solutions in this program. And, as outlined in correspondence to those MPs, the government will continue to consider the design of programs and examine alternative technologies to support approaches that are suited to areas where the commercial economics are challenging. This is all transparently set out on the website, with detail on each individual location. It's there for anyone to read. Let's not forget that the—

Senator HENDERSON: This is not embarrassing for you, Assistant Minister?

Senator Carol Brown: coalition failed to deliver 43 of its 125 of election commitments on the priority round—

Senator HENDERSON: I'd ask you to address the question.

Senator Carol Brown: This is nearly one in every three.

CHAIR: I am taking the call.

Senator HENDERSON: Please don't yell.

CHAIR: I have said numerous times this morning that I will not tolerate you shouting over each other, talking over each other—

Senator HENDERSON: I wasn't shouting. You were the only one shouting, Chair.

CHAIR: You have been talking over people consistently all morning, Senator Henderson. I will say that—

Senator HENDERSON: Please don't mischaracterise me, Chair.

CHAIR: my ruling is that that is disorderly. So I am going—

Senator HENDERSON: No, please don't mischaracterise me.

CHAIR: to ask you to stop—

Senator HENDERSON: Please stop yelling at me, Chair. I would appreciate that.

CHAIR: I would appreciate if you would pay any attention whatsoever to the standing orders—

Senator HENDERSON: I'm doing my job within the standing orders.

CHAIR: and my job here to keep order.

Senator HENDERSON: I'm doing my job within the standing orders.

CHAIR: I have asked you numerous times—

Senator HENDERSON: Chair, I know you don't like these questions.

CHAIR: Could we please cut broadcasting. We will go to a private meeting now.

Proceedings suspended from 10:38 to 10:49

CHAIR: At the conclusion of that private meeting, we will suspend for morning tea and return at 11.05 with the same outcome continuing.

Proceedings suspended from 10:50 to 11:05

CHAIR: We shall resume with program 5.1.

Senator HANSON-YOUNG: I'd like to ask some questions about the antisiphoning reforms. We were told earlier this morning that, along with prominence, the antisiphoning will be dealt with this year as well. Where is that up to?

Mr Windeyer: Mr Penprase can give you a sense of where we are up to and what we have been doing.

Mr Penprase: A proposals paper in relation to potential reforms to the antisiphoning scheme and list was released in August this year. That paper sketched out three potential models for reform of the scheme and three potential configurations of a new antisiphoning list or a list that could be made once a reform model was put in place. That consultation process has concluded. We had 17 submissions provided in response to that paper. Nine of those, non-confidential submissions, were published on Thursday last week.

Senator HANSON-YOUNG: So nine were published. Where is the remainder? Why haven't they all been published?

Mr Penprase: With all consultation processes, we enable submitters to provide confidential submissions—submissions they want to provide but don't necessarily want the department to publish. We uphold those requests for confidentiality.

Senator HANSON-YOUNG: Are any of those confidential submissions from major sporting organisations?

Mr Penprase: I'm not really inclined to disclose who the confidential submitters are.

Senator HANSON-YOUNG: So not only can we not see the submissions; we're not even allowed to know who they're from?

Mr Penprase: The submitters have asked to remain confidential. I'd prefer, unless someone has a different view, to maintain that.

Mr Windeyer: Can we take that on notice and see what we can come back to you with? I completely understand your point that there's a difference between the confidentiality of the contents and the confidentiality of the submitters themselves. In the interests of being fair to the people that made the submissions, can we check what we can do.

Senator HANSON-YOUNG: I would like to know who submitted.

Mr Windeyer: Understood.

Senator HANSON-YOUNG: So the consultation has concluded, you've published nine submissions—so what next?

Mr Penprase: The government will consider the views and information provided in response to those submissions, and consider the next steps for reform of the scheme and the making of the new list.

Senator HANSON-YOUNG: Do we have a target date for the new list?

Mr Penprase: The new list would only be made once the scheme is in place; that's a starting point. As indicated earlier, the intent is to have a bill ready for introduction before the end of the year in relation to antisiphoning.

Senator HANSON-YOUNG: What role will the public broadcasters have in relation to ensuring that members of the public can get access to Australian sport free of charge?

Mr Penprase: Ultimately that would depend on the nature of the model adopted. I note the current scheme provides a role for free-to-air broadcasters, which includes the ABC and SBS, to acquire rights to events that are

on the list ahead of subscription television broadcasting licensees. Ultimately the role of particular entities would depend on the shape of the new model for reform of the scheme.

Senator HANSON-YOUNG: The minister might have to answer this: does the government have a view on whether media organisations that get to broadcast some of the most popular sports in the country should be able to advertise gambling?

Senator Carol Brown: As you would be aware, we are putting together gambling reforms around gambling advertising. We will bring that bill forward. I'll just see what other information I have.

Senator HANSON-YOUNG: Maybe I need to step it out for you, Minister. Being on or off the antisiphoning list, being able to use it or not, is a crucial part of the business model of media organisations. Those who are able and allowed, based on the antisiphoning list, to broadcast some of the most popular sports in the country—surely that's enough? They shouldn't also be able to advertise gambling alongside it. Surely your government has a view on whether, if you're broadcasting the Matildas in the World Cup, that's good enough? Should you be able to advertise gambling to young kids at the same time?

Senator Carol Brown: We're already on record—the Australian government is absolutely committed to reducing harms from online gambling and to the full implementation of the national consumer protection framework. This has included the recent successful launch of BetStop, the national self-exclusion registry. We're also delivering on our harm minimisation objectives by banning the use of credit cards for online gambling; people should not be gambling with money they don't have. We're working to strengthen the classification of gambling like features in video games, including loot boxes and simulated casino games, and the government is considering the recommendations from the House of Representatives inquiry which we established. Responses to the inquiry are expected within six months.

Senator HANSON-YOUNG: We were told the government said they wouldn't act for another three years, actually. Anyway, I'm interested in how the push against or for changes to gambling advertising is playing into the antisiphoning pressure. It's quite obvious what the game of the big broadcasters is on this.

Mr Windeyer: From our perspective we'd say we're considering the two as separate issues. There's the question of the role and appropriate structure of the antisiphoning scheme for the purposes of giving people access, or giving the prospect of access, to iconic events for free. Separately, the question around gambling is a harm related question. It is self-evident that, if it comes down to advertising, advertising where there are large audiences is absolutely a thing we have in mind, as we think about that. The connection is that live sporting events and sports wagering is where there is considerable advertising, and, as a result, the existing restrictions focus around live sport. The intersection, which is not one that is affecting or leads to decisions or advice we might provide around the antisiphoning list, is that, from a sporting body's perspective, what they're willing and able to pay for the rights depends on the revenue they can derive from the rights, and that leads to their view of the advertising market. So, in the mind of a sporting body, or in the mind of a broadcaster, there may well be a connection between revenue and the amount paid for rights. But, from our perspective, there's a harm policy piece around gambling advertising broadly, which takes you to audience but not specifically to do with issues on the list, if that makes sense.

Senator HANSON-YOUNG: The government is not inclined to do a deal with broadcasters so that they can access and bid for some of the most popular sports in exchange for not running gambling ads?

Mr Windeyer: All I'm saying is, from our perspective, in the way we consider it, the two are not being connected in that sense.

Senator HANSON-YOUNG: In any of those submissions that were received, out of the 17, did anybody raise the impact of changes to the gambling advertising laws?

Mr Penprase: No, but I would like to take it on notice to make sure I haven't missed something.

Senator HANSON-YOUNG: Thank you. What's the main objective of the government in relation to the new antisiphoning list and the legislation? What is it that the government is trying to fix?

Mr Penprase: The main objective of the scheme, which it continues to be, is to support free access to televised coverage of iconic sporting events. One of the things the review has been considering is whether that objective remains appropriate in a contemporary media environment. As was noted in the proposals paper, one of a number of findings was that the objective still remains appropriate. The provision of live coverage and free access to the live coverage of sporting events remains important to Australians, and it's an important objective that the scheme continues to pursue.

Senator HANSON-YOUNG: Where do streaming services that are subscription paid—or indeed subscription television itself—fit into that objective?

Mr Penprase: One of the key issues that the review is considering is the role of new online services in the sports market and in the ability for Australians to be able to access free coverage of sporting events. One of the review's findings was that the scheme does need to be modernised to accommodate online services. It's one of the areas of media law where there is a legacy aspect to it. The current framework only deals with traditional media, free-to-air broadcasting, and subscription broadcasting. One of the key areas and points of focus for the three models that were considered in the proposals paper was that each of them looked to extend the scheme to cover online services, including subscription based online services.

Senator HANSON-YOUNG: If a subscription based service is allowed to access the live broadcast of some of the most iconic sporting events in the country, how is that free—if it's a subscription based service?

Mr Penprase: I'm not saying it's not.

Mr Windeyer: That's kind of the point. There are two dimensions.

Senator HANSON-YOUNG: They would be excluded?

Mr Windeyer: That's the point Mr Penprase is making. The role of those contemporary streaming services is the thing that all of the models that were put out in the last consultation paper are looking to address. There are two dimensions to the digital part of this that are being canvassed that I think are worth keeping in mind: one is the free dimension, and the second is the access-by-all-Australians dimension.

Senator HANSON-YOUNG: You're right. They're linked, of course, but they're not exactly the same.

Mr Windeyer: They're not exactly the same. In a sense, as Mr Penprase said, the clue is in the title: a subscription based streaming service. The subscription point suggests it's not free. That is absolutely why these are in consideration in the models.

Senator HANSON-YOUNG: Whereas ABC iView or SBS On Demand are free?

Mr Windeyer: That is absolutely right. That's why I say there's a second dimension being considered, which is the question of availability to all Australians.

CHAIR: I will need to—

Senator HANSON-YOUNG: Okay. We can come back. Thanks, Chair.

CHAIR: Senator Bilyk?

Senator BILYK: Thanks, Chair. A lot has been said on the government's improving mobile coverage round. For the benefit of the committee, could you step us through exactly what was announced last week and how it compares to similar rounds of previous programs.

Mr Windeyer: We can certainly do that. I will pass to colleagues to go through some detail, particularly in terms of comparisons to previous rounds. At the high level, as mentioned earlier, what was announced last week was that there are 42 locations that will receive a solution from the round we have just run. Of those locations which we haven't announced or for which we didn't find a solution through this process, it's worth pointing out that four are receiving some outcome through alternative or other processes. For another couple of those locations, we have sensed there is some prospect of success, so we're doing some further work on how solutions might be found in those two locations. Then there are some other locations which are certainly difficult to solve at this point. I might just hand over to Ms Pidgeon to run through some detail in terms of your point about comparison with similar processes and any further detail worth mentioning on what was announced.

Ms Pidgeon: There were six other rounds run under the program prior to the Improving Mobile Coverage Round. The number of sites range across the rounds from 68 funded sites through to 499. All up, there have been 1,297 funded sites, with 1,105 delivered. There are 97 sites which have been frustrated under the program. There have been 66 replacement sites, and 31 sites, as a result, have been removed from the program. With the 31 removed, that leaves 161 remaining. I can take you through each number of sites per round, if that's helpful.

Senator BILYK: No—

Mr Windeyer: Sorry, I missed the second half of your question, about the earlier rounds.

Senator BILYK: How does it compare to similar rounds or programs?

Mr Windeyer: I guess the point Ms Pidgeon has just made is that, across the scheme as a whole, there is a gap between the announced locations that will be receiving a funded solution and what is actually delivered. That is something that we've experienced progressively through the round. Sometimes, what that means for the purposes of the company delivering solutions is that an alternative location might get a benefit—that is, if one location that

was originally announced does not see a solution coming forward, we find an alternative site. Throughout the program, there are instances where, notwithstanding an announced intention to pursue a solution at a particular location, it turns out that a solution cannot be found. The most similar round to this one is round 3, the Priority Locations Round. The thing that makes it similar is that's the only other round where we have gone to market with the locations pre-identified, as opposed to leaving it to the market to identify locations. On that round, Ms Pidgeon might have the details of what was announced, what went to market—

Senator BILYK: In the interests of time, I might ask the minister if she would like to make any comments with regard to this as well. The question was, just to refresh you: could you step us through exactly what was announced last week and how it compares to similar rounds of previous programs?

Senator Carol Brown: As I outlined earlier, in addition to the 42 locations benefiting from the funded solutions under the IMCR, an additional four locations are expected to receive improved coverage through the alternative improved grants projects or commercial investment. This means that 46 locations have a pathway to improved coverage, and options are being considered to further test industry solutions in two locations where applications did not meet technical requirements under the guidelines but where departmental advice indicates there is a reasonable prospect that a value-for-money solution may exist. When we look at other rounds, let's not forget the priority round of the Mobile Black Spot Program, where, prior to the 2016 election, the coalition committed to 125 mobile tower locations, of which 124 were in Liberal-National seats. Unlike Labor in opposition in 2022, the coalition had the benefit of being in government and could have run a competitive process through the department, but they chose not to. Instead, they committed to a staggering 99.2 per cent of priority round funding to their own electorates, the most disproportionate of any program that I'm aware of. By the coalition's own logic, of these 125 commitments, only 83 solutions were actually delivered through the priority round itself. That's 66 per cent. Fourteen of those commitments were frustrated and removed, and a further five commitments remain undelivered. These election commitments made up over 20 per cent of the coalition's then Regional Connectivity budget, compared to less than two per cent of Labor's election commitments in this Regional Connectivity budget.

Senator BILYK: Thanks, Minister.

Senator McKENZIE: On the antisiphoning issue, of the submissions you received, was there anybody against including the streaming service rights as well as the broadcast rights, wrapped up in one? Or are there some actually seeking to carve those apart?

Mr Windeyer: I'll see whether Mr Penprase has any further information. I think it's fair to say that, in the range of submissions from the range of people we heard from, there would be a variety of views put on where the streaming services should fit. The stakeholders interested in this space include the streamers themselves—sporting rights holders and broadcasters—and it wouldn't be surprising if they had slightly different views on that. The way I'd characterise the question for them is: the extent to which streaming rights should be brought into the program, rather than specifying whether they should be separate—if you see what I mean. We would have got a variety of views.

Senator McKENZIE: If you are Channel 7, Channel 9, Channel 10, ABC or SBS, you are a free-to-air operator. Whether you're coming in through an aerial or coming in on the wi-fi, the product is the same. And people's viewing patterns are changing. Can I get a sense from the department what the proportionate difference—and the trend over time—is between watching on an aerial service versus watching a free-to-air product on a streaming service?

Mr Penprase: We can certainly provide on notice specific data on viewing patterns. I would make the observation, though, that terrestrial audience numbers have been in a process of gradual decline over the last decade or two. Obviously, as you say, there is a lift in the amount of coverage that's through online services, including the broadcasting video-on-demand services that are provided by free-to-air broadcasters. But, obviously, they're not the only online outlets for audiovisual content.

Senator McKENZIE: This has been an innovation, shall we say, of traditional broadcasters, thanks to the coalition government's Mobile Black Spot Program and flipping the NBN rollout so that it actually went to those regions who didn't have an internet service. We've seen more and more Australians, including those in the regions, use the streaming service of an existing broadcaster as a way to watch what they want on TV. My great concern is that iconic sporting events will end up moving away from where they've been traditionally broadcast. I want to understand where the government's thinking is on this. Are they truly open to it? To me, it's a no-brainer that you would wrap it all up together so they can't be split off.

Mr Windeyer: I think that question of how the scheme should deal with streaming rights is absolutely what has been consulted on. Mr Penprase can talk to how that was addressed in terms of the models we consulted on, but, absolutely, that is the question—

Senator McKENZIE: That's the crux of the question for me—

Mr Windeyer: That's the question, but I think the—

Senator McKENZIE: if the antisiphoning laws are actually going to be fit for the 21st century.

Mr Windeyer: That's right. The point I would add, though, is that, looking at it in the context of what antisiphoning does, antisiphoning has never operated as a guarantee of what would happen. It was—

Senator McKENZIE: No, it's first rights.

Mr Windeyer: It gave people the option to acquire rights, but there was no guarantee that anything was shown. Similarly, the antisiphoning scheme doesn't do anything to preclude free-to-air broadcasters acquiring additional rights if they wish to. So that's the starting point, I guess, but Mr Penprase may want to talk further about that very issue and what we consulted on.

Mr Penprase: I reiterate the point I made before. The question of online provision of coverage of sporting events has probably been the key issue associated with the review. The proposals paper for reform of the scheme and the making of a new list countenanced three models for reform of the scheme. Each of them dealt with streaming services in a different way. The first of those models, which was named 'free to view', would move the scheme away from an acquisition based rule, which is what it currently is, towards an obligation on entities that acquire the rights, no matter who they are, to show them live, in full and free. That's a free-to-view model as described there.

The other two models retained the acquisition rule that's currently at the heart of the existing scheme and sought to extend the operation of that acquisition rule to cover online services but to do it in slightly different ways. The broadcasting safety net model was premised on the view that traditional broadcasting remains the safety net for the provision of universal coverage of iconic events to all Australians. It would provide that free-to-air broadcast would have to acquire the rights to one of the events on the antisiphoning list and prevent acquisition by any other party before that took place. That's the broadcasting safety net model.

The third model is what is described as the free-to-air-first model, which would prevent any party, including an online party or a subscription broadcaster, from acquiring a right to an event on the antisiphoning list until the free-to-air broadcaster had both the broadcast right and an online right—a right to provide coverage online. There were three different gradations and approaches. Those three proposals received differing levels of support.

Senator McKENZIE: Along party lines?

Mr Penprase: I don't know about party, but certainly the free-to-air broadcasters strongly support the free-to-air-first model. Streaming services and others do not support—

Senator McKENZIE: Did you hear from consumer groups, or only industry?

Mr Penprase: In this context? I don't think we had ACCAN come into it.

Senator McKENZIE: So Joe Sixpack and Mary Housecoat had no say in how they want to consume iconic Australian sporting events?

Mr Penprase: We had submissions and comments provided from members of the public, certainly, as part of the consultation process.

Senator McKENZIE: But no-one formally representing humans?

Mr Penprase: No, the Australian Communications Consumer Action Network were involved—sorry, that's the wrong one. No, I don't think that ACCAN were involved in this particular one.

Mr Windeyer: I think, Senator, the other thing we're grappling with, which is a little bit the point I made to Senator Hanson-Young earlier, is the question of free and the question of access for all Australians. Going to your first question, we can find what we can on notice, but the trend of the number of people watching stuff not through the aerial is certainly increasing—

Senator McKENZIE: Correct.

Mr Windeyer: but it's not evenly distributed around the country. There remain concerns which we encounter in a variety of policy spaces, including what to do with the future of the VAST television service and of whether or not streamed services—digitally delivered, online delivered services—can reach all Australians.

Senator McKENZIE: I'm happy to be on the record of which of the three models I prefer, and it is terrestrial and streaming bundled up on free to air, and away we go. Minister, just in terms of your comments to Senator Hanson-Young around gambling advertising, is the government still committed to the horse racing industry and ensuring that the Melbourne Cup remains on the antisiphoning list?

Senator Carol Brown: Yes. The Melbourne Cup is an iconic sporting event.

Senator McKENZIE: It is an iconic sporting event, despite your government making us sit in Spring Racing Carnival week in Victoria.

Senator CADELL: Shame!

Senator McKENZIE: Shame!

Senator HUGHES: This year and next.

Senator McKENZIE: I just want to be clear, because some of the language you used with Senator Hanson-Young around gambling advertising would suggest that you weren't also supportive of the racing industry and its broadcast being on the antisiphoning list.

Senator Carol Brown: I wouldn't characterise what I said as what you have repeated back to me. The Australian government, of course, is committed to the review of the antisiphoning list and is mindful of the risk of iconic sporting events slipping behind paywalls of subscription streaming services. The issue is being considered through the review and is under consideration, so I don't—

Senator McKENZIE: But you back the racing industry staying on it?

Senator Carol Brown: The broadcasting of the Melbourne Cup? Yes.

Senator McKENZIE: Thank you, Minister.

Senator Carol Brown: I have to say, my father wouldn't be very happy with me if I—

Member of the committee interjecting—

Senator McKENZIE: I'm happy to pick winners and losers.

Senator HUGHES: It's a sporting competition.

Senator McKENZIE: It's sport!

Senator HUGHES: Yes.

Senator McKENZIE: And thank goodness the Diamonds won the Constellation Cup, and I want to get them from behind the paywall.

CHAIR: Senator Cadell.

Senator CADELL: I want to follow up on the antisiphoning comments. We were talking about how things can fall off. Has anything ever fallen into the antisiphoning rules because it's grown in popularity?

Senator HANSON-YOUNG: Fallen in?

Senator CADELL: Or slipped in—I don't know. If we invented *The Hunger Games* as a broadcast thing tomorrow, what sort of level does it have to get to go into the rules?

Mr Penprase: I have a few comments. The first antisiphoning list was made in 1994, and the composition of that list has changed substantially between then and now. Successive ministers have at times added or removed events from the list. There are no specific criteria that a minister needs to take into account when making those decisions, other than their view around what's nationally important and culturally significant. Things like audience and participation rates by Australians would factor into those sorts of deliberations.

Senator CADELL: Thank you.

Senator Carol Brown: I think there was something added—what the minister did with the Matildas.

Mr Penprase: The current antisiphoning list was most recently changed to add the matches of the FIFA Women's World Cup that involve the Australian senior representative side.

CHAIR: Senator Hanson-Young.

Senator HANSON-YOUNG: Based on those three models, the first one would allow Foxtel to put sport just on Kayo and/or on Foxtel, and, as long as they found a way to provide that for free, it would suffice—just so that we understand how it works.

Mr Penprase: Yes. The free-to-view model was premised on moving away from an acquisitional right, which is the current scheme, which dictates the sequence of acquisition, to an obligation that looks at what is done with that right. The new scheme under that free-to-view model would be that it be free—so no explicit consumer

charges or fees of any sort—and live and in full on a broadly available technology platform. That's the premise of that model.

Senator HANSON-YOUNG: There is obviously still a barrier, though, isn't there? For that arrangement, people would have to download Kayo if they didn't already have it. Then it's in their system, and they're going to keep getting hassled every month to sign up and pay the money after that sporting event is shown. You're kind of providing a platform for the vultures to feed on the consumer, aren't you?

Mr Penprase: The proposals paper did go in some detail through assessing the likely consumer impacts of that particular approach. One thing the proposals paper did say is that access doesn't equal availability. While it might not have an explicit charge upfront, there are costs and frictions for consumers in accessing that service if it's provided online. There are questions around availability, take-up of services, costs and service capability. So there's quite a detailed description and assessment of how that model might play out for the proportion of the Australian population that either don't have or can't afford access to online services. Now, with the objective of the scheme being to support free access to televised coverage of important sporting events, that's a relevant consideration for that model in particular.

Mr Windeyer: And the flip side of that is it was a model—and this goes to James's point about it being offer based rather than acquisition based. That's one piece to balance. The second piece was the proposition of what a model would look like that in a sense required that it be shown, whereas currently, as you know, the scheme gives a right to acquire but doesn't necessarily require the person that acquires that right to actually show it for free.

Senator HANSON-YOUNG: Exactly.

Mr Penprase: The necessary adjunct to that is that, to put in place a workable coverage obligation, which is what this free-to-view model would do, the list would need to be reduced. There would need to be fewer sports, particularly those that involve multiple simultaneous play.

Senator HANSON-YOUNG: Can you explain that. Why would that have to be the case?

Mr Penprase: If you look at something like the Olympic Games—or maybe the Australian Open tennis or the Commonwealth Games—they can involve hundreds of events taking place simultaneously. If there was a live coverage obligation for any party or any group of parties, they're very unlikely to be able to provide full, live coverage of every single instance of play that's taking place at the Olympic Games. There would need to be, certainly, some very tailored coverage obligations that accommodated the nature of those events. That's different to the Melbourne Cup or an AFL match.

Senator HANSON-YOUNG: Sure, but what about AFLW in that? How do we make sure you can't just bid for the rights for that, show a couple of final seasons, maybe one game every week, and that's it, and you sit on the rest of it?

Mr Windeyer: In a sense that's the challenge between the way the scheme has always operated and the alternative proposal. The point Mr Penprase is making is that if we went to that alternative proposal it would mean you would have to grapple with that challenge, both with the commercial desires of whether they wish to show all the games and with the practicality of, in the context of a broadcaster, literally the real estate to be able to show all the events live simultaneously. That probably means that if you were going to go to 'must show it live and free' it would need to be coupled with a rationalisation of how many events were actually on the list.

Mr Penprase: And that rationalisation was linked in the proposals paper. It was noted that the first of the three options for the list be a much shorter list that was designed to work with that free-to-view model, to make it feasible, compatible with the free-to-view model.

Senator HANSON-YOUNG: Okay. How much emphasis has been put on being able to have free access to women's sport in particular through this process?

Mr Penprase: Certainly the three proposed options that are put forward for the list each include additional inclusions for women's competitions. That's been, I guess, one of the main findings of the review—that the composition of the current list needs to be reconsidered with respect to gender and with respect to parasports, two factors that were evident in the way the current list operates. So those three list options provide for graduated increases to the amount of women's and parasports that may be included on a future list. AFLW features in all of those, along with NRLW and a range of other women's comps.

Senator HANSON-YOUNG: What about netball, as Senator McKenzie was raising?

Mr Penprase: Again, the three lists provide for different approaches to different sports, including netball.

Senator HANSON-YOUNG: Nothing in this process stops idiots from watching the wrong Matildas final games, though, does it!

Senator CADELL: I have some questions about the department's handling of the road map for age verification, and I'll be asking eSafety later on. It's always an interesting thing, when this comes up. I didn't know a lot about this, but [inaudible] campaign goes on, because there was a very unfortunate 30 seconds in my house when my wife was borrowing my phone, and up comes the notification 'Age verification for online pornography is overdue', so we've become aware of this. The email said there was a road map for a trial of age verification. It is my understanding from the email that that isn't proceeding. I don't know; this is where I'm getting it from. What was the department's view on consultation on that with the eSafety Commissioner and with the minister?

Ms Gannon: The eSafety Commissioner delivered a road map to age verification at the end of March this year, and that road map made six recommendations to government. The pilot you're referring to is one of those recommendations. The government decision, as it's publicly stated, is that implementation of the Online Safety Act is a priority for the government. The Online Safety Act regulates pornography and children's access to pornography online, but those elements of the Online Safety Act are yet to be implemented. So, rather than proceed with a pilot now, the government's decision was to proceed with full implementation of the Online Safety Act and then consider the pilot once the codes are in place.

Senator CADELL: Is there a timetable for that?

Ms Gannon: I can't give you a firm timetable. That work is undertaken by the eSafety Commissioner. Work on the phase 1 codes, which dealt with child sexual exploitation material and terrorist violent extremism material online, is currently underway. And eSafety are working on industry standards. They weren't able to reach agreement on codes in some cases. Once those CSAM and TVEC codes are in place, that's when work will start in earnest on the phase 2 codes.

Senator CADELL: Did the department, outside of that, consult with the adult industry, the porn industry, on anything like this, any rollout? It didn't happen?

Ms Gannon: No. The eSafety Commissioner and her office undertook extensive consultation. We relied on the advice provided by the commissioner. The only consultation undertaken by the department was within government, with other government departments and agencies.

Senator CADELL: Did the department, as opposed to the eSafety Commissioner, ever do a costing of what the pilot would cost to roll out or anything like that?

Ms Gannon: No.

Senator CADELL: That's all I have on that little thing. If I may, I will segue quietly across to 3G shutdown. The chair would be aware that I pulled over on the side of the road from Dunedoo to join a meeting of this to sign off on, and I was on 3G. It was all I had out there. What is the timetable for the 3G shutdown at the moment?

Mr Windeyer: I will see if I can get you an answer. The timetable for 3G shutdown has been set by the mobile operators themselves. I'll see if we can find what it is for Telstra and for Optus. I think they are the only two that have currently announced the timetable. I don't have it to hand.

Senator CADELL: Is there a ministerial or departmental concurrence to allow them to do that or can they just do that?

Mr Windeyer: No, there is no regulatory requirement or anything like that that we have with respect to it. We're obviously paying attention to how they're going about that, but they were decisions made independently by the corporates.

Senator CADELL: It's theirs; they can throw out their toys if they want to?

Mr Windeyer: That's correct.

Senator CADELL: What is the government's role, the department's role, in looking at—on the side of the road, 15 kays out of Dunedoo, where you can't get anything else? We're doing the Mobile Black Spot Program. We hear this. Is there a step up to try and replace this, where there is 3G only at the moment? We're creating more black spots, I assume.

Mr Windeyer: We're watching this closely and in fact have asked Telstra to keep us informed on how it's going, because Telstra, when it made its announcement that it was closing down 3G, indicated that it would be making broadly equivalent—those words aren't quite right, but basically it would be looking for broadly equivalent coverage of 4G to replace the 3G. I think in some instances I can understand the concern. This seems hard to believe when you approach a town and you get 3G coverage for the first 20 kilometres, possibly, before you hit 4G coverage at the centre of town. The point I would make is as a nonengineer, but what we will see them doing is using the spectrum. Different spectrum bands have different propagation characteristics. The spectrum bands that they are using to distribute the 3G will be switched over and will be able to be used for the 4G. So the

sorts of coverage we're seeing from 3G from a location may well then be matched by subsequent 4G coverage when they've done the swap. But it probably will mean it will be closer to a hard switch than—

Senator CADELL: A drop-off.

Mr Windeyer: Yes.

Senator CADELL: If that's the intention, that's a great intention. People in rural areas will be happy. Does the department have any guidance over that or is that just at the goodwill of Telstra and—

Mr Windeyer: Not formally, but it is one that, as I say, we are interested in and it is one Telstra is also seized of making sure it can explain and deliver on. Shutdowns of various networks and technologies have been of considerable interest in the past, and Telstra have been through this a few times, so I think it's one that they are taking seriously, to try and do whatever is possible to match the coverage.

Senator CADELL: The 3G is for voice, predominantly, but there are also devices, machinery, that have things on that. Is the department looking at a mini Y2K issue when 3G goes down, with those devices, plants? Is there an audit of what equipment or stuff, for national security, for other industries, is out there still operating on 3G?

Mr Windeyer: We are not auditing that at this point. I think at this point we are working on the basis that Telstra or the other carriers who are switching off one technology are acutely aware of what services they are selling to customers and making sure there is a transition plan with respect to those. We have been involved in keeping an eye on those sorts of things in some contexts in the past—in particular, medical alert services in the context of NBN and the switchover from the Telstra fixed-line network to NBN. We have done that in the past, but at this point we are not auditing, and haven't been called upon to audit, that particularly. But, again, we are conscious that Telstra is working across its customer base to make sure it can transition and that there is a transition path for those technologies.

Senator CADELL: It's a strange approach in geospatial areas. Surveyors Australia came and said they have a device which is used in a geospatial area—and I'll get the name right—the Trimble TSC3 controller, that does not accept a 4G card. Have the surveyors association come to the department talking about that?

Mr Windeyer: Not to my knowledge.

Senator CADELL: So there is no formal response by government or the department on unintended consequences of the 3G—

Mr Windeyer: No. In a sense, that's consistent with the approach that was probably taken with the close-down of 2G, for example. No. There will be the need to upgrade. In fact, I got a message from Telstra, helpfully, the other day to tell me that 3G is going to close at some point and that people will need to think about getting a device that is capable of receiving 4G. At this point we're watching Telstra's efforts closely, but that is, at the moment, being considered a corporate and commercial matter between Telstra and its customers.

Senator CADELL: Would the department or government have powers at hand to delay the shutdown?

Mr Windeyer: We don't hold any regulatory role with respect to how they carry out coverage. The one exception is that we are working with them on the fact that they are under contract to the government with respect to locations we have funded under the black spot program and the services they need to continue there. That is the one area where we do have a contractual relationship with them in terms of provision of coverage. The contracts under all of the earlier rounds would have included provision of 3G coverage, so that's one we need to work through with Telstra.

Senator CADELL: Is the vision down into the telcos going far enough whereby, if they switch off a cell and it causes unintended consequences, is it reversible quickly, or are they tearing these things down a hundred per cent?

Mr Windeyer: I'm not aware of having down-to-the-cell knowledge. Also, I haven't yet had instances of that brought to our attention.

Senator CADELL: Thank you.

Senator HUGHES: I just want to finish off on the misinformation bill. I think it's fair to say we probably established in the last lot of questions I asked that we're unlikely to see a bill in parliament before the end of this year, in particular with regard to the huge task that's obviously going to be undertaken to revise this draft. Would it be fair to say, though, Minister, that there's been a sense of panic in some of the government members' offices regarding the reaction to this bill?

Senator Carol Brown: Do you have any more information? I couldn't really hear you clearly.

Senator HUGHES: I understand that a number of members have expressed particular concerns around this misinformation bill and how it's being interpreted, and also the reaction to it. Are you not aware of any of those concerns that members have expressed?

Senator Carol Brown: No, I don't have any information concerning that. Obviously, we've put out an exposure draft, and that is—

Senator HUGHES: And your caucus room is all in favour of it?

Senator Carol Brown: I can't tell you what happens in our caucus room, like you wouldn't want to tell me what happens in your caucus room.

Senator HUGHES: Okay. We don't have a caucus—

Senator Carol Brown: Sorry—I didn't want to interrupt, Senator Hughes. Putting out the exposure draft was about consulting and getting information and people's views. Some of those views have been highlighted here today. The department has gone through, in considerable detail, the consultation process and the number of responses and submissions. You would understand that there is a lot of work. There's a lot of feedback that we've got and a lot of work that we have to do, and we will take the time that's needed to get it right before we bring legislation before parliament.

Senator HUGHES: Perhaps, Mr Windeyer, you can help fill me in then. Has the department been asked to provide any specific advice to the minister's office for meetings in which they've run through possible changes with members of the government?

Mr Windeyer: I will see if my colleagues can add to this, but I'm not aware that we have provided specific advice on specific changes. I think we are in the process of providing advice to the minister's office—

Senator HUGHES: On possible changes, not specific changes.

Mr Windeyer: Yes, sorry. We're in the process of providing advice to the minister on the possible consequences and possible changes that might arise in light of the consultation.

Mr Irwin: That's correct. We're in the process.

Senator HUGHES: Has any advice been provided to either the Prime Minister's office or PM&C with regard to this issue?

Mr Windeyer: Not that I'm aware of.

Senator HUGHES: I might leave that there.

Mr Windeyer: Chair, if I may? I wanted to come back to a couple of the FOI related questions Senator Henderson asked earlier. I can give you a couple of answers to some questions that were asked, if that's alright?

Senator HENDERSON: Yes, thank you.

Mr Windeyer: From what I understand, the status of the FOI request to the minister's office is that a decision was released and it has been appealed to the information commissioner. So that is the status of that particular request. The longest active FOI request the department is dealing with is FOI request 281, which relates to the Mobile Black Spot Program. That is one that we are intending to finalise and release documents under shortly—I'm hoping next week.

Senator HENDERSON: How long has that been going for?

Mr Windeyer: That was received on 18 May. Then you also, I think, were interested in understanding the number of information commissioner reviews that were in train and the split between Minister Rowland and other ministers. Very quickly, in relation to 2023 cases, there are two 2023 information commissioner review cases, both of which are in the infrastructure portfolio; and, for 2022, there are seven information commissioner review cases, three of which are in the infrastructure and transport portfolio, and four of which are in the communications portfolio. To close that out, in the past 12 months, there have been four reviews finalised in relation to the department. Three were withdrawn by applicants, and one, relating to the communications portfolio, has been set aside and is now subject to review by the AAT.

Senator HENDERSON: Mr Windeyer, you've answered in relation to the department. What about the minister?

Mr Windeyer: I've got information with respect to an FOI request relating to the Mobile Black Spot Program that went to the minister, and my understanding of the status of that is a decision was released on that FOI request and that decision has now been appealed to the information commissioner.

Senator HENDERSON: Can I put this to you? The reason we raised concerns is that we asked for all the relevant correspondence in relation to this mobile black spots round, including messages, emails, notes and advisor briefs, and the only thing that we got back was the published *Labor Party's plan for a better future*, which is their election commitment manifesto, which is holding this process in complete contempt.

Mr Windeyer: We're not the decision-maker for that, and, as I say, the decision is being appealed.

Senator HENDERSON: I understand I can't ask you your opinion, but I just want to point out: is that normal practice, when advices and all that information is asked for, that such a request is treated so poorly?

Mr Betts: That's a matter for consideration by the information commissioner. That's the appropriate process for dealing with it.

Senator HENDERSON: I look forward to receiving the other information from you on notice. Thanks very much, Mr Windeyer.

CHAIR: Thank you very much. I appreciate your time this morning. We will release 5.1. Due to the fact we are running an hour late, we will be releasing the following agencies from the program: Creative Australia, National Archives of Australia and the National Film and Sound Archive. Those three agencies are now released.

Australian Broadcasting Corporation

[12:00]

CHAIR: Good afternoon, Mr Anderson. Welcome. Do you have an opening statement that you would like to provide?

Mr Anderson: No, I do not.

CHAIR: In that case, we will just go directly to questions. We will start with Senator Hughes.

Senator HUGHES: Good afternoon, Mr Anderson. Obviously, at the moment we have a war underway in the Middle East. I'll just start there today and try and keep to particular issues as we go through. You and I have had previous discussions. We had an instance with Mr Fouad Abu Gosh and antisemitic tweets. There were a lot of concerns expressed after comments became public by your reporter in the Middle East, Tom Joyner, and his reference to the beheading of babies being BS. It was admonished by fellow journalists. I'm just wondering whether or not you've had a chance to speak to Mr Joyner or if you can update us on anything that occurred post him making those comments?

Mr Anderson: Firstly, I think the ABC has moved quickly to post additional people in Gaza so that we can cover what's happening there, the heinous atrocities committed by Hamas against Israeli civilians, then to what is effectively a humanitarian crisis that's gone on from there. Tom Joyner was one of the people that was deployed there. He went in from Istanbul. I know the specific incident in question, where Mr Joyner was participating in a closed WhatsApp group with other journalists, looking at stories and trying to make sense of what was happening and unfolding at the time. I know Mr Joyner is quite remorseful and apologetic for the words that he used. He was at the time doing what journalists were doing—that was, trying to verify what sources could back up what claims were being made at the time. At the time, we were looking at a story that was quite awful to say out loud that involved 40 babies. We contacted the IDF about that. They were unable to verify that had happened. His language was unfortunate. He knows that he has distressed people by using that language. As I said, he is quite remorseful that that happened and he regrets it. I do think, given it is social media, it is something that we'll be looking into and something we'll be investigating. He has a right to procedural fairness, and I can go through that. But I do know that he is quite remorseful about it.

Senator HUGHES: Do you understand and do you accept that what occurred in Israel was a pogrom that was the worst killing of Israelis and Jews since the Holocaust ended? How can those in Australia who are taxpayers that fund the ABC have faith as Tom Joyner remains a journalist in the Middle East? The expression he used was not vanilla and it was not difficult to interpret his view of the information. Can Jewish Australians or any Australians have faith that Mr Joyner is capable of fairly reporting on events in the Middle East, particularly when it comes to Israelis and Jewish citizens?

Mr Anderson: The most heinous war crimes have happened. Terrorists have slain Israeli civilians in the way that they have, and the stories are horrendous. Mr Joyner does have a right of reply here when we do look at it. I don't immediately rush to it being partisan rather than completely insensitive and distressing to anybody who saw or heard those comments. That said, we're certainly looking into it and investigating it. Mr Joyner knows that as well.

Senator HUGHES: When he's expressed remorse, has he suggested any way to rectify this or has there been any other action taken?

Mr Anderson: I know his managers have spoken to him about it. He understands the distress that he's caused by it and does deeply regret that it happened. Again, because it's on social media—it was not public facing—and on a closed private—

Senator HUGHES: With international journalists.

Mr Anderson: I know, yes.

Senator HUGHES: It's embarrassing as a country that a representative of our national broadcaster referred to war crimes as 'bullshit'.

Mr Anderson: I'm sorry that happened and that it was then distressing to other people as well. It shouldn't have happened. But it is something, again, that we will be investigating, as it was on social media and it was then reported. Yes, there were several hundred journalists on the closed WhatsApp group; I do accept that.

Senator HUGHES: Yes. If it was just Mr Joyner and we hadn't previously had Mr Fouad Abu Gosh maybe we could say, 'He made a mistake; there is no pattern of behaviour.' Are you aware of a social media producer employed by the ABC called Maryanne Taouk?

Mr Anderson: No, I am not.

Senator HUGHES: I suggest you become familiar with Ms Taouk. She reported to the ABC website on the pro-Palestinian rally outside the Sydney Opera House on 10 October, where there were calls to 'gas the Jews' and 'F the Jews'. On 19 October, Ms Taouk co-authored a report, also for an ABC website, on the blast in the car park of the al-Ahli Arab Hospital in Gaza. That was a bombing that was falsely blamed on Israel, which, pretty much all experts now agree, without a shadow of a doubt, was the result of a Palestinian Islamic Jihad rocket misfiring. The report she wrote for the ABC website does not say anything about that whatsoever—this new consensus. But she also, on the same day, put an item on her Instagram page, which is social media—and I'll make sure I get these tabled for you—where she refers to 'stop the genocide'. There's considerable text underneath here but she basically refers to Gaza and how densely populated it is, that Israel has held it under siege for 17 years and that in the last 11 days Israel has dropped thousands of bombs on the imprisoned population. She then goes on to genocide studies and breaches of international law. Again, I'll get you copies of all of this. But, suffice to say, it is very anti Israel and very pro Palestinian and contains not quite accurate information. On her Instagram she has a hashtag #freepalestine. Then on 21 October she signed an inflammatory petition that was sent to Tony Burke, the federal government Minister for the Arts. Clementine Ford signed it as well. I will get you a copy of this very inflammatory pro-Palestinian letter. It is anti Israel. It is in support of the Greens' motion that Adam Bandt put forward that was widely condemned by both sides of the House.

Here is another example of an ABC employee showing quite antisemitic behaviour, both through her work and through her social media. What was interesting, when we went through the letter and had a look at the signatures, was that a substantial number of them even had fake names. 'Texta Queen', 'Ancestrous' and 'Lady Luck' are some of the people who also signed this letter. It's extraordinary that she's breached quite a few of the guidelines. She's a social media producer. You'd hope she knew what they were. This is yet another example of antisemitic behaviour emanating from the ABC. What is it about the ABC that attracts these people to want to work for them?

Mr Anderson: I'll take a look at what you've got there and take that seriously. We've made it quite clear to people with regard to their personal use of social media—and those instances where people transgress, I'd say, are fewer than what they used to be—that we don't take responsibility for it, and there is accountability on them as ABC staff that they don't undermine their effectiveness at work or their ability to impartially report on something. With regard to what you've said is published material, I'll look at it again. I'm not just saying this; I do not think the ABC is antisemitic in any way.

Senator HUGHES: You seem to certainly attract antisemites to work for you, though?

Mr Anderson: I'll reserve judgement on whatever you've got in front of you that you provide to me. Fouad Abu Gosh no longer works for the ABC over his personal use of social media. I can't answer your questions as to why you think that, because I don't believe we are antisemitic. What we are doing in our reporting, as this situation evolves, is impartially reporting what information we have available at the time to the best of our ability. When it comes to the bombing of that hospital, we had people like John Lyons, who was out pretty early on News Breakfast and NewsRadio that morning, making sure that it was known that it was rejected by Israelis, that it was an Israeli airstrike, but, to that end, that we were still looking for the reason it happened. As we have credible sources of information, we do report it over that period of time. So I don't see antisemitism in our reporting, but I will take on board what you have got in front of you.

Senator HUGHES: We'll work to the next story. On ABC News, a Hamas apologist, Samah Sabawi, was interviewed by Ros Childs. You only have to go through Ms Sabawi's Twitter feed to see what her views are. They are very, very clear. She did an interview with Ros Childs that largely implicated Israel as the aggressor who was indiscriminately bombing Palestinian civilians. In fact, she stated, 'What do you expect from the Palestinians justifying Hamas's attacks?' Of course, Ms Childs did nothing to temper the conversation or discussion or propose any alternatives. Before you answer that, what's interesting is that someone obviously realised this was a problem because ABC iView and the websites have scrubbed every interview with Ms Sabawi. They're all gone. But some producer and Ros Childs thought it was a good idea to get a Hamas apologist on ABC News. These are just continued examples of absolutely abhorrent standards that seem to be applied.

Mr Anderson: I don't know about that interview with Ros Childs. We did have—

Senator HUGHES: You won't find it. I'll have to send it to you from the Parliamentary Library.

Mr Anderson: We did have a Hamas representative interviewed on 7.30?

Senator HUGHES: I'm getting to that.

Mr Anderson: Okay. Would you like me to—

Senator HUGHES: Well, we can talk about that one now, and then we'll come back to ABC radio.

Mr Anderson: Did you want to say something first?

Senator HUGHES: I have zero comprehension how the national broadcaster, funded by the Australian taxpayer, on one of its signature news programs, 7.30 report, gives a platform, an interview, to someone who is a prescribed terrorist under Australian law. That's insanity! Who thought 'This is a great idea? Let's get confirmed terrorists on the 7.30 report?'

Senator HENDERSON: It's a sackable offence, Mr Anderson.

Mr Anderson: In response to that question, not the sackable offence, but in response to that question—Hamas being responsible for the attack on Israel, which put them at the centre of the events that need to be understood by everybody, by interviewing one of their leaders, we're able to test—

Senator HENDERSON: Terrorist—terrorist links.

Mr Anderson: to interview a terrorist, yes—we're able to test some of the some of the propaganda and outright lies being spread by Hamas. We're able to then challenge them on the lies that they are spreading, which is what happened in that interview.

Senator HUGHES: It was a platform that legitimised their existence.

Mr Anderson: It was not legitimising terrorism. It certainly something to be understood, to call them out on their lies. For instance, one of their lies was that they didn't harm Israelis. Through that—

Senator HENDERSON: I watched it.

Mr Anderson: Through that interview we challenged them and then they admitted that they had done that. So I think that it is a terrorist organisation—

Senator HUGHES: I watched it, but they weren't under instruction to do that. I hope there's going to be some sort of correction. I'm not sure whether you're aware, Mr Anderson, but the IDF and Israel have now invited a number of journalists—I'm assuming Tom Joyner was not included, but a number of journalists, perhaps he should have been—to view some of the body cam footage that was removed from dead Hamas terrorists, as well as some of the vision that was captured in kibbutz's or where people were murdered by terrorists. It is not fit for broadcast. But perhaps if the ABC sees an interview with a known and defined terrorist, that perhaps it's appropriate that you do show the footage of what the terrorists did, because that is absolutely abhorrent.

Mr Anderson: We have guidelines on exactly that. For instance, with what the terrorists did in New Zealand, we absolutely did not platform the act of the terrorism itself—

Senator HUGHES: Did you interview anyone from the terrorist group from the government of New Zealand?

Mr Anderson: I'm answering you seriously, Senator, and I can see the disbelief in your face, but, in this case, this was editorially justified to interview that representative, given the heinous act that they did, to challenge them on the claims and the misinformation that they spread.

Senator HUGHES: The fact that you're legitimising someone who they prescribed—

Mr Anderson: It is not legitimising terrorism.

Senator HUGHES: Well, I think it's highly legitimised. We'll continue on because there's a lot to get through. On 22 October, the ABC radio program *Rear Vision* broadcast 'The Gaza Strip: How a tiny slither of land became

the epicentre of a conflict in the Middle East.' It interviewed five experts: Professor Ilan Pappé, the director of the European Centre for Palestine Studies at the University of Exeter in Britain, who has authored *The Forgotten Palestinians: A History of the Palestinians in Israel*, *The Ethnic Cleansing of Palestine* and *Gaza in Crisis: Reflections on Israel's War Against the Palestinians* with Noam Chomsky; academic and activist Norman Finkelstein, the author of *Gaza: An Inquest Into Its Martyrdom*; Gideon Levy, columnist *Haaretz Daily* newspaper in Tel Aviv and the author of *The Punishment of Gaza*; Khaled Elgindy, senior fellow at the Middle East Institute and director of the Palestinian Israeli affairs program and author of *Blind Spot: America and the Palestinians, from Balfour to Trump*; and Nathan Shachar, a Swedish journalist and author of *The Gaza Strip: Its History and Politics—From the Pharaohs to the Israeli Invasion of 2009*.

I have been reliably informed, and I'm pretty sure, reading the titles of their books, that Professor Ilan Pappé, Norman Finkelstein and Gideon Levy are well-known radical left-wing critics of both Israeli policies and Israel's existence as a Jewish homeland and their views don't represent the mainstream views of Israeli historians or academia. For example, Pappé is a self-declared anti-Zionist who rejects Israel's right to exist. Khaled Elgindy, who is also one of the experts, has worked for the Palestinian Authority. Would you call this an example of balanced reporting from the ABC?

Mr Anderson: I'm not familiar with that. I will have to take that on notice, but I will take a good look at it and we'll get our people to take a good look at it, too.

Senator HUGHES: Part of the issue with regard to this was that the comments that were made were at no point, when they were incorrect, corrected. At no point, when they were factually wrong, were the correct facts produced. It was incredibly lacking in any basic context and detail, and anyone who listened to it would have been significantly misled on what they were being told. That includes when Yitzhak Rabin was killed. The way things were working was that, all of a sudden, it went to Netanyahu as the Prime Minister, which was actually not factually correct. He was the Prime Minister in between. It then talked about the second uprising, or intifada, and the fact that there has never been the option of a Palestinian state being created—again, that's not true. That was led by the PM Ehud Barak, who did do that, before Netanyahu. These are factual inconsistencies that play into a pro-Palestinian narrative that is anti Zionist and anti Israel in its existence. How is this part of the ABC Charter of fair and balanced reporting—providing a program from one perspective only, with incorrect information? I'm yet to find one that gives an alternative view.

Mr Anderson: Again, I'm going to have to take it on notice. Our partiality standards are such that we do need to provide a balance of perspectives over time. I don't know that story, but I will certainly look into it.

Senator HUGHES: Again, we'll provide the name of that program to you on notice. Perhaps someone could have a listen to it and explain to us how absolute, undeniable facts over the past 30 years of this conflict were just omitted. I'll leave it there.

Senator HANSON-YOUNG: I want to change tack a little bit. We're heading into an extremely dry summer, as this committee has heard specifically from the various government agencies and experts. We've got bushfires already burning in some places around the country, particularly in Queensland and New South Wales today. What extra preparedness has the ABC been offered from the government to help deal with this season's bushfires?

Mr Anderson: When we had money returned from the indexation pause, we put a portion of that towards emergency broadcasting, as we want it to be sustainable. This is with the knowledge that we're coming into what will be a challenging emergency broadcasting period—not just fire but flood as well, if we look at what we've had to cover recently. In regional Australia, there was one area that was in fire one week and flood the next. So far this financial year, we've already had 150 emergency broadcasting events.

Senator HANSON-YOUNG: Already?

Mr Anderson: Yes. So we can see the pattern emerging, as it has previously, with the coverage of those events and the resources that takes. We're always there for Australians in those times of need. We are effectively the official emergency broadcaster for the country. It's important that we're able to be there when it matters. Emergency broadcasting training has already started for our teams. That's for those people in regional areas as well as those people in state and territory newsrooms that have to go out and cover those events, and it includes fire information and fire training. We've been quite prepared for this. That said, you still don't know what you're going to get. It's hard to predict where your resources are going to need to be deployed. We have an emergency broadcasting team—it's actually quite small—that sits there and leverages off the rest of the ABC in all the places that we're in.

Senator HANSON-YOUNG: Do you have any sense of how much each emergency event costs the ABC? Is there any way to work that out?

Mr Anderson: Maybe I'll defer to Ms Kleyn, but we have an overall incremental cost of emergency broadcasting. We do budget for this. There are teams that are already in those locations, so, effectively, their efforts are turned to covering the emergency event. What goes up is of course overtime and the replacement of people so that we can perhaps give them a break. These are all dedicated people. Quite often they don't want to take a break; they'll work many days straight. Then it becomes just a resourcing and staffing issue to be able to rotate people around. What would we estimate that as, additional per annum?

Ms Kleyn: Can I just reflect for one minute on the actual emergency broadcasting team? We have doubled the size of that team over the last few years. That's added an extra \$1.2 million to the cost of the actual team—that central coordination unit.

In terms of the specific coverage, it really does depend on the location. Do we need to fly people in? It's all year round now, but often these events are over Christmas and periods like that, so we do bring people back from annual leave. We can see a sudden cost of \$3 million plus as we bring people in from annual leave and we fly people around a fair bit. People need a break. It's long. It's relentless. It's stressful. It really does depend on the location and the nature of the event, but it can be in the order of \$1 million, \$2 million—sometimes more.

Senator HANSON-YOUNG: Obviously the summer of 2019-20 was horrific, and I asked many questions of you off the back of that in relation to this. You must have learnt things since then: being able to be a bit more prepared; looking after staff; training staff. I'm wondering whether going into this next summer, which is going to be the worst on record since then at least, has anyone—communications minister, Minister for Emergency Management, the Prime Minister's office—reached out to the ABC and said, 'Is there anything you need to make sure you get the information to Australians that they need?'

Mr Anderson: It has come up in my meetings with Minister Rowland. We've looked at what our cost pressures are and what that funding return of \$20 million per annum over a four-period would go to apart from cost pressure. We have discussed that it would be put into emergency broadcasting. There has been—

Senator HANSON-YOUNG: Sorry, but that's not extra. You've just decided to put that money into emergency.

Mr Anderson: We have, yes.

Senator HANSON-YOUNG: You've made that decision.

Mr Anderson: We made that decision based on the appropriation that was provided to us. We're also aware that the department has committed funding—again, I'm not quite sure how this happened; it might have been a previous minister—with regard to ensuring that some of those transmission sites are more sustainable through those catastrophic events. What we saw was that we were losing transmitters. Everyone was doing their best. Everyone was pulling together—BAI, emergency services, along with the ABC—in trying to restore them whenever they went out. There has been funding put towards a more sustainable solution for it. I know that has happened. That's something we talk of. I don't have that right in front of me, but I know that was another commitment that was made. But certainly we've discussed it, yes.

Senator HANSON-YOUNG: What's the bucket of money that you've allocated?

Mr Anderson: We have about \$3 million or thereabouts that we put towards emergency broadcasting—between two and three.

Senator HANSON-YOUNG: Okay. And that's per year? You're hoping that will get you through this summer?

Mr Anderson: We'll obviously move money as we need to. I don't for one minute want to think we're going to leave Australians stranded because of a budget issue. We will make whatever additional budget available should we need to. If we look back on 2019-20, there were 953 emergency broadcasting events in just that year alone, through that Black Summer period. It was quite extraordinary, it was a peak, and we did get a lot of learning out of that.

Senator HANSON-YOUNG: Do you have any idea how much the Black Summer, how much those 950-odd incidents, cost you?

Mr Anderson: I'll come back to you on notice about that, but we certainly peaked with regard to cost in that financial year as a result of covering all those events in addition to what was the Black Summer.

Senator HANSON-YOUNG: You are the official emergency broadcaster. What role do you have in ensuring that other media organisations, news agencies get access to the news and the coverage that you gather?

Mr Anderson: We gather our information from emergency services, so we know they're from credible sources. We obviously share information as well, as we cover it in real time. It's not just reporting that might

happen on our news channel; it's rolling coverage that happens out of the regions with people who live there. We share that information when we have it. We have good relationships with regional broadcasters. The instance I talked about before, when our transmitter went out—they carried our signal on their transmitter and on their frequency to make sure people got the information they needed. We work quite cooperatively with people in those areas at that time, with other media, as well as the official emergency services that are in the area.

Senator HANSON-YOUNG: But if Channel 7 or Prime or WIN or Sky News wanted to be able to access what was going on in real time, you would give it to them if you had it?

Mr Anderson: With a cold question like that, my answer is always that we're there on behalf of the Australian people no matter what, and if that means saving lives then, absolutely, we hand it over.

Senator HANSON-YOUNG: Obviously the role of ABC Radio in particular is—I mean television is one thing, but is radio still the prime source of emergency broadcasting, do you think?

Mr Anderson: It is. While there are other digital services and you can get our services via lots of digital means, there's no other coverage like AM radio. It is 99 per cent of the country. People can fall back on AM radio, should they need to. AM radio does sit there as a cornerstone of emergency broadcasting. It doesn't really matter what comes next. If it's low-orbiting satellites for IP delivery, you would still want emergency broadcasting on AM radio and have local radio with a local presence—which we do, like no other organisation across the country—to able to advise people as they should, particularly from a trusted voice in an area that is known to the person that's speaking to them. Those are big moments. I'm not discounting what we do for AM radio in capital cities. Quite often our presenters will move to where the emergency is to give relief to those other people who are on air. It really is a team effort when that happens.

Senator HANSON-YOUNG: Yes. So the training element of staff is important. These events don't work to a television schedule or a program schedule.

Mr Anderson: No.

Senator HANSON-YOUNG: You have to rotate people through.

Mr Anderson: Yes.

Senator HANSON-YOUNG: Do you have a process, in Ultimo or in the Collinswood headquarters in Adelaide, where you say to staff, 'Who's up for being part of emergency broadcasting?' Do you get them trained? Or do you select them?

Mr Anderson: It's a bit of both. I don't know anyone who doesn't want to be involved. Everyone at the ABC has wanted to be involved and help in some way, shape or form. People do come forward for that training. Even beyond that, in those moments, they're looking to help with backfill. So, even if they can't help by going out into the field, they will help back at base with the effort to be able to make sure the resources are available where they need to be.

Senator HANSON-YOUNG: I want to ask some questions around the Voice coverage. I'm interested in whether you've got any access to audience figures on Voice coverage—referendum coverage?

Mr Anderson: I do. One I will give you is that, on referendum night, we reached an audience of three million people with our coverage. It was the go-to coverage of the night. I thought it was outstanding. It was straight up and down; it was impartial. We informed the nation of what they needed to know when they needed it. I thought our coverage was outstanding throughout that period. I thought it was far reaching. We were reaching people in regional, rural and remote areas like no other organisation to gain those perspectives. We were in remote communities. We were interviewing parliamentarians and nonparliamentarians wherever possible on this. You look at all the audience data through that period of time and it certainly was a strong period for us in those last two months.

Senator HANSON-YOUNG: Three million on referendum night. Where does that sit in comparison to the 2022 election?

Mr Anderson: I think it's above. I'll take that on notice, but I think it's higher. I think it was a very strong night for us. Australians came to us to get in real time what was happening. Again, I thought our hosts, our panellists, the people who were invited on—everyone did a terrific job and, of course, Antony Green.

Senator HANSON-YOUNG: What's going to happen when Antony decides it's time to give up the gig?

Mr Anderson: I am not accepting of that inevitability. Casey, you would say, is a good understudy. We're lucky to have Casey and we're lucky to have Antony. I like them both and I'd like them both to be at the ABC for some time.

Senator HANSON-YOUNG: You don't want to pick your favourite. The 'yes' campaign, in particular, had official spokespeople who were not politicians. How did you manage that? It's easier to manage balance when you know which political party someone is representing, but in this campaign, which wasn't run by politicians and political parties, how did you work with your team to make sure balance was maintained?

Mr Anderson: We had a number of ways. We issued guidance ahead. We had training for 200 staff in advance of this coverage. The guidance notes were quite clear about what we needed to do. It reinforced what our impartiality standards are, and that is that we do need to get all perspectives over time. It was difficult. It was difficult in that we had an oversupply of people who wanted to speak to yes and an undersupply of people who were a definite no. Then you had a whole bunch of people who were undecided, sceptical or inquisitive. You could probably quite easily count them as the 'no' vote, but we didn't. We kept them as 'other'. Then there were some other people who were just explaining what was happening, like from the AEC. We did have a Voice tracker. It's been talked about in the media a bit. With the Voice tracker, we were quite clear with our staff that we were not aiming for fifty-fifty. That's not akin to impartiality. It was really to use as a tool on the way through to make sure that we were tracking and gaining other perspectives.

We had quite a lot of rejections from people who were invited to come on the ABC to speak to no, whereas it was easy to get people to speak to yes. You also had the phenomena of having what was effectively a government holding press conferences that were promoting the 'yes' vote, which counts to a yes, more so than you had the opposite of that with regard to no. So it was difficult for our teams to ensure that we were having a balance of perspective over time. We weren't aiming for fifty-fifty, but it is important to gain it. You think about the platform; you think about programs. You want to make sure that over that time with that impartiality standard you're reaching similar people. For instance, if you've got a program that has a big audience that sits on broadcast, you want to make sure that you do have that balance of perspectives that sits across that program throughout that period.

Senator HANSON-YOUNG: Have you had feedback from ABC staff that they understood the guidelines, that everyone was comfortable with them and knew how to implement them and that it was being captured correctly? Have you had any feedback from staff in relation to how it rolled out?

Mr Anderson: Only anecdotal, for the feedback I've just given you. With regard to claims of not having someone for a 'yes' discussion because we couldn't find someone for a 'no' discussion, I've only heard that colloquially. If that was referred to an editorial manager that wouldn't be acceptable. You don't, in the absence of the other—if you're doing a program, I think you say, 'We tried to get somebody to speak to this perspective, but they were unavailable.' You would still go ahead with that other perspective and still try to find that somewhere else.

I think we'll do a review of this. There are two different sorts of review that we'll do of the Voice referendum. One is what we'd do anyway, like what we do after a federal election, where we invite external reviewers to review our coverage over that period of time to give their assessment of it, because—

Senator HANSON-YOUNG: Is that something you're required to do, or does the ABC do that itself?

Mr Anderson: We do it ourselves. We are held—

Senator HANSON-YOUNG: Imagine if Sky News did a review of their election coverage!

Senator HUGHES: They don't need to. They're not paid for by the public purse.

Senator HANSON-YOUNG: They take a lot of taxpayer handouts, Senator Hughes.

Senator HUGHES: They're not funded by the taxpayer.

Senator HANSON-YOUNG: No, and I wish they didn't get any taxpayer handout, but they still put their hand out every bloody time they can.

Senator HUGHES: Some of us wish others didn't as well.

CHAIR: Senators, let's stay on track.

Mr Anderson: So there's that review. We haven't approached external reviewers yet, but we will. One will be a First Nations person. The other sort of review we'll do is to consider, within the ABC, what learnings did we have from it? That will certainly be one where it is quite difficult to gain the other perspective—how we manage through it. It's perhaps not something we anticipated but something we had to respond to throughout the referendum. But it is something that we will take on board for the next time we do an election, so it is still valuable learnings for us.

Senator HANSON-YOUNG: What about looking after your journalism staff who are members of the First Nations community? A lot of people talked about how toxic this referendum period was. Some views expressed

were very extreme, very hateful, very hurtful and very divisive. Have you had to put things in place to actually look after your own people?

Mr Anderson: Firstly, I'd say that all of our staff, including our First Nations staff, I thought, were highly professional and committed in how they reported all of it. I thought they did an excellent job. There is no doubt that we have staff that are hurting from the result and are, of course, disappointed with the result. Yes, we have extra support that is available for them. There's no better support than making sure that we check in on our staff and make sure everyone's alright. Of the issues that were raised throughout this referendum, neither side argued about whether or not we should increase what we do for First Nations people in this country—what we do for health, what we do for education, what we do for children. For our attention, we're in a post-referendum environment, where those issues were raised and the Voice to Parliament was voted on. If we respect the fact that Australia didn't want it, and that that wasn't what Australia wanted, en masse, then we should report it through. Let's ask those in power—those to be held to account—what will address that. That's what we'll turn our attention to with regard to that. They're all important issues. The Voice wasn't it; so what is, then?

Senator HANSON-YOUNG: I have lots of other questions, Chair.

CHAIR: I will come back to you.

Senator BILYK: Previously, the ABC announced its decision to relocate staff from Ultimo to a new building in Parramatta. Ms Kleyn, could you provide a progress update in relation to the decision to do that?

Ms Kleyn: Of course. In around May of this year, we engaged the head contractor. That will be the main contractor who will look after the construction works at both Ultimo and Parramatta. We have commenced construction in Parramatta and Ultimo. In Parramatta, just to recap, we are leasing out two levels in Parramatta Square in a Walker Corp building. We're leasing out the promenade and level 39. Construction has commenced on both of those floors and is progressing really well. We've also greatly progressed a lot of the technology work. I think, particularly—through the public works process, and other communications that we've had—one of the main drivers behind this is the technology proof of concept and what we can do differently. We've progressed a lot in that regard.

In the Ultimo building, we've started moving our teams around, mainly off their floor so that we can do the construction work, and then we'll start moving the teams back to what we're calling their 'home space'. Pleasingly, we are on track. We are on track with what we put forward at public works and—maybe I shouldn't say this out loud—maybe even a little ahead of schedule in our Ultimo works.

Senator BILYK: When you talk about construction, is that fit-out? Is that what you're talking about?

Ms Kleyn: Yes. In Ultimo it's mainly office space fit-out, and that comes with a range of different technological upgrades as well. Those might be things like meeting rooms and it's an opportunity to introduce more sustainability features and more accessibility features. But it's very much a fit-out in the Ultimo building. There are fits-out in Parramatta as well, but a lot more to do with set construction. It's not that we're going with the traditional path around sets; it's very much more about technology. It might be LED screens and a range of technological features.

Senator BILYK: What staff will go to Parramatta? What sorts of programs or content will be made there?

Ms Kleyn: I do have information on that. Our 7 pm news will be from Parramatta and we'll have some blocks of programming of our news channel. We'll be sending a range of teams from areas like local radio and we'll have 'feature' teams, for want of a better word. There are a lot of cultural events taking place that we'll cover—we'll take the opportunity, maybe, to do Science Week from that location. So it's mainly, as I said, the news team, with the 7 pm news, and also a range of teams across what we call our Content division, largely led by local radio.

Senator BILYK: The ABC is financing the move—is that correct?

Ms Kleyn: That's correct.

Senator BILYK: How is that happening?

Ms Kleyn: The fit-out and the technological build—the actual capital works that are associated with both the refurbishment in Ultimo, as well as the work in Parramatta—were funded through the sale of Lanceley Place. We had an asset in Artarmon, Lanceley Place, that wasn't being fully utilised, so we were able to sell that.

Senator BILYK: And you're leasing out space in the headquarters in Ultimo, is that correct?

Ms Kleyn: That's right.

Senator BILYK: What does that mean for the ABC's Ultimo staff and what sort of tenants are you considering?

Ms Kleyn: For the ABC staff in Ultimo, in terms of their experience in the workplace, part of the project is to free up the floors at levels 8 to 14. The two buildings in Ultimo, building A and building B, are joined. In building B, we will free up levels 8 to 14, and we will seek tenancy for those floors. The revenue that we receive for that essentially offsets the cost of leasing in Parramatta. We're progressing well with that. We've had a number of conversations, probably nothing we can speak about right now. We're close with a few tenants, but—

Senator BILYK: I was going to ask if there's any interest in the office space. So conversations are happening?

Ms Kleyn: Conversations are happening; we have a range of confidential non-disclosure agreements out at the minute—heads of agreement with a few different interested parties. As I said, probably nothing that we can speak about and confirm right at this point in time, but we're quite confident that we're progressing really well.

Senator BILYK: Am I right in remembering that the relocation was a key part of the commitment outlined in the ABC's first five-year plan to see 75 per cent of contentmakers working outside its Ultimo head office?

Ms Kleyn: Yes, that's correct. Absolutely, meeting that target is one of the key drivers for the project. Again, we're well progressed.

Senator BILYK: Online for 2025 for that?

Ms Kleyn: Online for 2025—75 per cent by 2025.

Mr Anderson: I think—

Senator BILYK: Yes, sorry, 75 per cent by 2025.

Mr Anderson: You're right, sorry. I thought you meant by 'online' that Parramatta—

Ms Kleyn: Yes, we're well progressed towards meeting that target.

Senator BILYK: That's good news. Thank you.

CHAIR: Over to Senator Henderson.

Senator HENDERSON: Mr Anderson, good afternoon. I want to first ask a couple of additional questions in relation to your coverage of the war in Israel and Gaza. Mr Anderson, you continue to claim that the ABC is the most trusted source of news in Australia. Do you stand by that claim?

Mr Anderson: I do stand by that claim.

Senator HENDERSON: I question this for a number of reasons, including that the decision to interview a proscribed terrorist organisation, Hamas, days after it committed the worst atrocities possible is just shocking. Equally shocking, Mr Anderson, is your decision to defend that editorial decision. Do you stand by that editorial decision?

Mr Anderson: I do, Senator. I didn't know it in advance, but I do stand by it. I do think it was editorially justified to make that interview. We interviewed a range of people post those attacks—certainly those people that represented Israel, to begin with, to understand them. And then, as I said, we did interview a representative of Hamas to challenge them with regard to what they were saying, which was false claims.

Senator HENDERSON: I challenge that. Firstly, I say, is it your view that the ABC will continue to interview proscribed terrorist organisations as it sees fit?

Mr Anderson: It's not something we rush to. It's something we take very seriously when we do. But I wouldn't rule out that we might, depending on the situation, interview somebody representing a terrorist organisation.

Senator HENDERSON: So Hezbollah, perhaps, could be next?

Mr Anderson: Those editorial decisions are there for good journalism reasons. They are there to dispel the claims that are being made.

Senator HENDERSON: Well, can I just raise the way you are promoting this interview. I've just taken this from a quick search online. I view: 'Sarah interviews Basem Naim, Hamas's head of international relations. Plus, Martin Scorsese discusses his latest film, *Killers of the Far Moon*.' Where is the reference to the terrorist nature of this organisation? I go on. Facebook: 'Dr Basem Naim is Hamas's head of international relations and former health minister and he spoke to 7.30's Sarah Ferguson.' Where is the questioning, the revelations of the heinous atrocities committed by Hamas? YouTube: 'Hamas senior leader says there were no plans to target civilians in Israeli attack'. This is gross misinformation but this is worse than that; this is disgraceful, Mr Anderson.

Mr Anderson: Senator, what you're talking about is the way that's represented. I'll certainly take that on board and have a look.

Senator HENDERSON: Oh good!

Mr Anderson: Back to the interview itself. If you saw the interview—

Senator HENDERSON: I did see the interview.

Mr Anderson: It was a challenging interview by Sarah Ferguson.

Senator HENDERSON: It was a disgraceful interview.

Mr Anderson: I take on board your feedback, Senator, but I disagree.

Senator HENDERSON: You've given this terrorist organisation a national platform, undermining the ABC's credibility. Are you aware of some of the atrocities that Hamas has committed?

Mr Anderson: I am, and that needed to be put to that representative, who was otherwise spreading misinformation that was counter to what actually happened and those heinous acts that were committed by Hamas.

Senator HENDERSON: And yet you are saying that the ABC reserves the right to continue to interview terrorist organisations.

Mr Anderson: As this conflict unfolds, we've interviewed that individual. Whether or not we interview that individual again, I can't say. It is not something that we do lightly, but we do it when we feel that there's an editorial reason to do it.

I might add that we were calling this a terror attack from the beginning. There are other news organisations that do not—I do not know why—including the BBC. I've read their examples as to why they say that they're not calling them a terror attack. We believe it's a terror attack. We use the word 'terrorists', we use the word 'militants' for the base of Hamas and we confirmed that the Australian government identifies Hamas as a terrorist organisation.

Senator HENDERSON: Will you remove the references that you've made where you do not in any way suggest that this organisation is terrorist? You give this person a veil of credibility by calling him 'the head of international relations and the former health minister' as if he is a credible person.

Mr Anderson: Senator, I know when I say to you I will take that on board that I do take that seriously. We will look at it, because I do think it's important and that—

Senator HENDERSON: Will you remove this interview from your online platforms?

Mr Anderson: I will not remove the interview, but I will certainly look at how it is represented because it needs to be quite specific about the fact that this individual is representing a terrorist organisation.

Senator HENDERSON: This is an editorial decision that you have made; how do you believe this interview should be represented?

Mr Anderson: It needs to pull out precisely what this individual represents and then make sure that it tells people what they're going to get from that interview.

Senator HENDERSON: You're running gross misinformation on your YouTube channel, which has 1.39 million subscribers, saying 'Hamas senior leader says there were no plans to target civilians in Israeli attack'. Is that true, Mr Anderson?

Mr Anderson: We know that not to be true, because we know that they slaughtered the innocent Israelis.

Senator HENDERSON: That's right, so why is that on your YouTube channel?

Mr Anderson: Senator, you've brought that to my attention, so we will have a look at it.

Senator HENDERSON: You're the managing director. This has caused a storm of controversy. I looked this up in 10 minutes.

Mr Anderson: I'm not omnipresent. I'm not looking at absolutely everything that the ABC submits online. There are tens of thousands of articles every month. I'm not looking at all of them. Thank you for bringing it to my attention—

Senator HENDERSON: Someone needs to. I put it to you that your head of news and current affairs, Justin Stevens, is fundamentally failing in his job. This is an extremely controversial decision you've made. As a former host of the Victorian edition of the *7.30 Report*, I believe it's a reprehensible decision. This would never be made in my time. The fact that these sorts of things are being published, with your head of news and current affairs seemingly endorsing this, is a disgrace.

Mr Anderson: I don't know if he does or if he doesn't. I will say on the record that Justin Stevens is an excellent director of news—

Senator HENDERSON: Not based on what I'm seeing right now.

Mr Anderson: I will have a look at that.

Senator HENDERSON: What do you say to war veteran Heston Russell, who the ABC wrongfully accused of committing a war crime?

Mr Anderson: I can speak to this case, which we've just lost, but I will preface this with the fact that we're in a 28-day period where we're assessing whether or not we'll appeal that decision. It was handed down eight days ago and we're going through it line by line. It was a considered judgement by Justice Lee. I accept the judgement for what it is, but, legally, we're going through it line by line to see if we'll exercise a right on appeal. To that end, I'm not going to say anything that might jeopardise that, but I will talk to that case more broadly.

Senator HENDERSON: Aren't you in the Federal Court right now?

Mr Anderson: Right now there is a costs hearing that's going on, where I believe there is an exchange of information, and there will be more negotiations over costs later.

Senator HENDERSON: I ask you to answer my question: what do you say to war veteran Heston Russell, who the ABC wrongfully accused of committing a war crime?

Mr Anderson: At the moment, I would say—and the court agrees—that those stories were in the public interest. The ABC held a genuine belief that they were in the public interest. The court agrees with both of those statements—

Senator HENDERSON: I'm not interested in your beliefs. I'm interested in the facts. You have been found to have improperly and wrongly accused Mr Heston Russell of being a war criminal. What do you say to Mr Heston Russell?

Mr Anderson: If you're asking for me to apologise to Mr Russell, I'm not going to. All I can do at the moment is step through what sits before me with regard to that judgement. It was the first time that we've tested a public interest defence in defamation. There's a lot to learn from it. Whatever happens here—appeal or not—there's a lot to learn from the ABC's perspective—

Senator HENDERSON: I appreciate you want to step me through the case, but I want to ask a couple of questions. I'd like to table a story in today's *Daily Telegraph*, 'Marine's apology to commando over ABC stories' by William Tyson. As reported in the *Daily Telegraph* today, are you aware that your source for this story—

Mr Anderson: Are you referring to Josh?

Senator HENDERSON: Josh—whose real name, reportedly, is Dean—has apologised to Mr Russell for the false allegations that he made?

Mr Anderson: I have heard that there is something out there. I have not seen it.

Senator HENDERSON: I will give you a copy and ask you to comment on that.

Mr Anderson: First of all, Josh is a source that we've given an undertaking not to identify. We have not been relieved of that undertaking, so I'll refer to him as 'Josh'. I don't know whether or not he has retracted the information that he provided us that was tested in this defamation trial. I can't say from that information whether or not he's retracted what was put forward to us. By way of information—

Senator HENDERSON: Alright. This is a very long, protracted affair, but I would put to you, Mr Anderson, that you have dismally failed in this defamation proceeding. This is not just a shocking example of very poor reporting by the ABC. Justice Lee, in his determination, not only found that Mr Russell been seriously defamed but was also scathing in his criticism of the ABC. What do you say to that criticism, including that you blindly continued to defend the indefensible?

Mr Anderson: I read the judgement. I don't remember reading that.

Senator HENDERSON: That's my paraphrasing.

Mr Anderson: I do remember reading things like, 'no party escapes without criticism from this'. I also—

Senator HENDERSON: No, I'm asking about your conduct. I'm not asking about any other party, and I'll read the quote.

Mr Anderson: About the ABC's conduct?

Senator HENDERSON: Sorry, I know I'm interrupting, but I will just read this quote. Justice Lee said the ABC had 'a defensive mindset inhibiting a proper remedial response to criticism'. How could you get this so wrong? You got this so wrong over a number of years.

Mr Anderson: Again, we'll go through that judgement line by line. I've read that judgement once. I believe that was in response to corrections or clarifications; that's my memory of that statement. But I'll note that the court

found that the suspicions of ABC journalists that we had about November platoon were not, in his words, 'irrational fancy', because some of Mr Russell's public statements about the Josh allegation were not apt to dispel some suspicion of wrongdoing, as well as because of the fact that the Office of the Special Investigator had confirmed that it had some background checks into Josh and intended to counsel or consult him as part of their negotiations. I sit here with a judgement that we didn't win. On the three bars that we had to pass for public interest defence, we passed the first two and we failed the third. Arguably the third was the most important.

Senator HENDERSON: To characterise this as passing any test is highly misleading.

Mr Anderson: I'm only taking this from the judgement.

Senator HENDERSON: I'm sorry; this is a shocking finding against the ABC, where you have accused someone of a heinous crime. Are you aware of the number of veterans who commit suicide?

Mr Anderson: I am, Senator.

Senator HENDERSON: Are you aware of the potential damage that this could have—and I'm sure has—done to Mr Russell?

Mr Anderson: This is not intended to cause damage to anybody. Yes, I am aware of what happens to our returned service women and men. We did cover *Invictus* to that end, we do other stories that sit behind the Defence Force and, of course, we respect anybody who serves for the Defence Force, as a starting position. It doesn't prevent us from holding people or the Defence Force to account where we believe that something—

Senator HENDERSON: For your belief, Mr Anderson, even *Media Watch* called you out. I now again raise issues with your head of news and current affairs, because, when you had a senior journalist like Paul Barry, who runs *Media Watch*, calling you out for deficient reporting, do you know what Ms Jo Puccini did? She reported Mr Barry and other members of the *Media Watch* team and threatened them. Mr Barry is a very, very experienced journalist. You have a less experienced journalist running news and current affairs. In my submission to you, demonstrably that's the case. What do you say to the way that *Media Watch* was effectively threatened, demeaned and undermined when, at the beginning of 2022, they demonstrated to you that your journalists, producers and news and current affairs division had gotten this story very, very wrong? Now it has ended up costing several million dollars, at least, of taxpayers' money. This had dragged a man through the mud and destroyed his reputation, which he had to go and fight for. It's also undermined the ABC's reputation as a trusted source of news. What do you say to that, Mr Anderson?

Mr Anderson: There are a number of things in there. First of all, I've got respect for Paul Barry and the *Media Watch* team, as I do for Jo Puccini as the head of investigations and analysis. Jo Puccini, in her role for the investigative reporting team and the role she holds at the moment, has produced excellent journalism over her career, as has Mark Willacy, I'll add. When it comes to the *Media Watch* team—

Senator HENDERSON: I'm not reflecting on Mr Willacy in relation to his other reporting. I understand that he's done some other very good work. We're talking about this case and what went so wrong.

Mr Anderson: What went so wrong is another question, but let me go back to the Paul Barry assessment. With respect to Mr Barry and to the rest of that *Media Watch* team, they didn't put the story together to begin with. They didn't know all the source information that was had, which was discussed throughout this case. I'm not going to go into that because I want to keep the option open when we're in this appeal period as to what we can look at. As an agency head, I'm going to take legal advice on what to do next. As you pointed out, we've spent a lot of money on this, and I want the legal advice as to what we do next.

Senator HENDERSON: Can I suggest, Mr Anderson, that you need to get new lawyers, because your lawyers have run an appalling case, where they even argued truth in relation to this defamation. How could you possibly justify this, when it was clear you could not prove these allegations?

CHAIR: We will rotate the call after this question.

Mr Anderson: The imputation of truth—yes, we did run with that—is very complex and has complex attributes to it. Our truth defence, in the end, got struck out with regard to the definition of 'involved', which is why it needed to be removed. It's very complicated. The judge referred to it as a 'robust, litigious discussion and debate' that happened through the proceedings that happened in that court. Again, I respect the justice's decision in the end, but—

Senator HENDERSON: I know I've got to share the call around. The chair's trying to wind me up, and I respect that, but what I'm saying is the alarm bells rang very early even within your own very senior journalists at *Media Watch*, and you blindly defended this story rather than stepping back and assessing it properly and accurately. Surely something is going deeply wrong in your news and current affairs department.

Mr Anderson: I dispute that. There was an earlier comment you made, again, about Justin Stevens. Again, I'll reiterate I think he's an excellent director of news. I think that there's no doubt through this that there will be learnings for us as we go through this judgement and we get to appeal or not, particularly with the way—the first defence under public interest defence—the court interpreted what was reasonable and what the test was under this defence. It hadn't been tested before. This is the first time this has happened for us.

Senator HENDERSON: Mr Anderson, you got the story wrong. We've got the apology from the source of your story in today's *Daily Telegraph*. You blew it. You got it wrong.

Mr Anderson: I don't know if he is retracting what he had provided the ABC.

Senator HENDERSON: He wasn't even called as a witness.

Mr Anderson: We gave him an undertaking that he would remain confidential.

Senator HENDERSON: You said that you didn't want to give his full name, but Mr Willacy in the witness box actually referred to his name, Dean, a number of times, mistakenly. There was also a broadcast of an interview he gave where his face was revealed. That goes to—

Mr Anderson: He was happy to have his image revealed.

Senator HENDERSON: the rubbish media release that the ABC put out where it misrepresented the court's decision, and Justice Lee has now taken issue with that as well.

Mr Anderson: I can talk about that. We were faced with a decision that was 'either reveal the identity of a confidential source or face contempt'. We had no choice at that time other than to stop proceedings for where we were, and we issued a statement that was about why we did it, and I know he took exception to it.

Senator HENDERSON: I'm sorry, Chair, I know—

CHAIR: You've been going for over 20 minutes. We really do need to share the call.

Senator HENDERSON: Sure. I understand that.

CHAIR: We've got other senators here who wish to ask questions.

Senator HENDERSON: I'll come back to that issue, thank you very much, Chair.

CHAIR: You can certainly come back. Senator Roberts, you have the call.

Senator ROBERTS: Thank you for being here today. I want to talk about some redundancies. Before I do so, Mr Stevens asked me for some evidence of ABC bias. I've sent that to you and to him. There are 20 pages, backed up by other pages of supporting documents, and I'd like to talk about that later, if time permits. Moving to the redundancies, what was the ABC headcount for ongoing employees in 2022-23?

Mr Anderson: Ms Kleyn will give that to you. We'll find the exact number. It's in the annual report.

Ms Kleyn: Can I just confirm you want the number for ongoing employees? That's appendix 5 in the annual report. Your question was for 2022-23. There were 3,805, all ongoing employees.

Mr Anderson: FTEs?

Senator O'SULLIVAN: Is that headcount or FTE?

Ms Kleyn: It's a headcount.

Senator ROBERTS: What was the headcount 12 months earlier?

Ms Kleyn: The headcount 12 months earlier was 3,825.

Senator ROBERTS: That's a difference in headcount of 20?

Ms Kleyn: That's correct.

Senator ROBERTS: Yet in, 2023, you've paid out \$22.2 million in redundancies for 20 fewer people in the headcount?

Ms Kleyn: The \$22.2 million I think you're referring to within our annual report, in the employee provisions, is actually a provisioned amount. We made our announcement on 15 June. We provisioned for the redundancies at the financial year end. Any impacted employees had not yet exited, at the financial year end.

Senator ROBERTS: What does the \$22.2 million cover?

Ms Kleyn: The \$22.2 million covers an estimated redundancy provision on the basis of the announcement we made on 15 June, which impacts approximately 127 people.

Senator ROBERTS: How many have gone now, though, out of those 127?

Ms Kleyn: At the time of the annual report, no employees had gone, because of the timing of the announcement. We had just provisioned for the redundancies. I can provide an update. As at 30 September, post the financial year end, 74 employees had exited.

Senator ROBERTS: How many people will that \$22.2 million cover?

Ms Kleyn: The \$22.2 million provision, I anticipate, will cover—sorry, I pause because at the time of the announcement—

Senator ROBERTS: It's 127, right?

Ms Kleyn: Our announcement was for up to 130 people. Through the process of consultation, a number of people are able to have a redeployment opportunity. That's why I pause, in terms of how many I anticipate. I would not like to give a view on what might happen through a redeployment process.

Senator ROBERTS: So it's around 130, minus any redeployment.

Ms Kleyn: Some roles naturally became vacant. At 30 September, 74 employees had exited. I would estimate that number might move to perhaps 100.

Senator ROBERTS: So that's \$220,000 each, on average?

Ms Kleyn: The redundancy provision, at the time, was for 130 people. Mathematically, I can understand the question, but perhaps I could provide that on notice. It's not quite as simple as that being the basis on which we provisioned for the redundancy.

Senator ROBERTS: It varies on classification and pay rates et cetera.

Ms Kleyn: That's correct.

Senator ROBERTS: Could you provide that on notice, please.

Ms Kleyn: Absolutely.

Senator ROBERTS: I'd like to move to Heston Russell, which Senator Henderson raised a minute ago. I wonder if you remember, Mr Anderson that in February this year—I think we were sitting in this room—I was asking you about reporting in relation to Alice Springs. I said to you in February:

The ABC has been previously accused of being overly defensive and painting itself as constantly being under attack. Did this in any way contribute to the ABC failing to make an impartial review of the reporting and initially defending it when it should have immediately apologised?

That was on the Alice Springs issue. Your response to me was simply, 'No.' Do you remember when I said that?

Mr Anderson: No, I don't. I'm sorry, Senator—

Senator ROBERTS: That's okay. I can't remember the details either. That's why we have documents. The ABC just suffered a humiliating defamation loss in the Heston Russell case. The Hon. Justice Lee of the Federal Court of Australia said in his judgement:

I gained the impression that a highly defensive mentality arose within the ABC in relation to the work done by ABC Investigations and, in particular, Mr Willacy.

He also said that that ABC journalists 'had become defensive about any criticism' and they 'considered such criticism was emblematic of a broader culture war attack'. He also said:

Ms Puccini was at times palpably frustrated by her participation in a process by which the ABC's conduct was being questioned.

He also said:

... her defensiveness meant she was chary about giving any answer she considered would amount to a concession.

Justice Lee finally summarised:

There may be several reasons why this dispute resulted in expensive and protracted litigation, but one of them was the existence of a defensive mindset inhibiting a proper remedial response to criticism.

It seems that, according to the judge, who has listened to a lot of people, your journalists were too defensive and unable to bring themselves to apologise, and that led to a defamation loss, at great expense to the taxpayer. Yet you've maintained to us here that there is no problem with the culture at the ABC. I've raised it with you, and now a Federal Court judge has handed down a judgement criticising exactly that. Do you even know how pervasive this defensive culture is within your organisation?

Mr Anderson: Senator, what can I say to that? I haven't met a journalist who is not slightly defensive about any story they have written and published at some point. All I can do with what the judge has handed down is accept that that was His Honour's view throughout the trial. I didn't attend the trial, but, you are right, he would

have listened to a lot of people. Again, the context in which that is intended is contained in the rest of the judgement. Again—and we're going to go through this line by line—I don't know if that means there was another option in the middle of this for us that was ignored. I don't know if it's in relation to corrections and clarifications. I know that at some point before we ended up in proceedings we did offer to put a clarifying note on the story. That was rejected at the time. The judge's view is the judge's view about a defensive mindset that he witnessed with the people who were participating. I can only accept that judgement and learn from it. We'll go through it line by line about what that specifically relates to.

Senator ROBERTS: So how are you going to fix it? I know you want to go through it line by line. How are you going to fix it?

Mr Anderson: It is true to say that on a regular basis we do get a lot of criticism that is quite public, so from the lowest levels of the organisation to me. We are the most scrutinised media organisation in the country. We're scrutinised for good reason. I agree that we should turn up at Senate estimates and I agree that we should be as transparent as we are, but that does come with a lot of criticism.

Senator ROBERTS: How are you going to fix it?

Mr Anderson: Again, when it comes specifically to our journalism and how we're going to fix it, as I said before, we are going to look at this judgement. There's a lot to learn from this if we end up in this situation again. We need to take on board what Justice Lee is saying to us and look at how we react to these situations in the future.

Senator ROBERTS: Essentially a Federal Court judge has said that a defensive mindset in your journalists led to protracted litigation. What was the amount for damages awarded to Heston Russell?

Mr Anderson: There are no aggravated damages. The damage is at \$390,000.

Senator ROBERTS: What is the ABC's legal bill for this matter with Heston Russell currently?

Mr Anderson: It's still going, but it is \$700,000 to \$800,000 to date.

Senator ROBERTS: So that's \$1.2 million roughly. How much in costs does the ABC expect will be awarded to Heston Russell?

Mr Anderson: I don't know yet. That's playing out right now, as we speak. First there's a costs hearing. Submissions will be made and then a negotiation will ensue.

Senator ROBERTS: I'll come back to that.

CHAIR: We'll go to Senator Hanson-Young.

Senator HANSON-YOUNG: Mr Anderson, you would be aware that the government has delayed the introduction of its regulations on streaming services in relation to Australian content. We've been told today that the government would still like to make sure that the scheme is in place by 1 July, but we were originally told that we would have this legislation done and dusted this year, and we're not going to have it. I want to ask some questions about the impact of local content requirements on the ABC. Have you been involved in any negotiations or consultations in relation to the options that the government has put forward recently?

Mr Anderson: Thank you. You asked me a question about this last time, and we sent a response back against one of the options. That was really pointing at the regulation towards spend, rather than volume of hours. I can speak for myself; I haven't been involved in any discussions since that moment. There might have been a roundtable and there might have been something that happened that someone else attended, but I'd have to come back to you on notice about it.

Senator HANSON-YOUNG: Alright. If there has been any consultation with the government over the last few months, I'd be interested to know about that.

Mr Anderson: I'm more concerned about prominence. I heard prominence mentioned earlier today—

Senator HANSON-YOUNG: Yes, I have some questions on that too. But go ahead. You have a concern with prominence?

Mr Anderson: I do, and it's shared widely in the coalition of the willing across commercial free-to-air, as well as the ABC. I don't want to speak on behalf of James Taylor for SBS, but I think he has the same concern. Australian content should be easy to surface on any device, particularly when we're in an era where consumption is more and more via a digital service or digital means—smart TVs. I think it's being able to have a starting position where it comes out of the box, where it is actually preloaded with something that's easily accessible. Otherwise, we face the option of having very large tech manufacturers wanting to be media providers and wanting to charge for the benefit of having immediate access to otherwise freely available Australian content.

I think we all support each other in this. While our submission on this is not public, we're on the record publicly as saying that we're in support of prominence. When there's a proliferation of content that's available to everybody and the barrier to entry for international big global streaming services is so low, I think it's incredibly important that, in the name of contributing to a sense of national identity and who we are as a country, we want to surface local content. So that's something that we've taken a position on very strongly. For all the money that's spent and that we spend on Australian content, it should be easy to find by all Australians.

Senator HANSON-YOUNG: Okay. How much has the ABC spent on creating local Australian drama in this last financial year?

Mr Anderson: What we have in the annual report is a commitment of spend; it was a commission decision with regard to that. I don't know that I have a breakdown that goes specifically to drama.

Senator HANSON-YOUNG: Okay.

Mr Anderson: Generally, there's a budget—and I'll confirm this on notice—for scripted production of around \$30-odd million per annum. I said that just as Ms Kleyn put something in front of me; hopefully, it doesn't contradict what I just said! I can't read that.

Ms Kleyn: Sorry. It's in appendix A in the annual report. As Mr Anderson said, this gives an indication of what we have committed to, so it's not necessarily what's rolling through our financial statements—

Senator HANSON-YOUNG: Yes.

Ms Kleyn: It has drama at \$28.5 million.

Senator HANSON-YOUNG: Mr Anderson, what is the type of commitment the ABC makes to creating local content? I'm thinking about scripted in particular, but not just scripted. We know you do a lot of news coverage in the regions.

Mr Anderson: Yes.

Senator HANSON-YOUNG: You do a lot of local—this is what the local communities are saying; this is what's going on in local communities—but how much are you actually going out into local communities and supporting programs or shows that are filming and creating their stories in regional areas?

Mr Anderson: It's incredibly important to us that we are able to do that. We will quite often look to other states and territories and look to other state and territory governments for what they're willing to contribute to some of those things. A good example is *Bay of Fires*. That was in western Tasmania. The first series reached more than a million people. I believe they just sold that into the UK. So it was highly successful and was produced in Tasmania, on the west coast of Tasmania. The benefits from this are, from memory—again, I'll confirm on notice—that it's a \$16 million total production budget. Our contribution is \$5 million, with, I believe, \$1.5 million put into that from the state of Tasmania to have it located on the western coast of Tasmania.

It's incredibly important to tell our story but to also showcase our nation. That's particularly important when it travels overseas. That \$1.5 million went so far. Through our assessment, we believe that well over \$7 million got pumped into the local economy. It created nearly a hundred jobs. The mayor of Queenstown talked about how all of the money that they put in went to accommodation—and then some that was paid. So it all went back into that state—as I said, creating jobs and showcasing the area. We're looking at a second series as a result. In fact, I think the second series is pretty much all but commissioned, and I'm very grateful to state and territory governments—in this case, the Tasmanian government—for backing that in, because it pays off in droves for us and for our audiences. It's what Australians want to see. They want to see us telling our own stories, but doing it from around the country.

Senator HANSON-YOUNG: For a show like *Bay of Fires*, did you say there was \$5 million from the ABC?

Mr Anderson: There was \$5 million from the ABC. There was \$1.5 million from the Tasmanian government. I think there was a higher contribution from Screen Australia. FremantleMedia international were the distributors for it, and, as I said, they've now sold it into the UK, and it will go from there.

Senator HANSON-YOUNG: When public money is going into these programs and they're getting out to the regions, what you're saying is that that money is being spent back in the regions.

Mr Anderson: It is. Yes. We've got evidence to suggest that. We've done some work previously with Deloitte Access Economics to show how that spend generates other jobs and then benefits that economy; hence the South Australian Premier entered into an agreement with the ABC. It's a non-binding MOU—but it is putting money aside—for up to \$5 million, I think it was, in total to be spent in South Australia. *Ladies in Black* is being shot there at some point in the future. It does showcase the location, and the money goes back to the state and the

territory. I might add that there's quite a lot of public money that goes in. It's not just the ABC; it's also the offset, which comes from the Australian tax office, which represents 21 or 22 per cent of what is a big budget.

Senator HANSON-YOUNG: So the more money that is put aside for creating local content, the more that gets spent in local production.

Mr Anderson: Yes.

Senator HANSON-YOUNG: You were saying that *Bay of Fires* is an example where that's helped in Tasmania.

Mr Anderson: Yes.

Senator HANSON-YOUNG: Did you say one million views?

Mr Anderson: Yes. It builds over time, both with original broadcast and consolidation after 28 days. Then you put it on ABC iview, and we do a separate audience that deduplicates so we've got a measurement that says that this is the audience that came to ABC iview. It's a video play measurement, a VPM, that you then add on to your broadcast audience. Then you have encores. So that builds up to over a million for *Bay of Fires* after a period of time.

Senator HANSON-YOUNG: Wow! Was it just Australians watching?

Mr Anderson: ABC iview geoblocked. If we were to relicense it for an international version of ABC iview, then we would be paying the producers for that. I'm not sure whether we've done that or not, but that is just for this audience. Fremantle will of course look to get their money back, and they will sell it wherever they can internationally.

Senator HANSON-YOUNG: When you have a regional production like *Bay of Fires*, obviously there's training and skills development in those local areas. You're not shipping everybody in. A production company isn't shipping everybody in; I don't imagine they are. They must be training and using the local talent within at least that state, if not that regional area. What I'm wondering is whether, once you've got one successful season or show, there's a responsibility on the production company or the ABC. How do you actually make sure it's not boom and bust for that industry locally?

Mr Anderson: Sometimes there are requirements that come with the money that we agree to from states and territories—Screen Australia have them as well—that suggests a certain percentage of the crew needs to come from that particular state or territory. For Tasmania, I've just been sent information that, as of the end of the financial year, \$8.4 million was added to that economy, with over 100 full-time equivalent roles. There was a quote from the mayor of Queenstown at the time about this that said that some people had got back to work after 20 years of being unemployed simply because of that production being where it was after mining had left. We see the stats and what happens when you do actually create content that sits outside of, in particular, Sydney and Melbourne.

Senator HANSON-YOUNG: Is there anything else that the ABC is going to be doing? Is there anything else in Adelaide or South Australia?

Mr Anderson: The commissioning team, now led by Chris Oliver-Taylor in content, is always looking for the best ideas. It does have a focus on them being outside of, in particular, Sydney and it is looking to other states and territories to be able to do it. We've got that agreement with the South Australian Premier, so I'm sure that's good. I put something similar to the WA Premier. I haven't been to Queensland to do that there yet. And the Tasmanian Premier has *Bay of Fires* at the moment.

Senator HANSON-YOUNG: Are you worried—and maybe this is an unfounded concern; it's a genuine question—that, unless the ABC is able to compete with funding for new shows and programs, you'll get undercut by the tech giants like Netflix, Amazon and Prime?

Mr Anderson: Of course, Senator. It is this constant competition for other money. While we might spend \$100 million per annum in the independent production sector, we're relying on \$130 million coming from other places. The \$130 million from other places is a highly contested space. There is less volume of content happening globally.

Senator HANSON-YOUNG: They're not going to be as invested in the local community or the regions or in telling Australian stories necessarily, are they?

Mr Anderson: Not necessarily, not possibly, unless they're made to. But, for the ABC, we will be uniquely Australian in what we do and, as I said, in some of that other money, like from Screen Australia. Or, if it's with the offset, there's the SAC test. The SAC test suggests that there has to be significant Australian content, but it also comes with the amount of people who are employed locally for it, not flying in from overseas. So those

things are caveats that sit with it. At the moment, my understanding is that some of those big SVOD players don't access the offset at the moment. There's a big policy framework discussion and adjustment that needs to happen here, and I'm glad that the conversation has started. Where it ends, I don't know.

Senator HANSON-YOUNG: Thank you.

CHAIR: Senator Hughes has a clarification point.

Senator HUGHES: Mr Anderson, maybe we could take the lunchbreak. I've had another message. Maybe you might want to confirm where Mr Joyner is today and where he's expected to be next week in case you need to update your evidence to us after lunch.

Mr Anderson: Okay.

CHAIR: We'll suspend. Thank you.

Proceedings suspended from 13:34 to 14:33

CHAIR: We will continue with questioning.

Senator HENDERSON: Good afternoon, again, Mr Anderson. I want to return to the questions I was asking about the damning criticism of the ABC's communications department over a misleading press release issued during the defamation proceedings. Justice Lee said:

... the statement was issued to falsely implicate the court in wrongdoing.

I want to table the article that reported this in the *Australian* on 17 October. It is entitled 'Judge lashes ABC's misleading press release in Heston Russell case'. The argument that you prosecuted that the recent court ruling would have forced the ABC and journalists to reveal the confidential name of a key source in the defamation matter was found to have no credibility. What do you say, Mr Anderson, to the conduct of your communications department in relation to these proceedings and even the fact that you're issuing press releases during a court matter? Surely that's inappropriate to start with? Now the judge has slammed you for misleading conduct which wrongly implicates the court in wrongdoing.

Mr Anderson: Firstly, I'd say that an issuing of a press release like that is not at the instigation of our very small communications team. They are responding to what others have been putting to them. Whether we had media inquiries before that or not, I'll have to confirm that on notice, but the decision was from ABC News to send out a press release to say that, at that moment, I believe, we understood that we were discontinuing our defence on that basis. That's why that press release got put out.

Senator HENDERSON: This is a shemozzle in so many respects, Mr Anderson, and it's not just about the outcome in the court case. I will come to the other issues. I want to turn to your costs. Last September an offer was made by lawyers representing Mr Russell to settle the case for \$99,000, when there were pretty much negligible costs incurred, right at the beginning of the trial. Why wasn't that accepted in good faith? You've now gone on to rack up probably at least \$2 million in costs by the time you add up the damages, your costs and also Mr Russell's costs.

Mr Anderson: It's a reasonable question, of course. My understanding was that the offer was very early on in the proceedings. The offer—whatever period it was valid for—expired before we had completed our defence. So it came early on at a point when we hadn't mounted our defence ready for the proceedings at that particular point. There were a number of significant issues that were unclear, including whether the imputations pleaded were conveyed by the stories. There are over 50 imputations pleaded, and after that has expired—

Senator HENDERSON: The imputation that someone is a war criminal—

Mr Anderson: I'm giving my answer, Senator—that was shortened to under 10, following a court hearing. It involved the use of an untested new defence aimed at public interest journalism, and the matter was not cut and dried. There were suspicions around those events. At no time had anybody provided the advice that we were going to lose this case. We were looking at our prospects. Our prospects were reasonable. So, at the time, that's why that offer was not taken.

Senator HENDERSON: Can I suggest, Mr Anderson, that part of the reason for your flawed decision not to accept an early settlement—in fact, even when the editorial complaint was first made by Mr Russell, all he wanted were the defamatory articles to be removed, and that was declined—is that your reporter Mr Willacy was not candid in relation to what his source, Josh, told him? That only came out under cross-examination. So Mr Mark Willacy, your reporter, and Ms Puccini knew that the source never named Mr Russell. The source never named the November platoon. In fact the source never said that Mr Russell was there on that particular night. Those critical facts were concealed by your journalists, and they only came out in cross-examination. In fact, I

would put it to you, Mr Anderson—this is how deeply serious this situation is—that your journalists misled your own editorial complaints team, and that is borne out in the evidence. What do you say to that?

Mr Anderson: Senator, I'm not prepared—meaning that I'm not prepared; it's not that I'm not willing, but I'm not prepared—to rerun what was presented in court through the proceedings—

Senator HENDERSON: I'm asking you to respond to my question, please.

Mr Anderson: I'm responding to your question with an answer I gave earlier that, at the moment, we are in our 28-day period of assessing whether or not we would appeal. I'm not saying that we would, but we are assessing that at the moment and going through it line by line. What you just mentioned of course is mentioned in the judgement, and we're looking at that. And I said earlier, whatever comes out of this—appeal or no appeal—there's a lot to be learnt from all of this. That's my response to it, rather than going into the detail of it, because I can't go into the detail of it because I'm not prepared—I don't have the information in front of me.

Senator HENDERSON: But you are in Senate estimates, and you are required to answer these questions, Mr Anderson, so I—

CHAIR: I think Mr Anderson has just pointed out that he does haven't the information. He hasn't prepared for this.

Senator HENDERSON: I don't think that's—

CHAIR: Mr Anderson, are you prepared to take that on notice?

Mr Anderson: For the specific question that you have asked me, I don't have an answer prepared in advance for you, so I will take that on notice and reply to you.

Senator HENDERSON: If you could take it on notice, including whether you will be reviewing your editorial complaints procedures in light of the fact that, I believe, based on the evidence before the court, your own editorial complaints team was misled by Mr Willacy and Ms Puccini.

Mr Anderson: Senator, you're making an allegation there, which—sure, we'll look into our editorial complaints procedures. They've only just been updated by our ombudsman. I will note that both Mr Willacy and Ms Puccini have been responsible for excellent journalism in the past. I will look into the matter, and I'll take that on notice.

Senator HENDERSON: Thank you. So, even after the imputations were found that Mr Russell, according to the ABC, was a war criminal—that imputation was found and that happened in February this year—the ABC still refused to settle the case. There was no offer to settle after the truth defence was struck out in March, and, in fact, the ABC never made an offer to settle. I understand this has been run by your internal lawyers. I would put to you, Mr Anderson, that this has been an absolute disaster of a botched case in the court and that it demonstrates that the ABC not only has botched this case but has also put at risk its reputation as a reliable source of news and information.

Mr Anderson: There are certainly, as I said before, things that we will learn from this, but I'm not sitting here with an opinion that this case was botched. As I said, the judgement does say these stories were in the public interest. We believed they were in the public interest when we went about doing these stories. When it comes to the case itself, we do have an excellent legal team. I will say that we've had other defamations cases that we've resisted that we've won of recent note in the past two years—Mr V'landys being one and Mr Gatto being another one. McLachlan was settled, and we're seeking costs. So both the journalism and what has been our defence has succeeded in those other two defence cases. In relation to this one, I do obviously concede that we have lost this case, and we are going through precisely what happened that led to it.

Senator HENDERSON: Mr Anderson, I would put to you that it's not in the public interest to make false allegations about someone being a war criminal, so that's a completely fallacious argument. Sure, if you had uncovered that evidence and if you could have substantiated it, but you didn't even bring this source to the court to give evidence in camera. You couldn't even back up these claims. In fact, under cross-examination, as we now know, the claims that Mr Willacy made in two online articles—one which was authored by someone else, which you didn't disclose either—did not stack up, on Mr Willacy's own admissions.

Mr Anderson: Senator, my only response—because you haven't asked me a question—is that clearly the case was not successful, clearly we thought it was in the public interest at the time and we are looking at that judgement very carefully.

Senator HENDERSON: On the question of public interest, I want to just be very clear here, Mr Anderson. The court did not find that these stories were in the public interest. The court commented that the ABC believed they were in the public interest, but there was no finding by this court that they were in the public interest. In fact,

the court found that your belief that they were in the public interest was not even reasonably held. So I put to you, Mr Anderson, that there is no basis to prosecute this fallacious argument.

Mr Anderson: Senator, I refer to what I read out earlier. The court found that the suspicions the ABC journalists had about November platoon were not an irrational fancy. That's at paragraph 34.

Senator HENDERSON: I'm talking about your claim about this being in the public interest. The court did not find this was in the public interest, Mr Anderson.

Mr Anderson: I'll respond in a minute—

Senator HENDERSON: In fact, your belief that this was in the public interest was not even held to be reasonably held.

CHAIR: I will need to rotate the call, Senator Henderson, if you can wind up, please.

Mr Anderson: I can't respond now; I'll respond on notice.

Senator HENDERSON: I'll come back. Thanks very much, Chair.

CHAIR: Senator Bilyk.

Senator BILYK: I'd like to ask some questions around your long-term plans to move forward to net zero. You've got a five-year plan—from 2023 to 2028—launched in June this year. It includes a strategic priority to reduce the ABC's impact on the environment and to achieve net zero emissions scope 1 and 2 by 2030. Are you able to tell me what steps are underway to achieve this objective?

Ms Kleyn: That's correct. As you state, Senator, we have made it very clear in our five-year plan that we will move to net zero scope 1 and scope 2 emissions by 2030. There are a series of activities to get there. The first step always is abatement. In terms of our scope 1 and scope 2 emissions, over 90 per cent is electricity, so the first step is electricity abatement, where we can. That means things like solar panels. We've put in a number of solar panels across our property portfolio. We will continue to do so. You can see, within our annual report, that our emissions are actually coming down over time, which is obviously very pleasing. That's the path we're on. So step 1 is abatement. We then will go to purchase of offsite renewable electricity to the extent that we can. We look at that alongside where we have the panels, where we've got that abatement and where can we balance that, also, with the purchase of green power. Then there are a range of other things that we have in place around hybrid vehicles, as we swap out our fleet. There are a range of initiatives there, but, really, with over 91 per cent of our emissions being electricity, that's our focus at the minute.

Senator BILYK: To what extent will you use offsets, and why is that necessary?

Ms Kleyn: Offsets are always the last place we go. As I say, we start with abatement and see what we can do there. As we get closer to 2030, we do envisage that there may be a need for offsets around things like vehicle fuel or gas where we're not able to actually have any abatement measures that we can—

Senator BILYK: Sorry, I just missed that last bit.

Ms Kleyn: Vehicle fuel—again, that's quite small—and natural gas. Where we've got emissions through those sources, it is possible that we won't be able to put in abatement measures, so, in that instance, we would look to offsets. As I say, that's our last resort after we've gone through all our other priority steps to get to net zero.

Senator BILYK: You've mentioned scope 1 and 2. What about your scope 3 emissions that are generated from upstream or downstream activities from sources not owned or controlled by the ABC? How are you trying to reduce these emissions?

Ms Kleyn: We've done an extensive amount of work in, first, understanding what they are—understanding what our baseline of scope 3 emissions is. We know that the vast proportion of those emissions are due to our transmission, so we're working very, very closely with our suppliers. We have also lodged a commitment for a science based target. The ABC have done that, and you'll be able to see on the website, which is actually quite public, that some of our transmission suppliers have already set their science based targets. So we're working hand in hand with them—

Senator BILYK: Please tell me what you mean by 'science based target'.

Ms Kleyn: Science Based Targets is a leading global body that is looking at corporations showing their commitment to the reduction of emissions. You set what are called 'science based targets'. There are certain parameters you have to achieve and have to follow to set those targets. There are certain time lines. We're well placed to actually lodge a commitment to set those targets because we do have that commitment to net zero by 2030. You also then need to have a target that looks at your scope 3 emissions. We're still stepping through that process to understand what our scope 3 emissions are and what the sources are. We've done extensive work on

supplier engagement with those main suppliers that we know are the source of those emissions. and we understand, also, that a number of them have set quite public targets themselves. So, working hand in hand with them, we can start mapping a trajectory to how we can also see those emissions reduce.

Senator BILYK: It sounds like some great progress. Speaking of progress, how will you publicly report progress against these targets? What's the process for that?

Ms Kleyn: We have reported quite extensively within this year's annual report. We've reported in line with the Department of Finance's Net Zero Unit. We've applied all the emissions calculation methodology as provided by the Net Zero Unit. So, as I said, we've got quite extensive reporting within this annual report, and we'll continue to update on our progress within our annual reports.

Senator BILYK: Okay. That sounds great. Thanks.

Senator HENDERSON: Mr Anderson, I want to return to the source of this story, who apologised to Mr Russell. It was reported in the *Daily Telegraph* today. The story of this apology was in fact broken by Ben Fordham on 2GB on Monday morning. Were you aware of that story? Did anyone brief you about that?

Mr Anderson: I got a brief on that somewhere this morning—that something had happened yesterday with Ben Fordham on 2GB and that something else happened this morning. Other than that there was an issue that was being raised, I'm not across that issue. My head was in other places.

Senator HENDERSON: Mr Anderson, I'm deeply troubled that you don't believe, after falsely accusing someone of a war crime, that an apology is warranted, particularly when you're before the court in relation to an appeal. Do you think that's going to advance the legal position of the ABC?

Mr Anderson: I've given you a couple of reasons why I am not apologising to Mr Russell, one of them being that I do not want to impede—which is probably the first point—any chance that we might have of an appeal. The second reason is with regard to Justice Lee making clear in his judgement that no party emerges from this case without criticism.

Senator HENDERSON: I think that's clutching at straws—

Mr Anderson: No, it's not.

Senator HENDERSON: There's one party in this litigation that has come out very badly, and it's the ABC.

Mr Anderson: Right now Mr Russell has judgement in his favour, and he is being paid \$390,000 at the moment. I do not see a need to apologise to him at this point. At the moment we're going through that judgement line by line.

Senator HENDERSON: Isn't that arrogant, Mr Anderson—

Mr Anderson: I don't believe so.

Senator HENDERSON: and isn't that the core of why you've so mismanaged this story? When you were first alerted to the fact that the allegations you were making about Mr Russell were wrong, rather than do the right thing and remedy the story that you had written and published—several stories—you just doubled down and defended and defended your position and in doing so prosecuted a false story about a man wrongly accused, falsely accused, of the most heinous crimes. Isn't that level of arrogance what's so wrong with the ABC's approach?

Mr Anderson: No, and I don't think I'm taking an arrogant position at all. I think I'm taking a responsible position considering the position I'm in and where we are within our 28-day period to consider whether or not we appeal. That's first of all. The other bit of information that I have before me is that Justice Lee did not consider Mr Russell to be a credible witness. So, I don't see, right at the moment, that I do need to apologise to Mr Russell. We're going to go through that judgement line by line, and we'll make a decision after that.

Senator HENDERSON: Are you aware that under the defamation act an apology can be made at any time without any admission as to wrongdoing?

Mr Anderson: Well, I've given you other reasons why I'm not apologising at the moment, so I'm still not apologising for that.

Senator HENDERSON: Oh, right, so therefore it doesn't rest on your decision in relation to any appeal?

Mr Anderson: Even in the situation where it wouldn't—even though my advice was that it might—I am saying that I am not apologising to Mr Russell, for the reasons I stated earlier.

Senator HENDERSON: Well, I would say to you—and I'm raising concerns—that not only do I think that that is reckless and shows a terrible attitude by the ABC and a level of arrogance but also I think what you've been trying to do, up until I've corrected you in this regard, is mischaracterise the impact that any such apology could

have on your appeal. I'm even concerned that you're considering appealing this matter, Mr Anderson. On what basis are you looking to appeal the matter?

Mr Anderson: It is normal to consider your position when this happens. Again, it's not often that we lose a defamation trial. Normally, my understanding is to consider your position as to whether or not you would appeal on legal grounds, depending on the judgement and your current situation. So we are currently assessing that. Senator, you said something earlier about how we didn't ever seek to compromise. I believe we did. I'll confirm this on notice, but I think we did make an offer to settle the matter. I haven't got anything that's come in just now, but I believe we did, through a correction or clarification to put on the story at some point, before proceedings initiated. I will confirm that on notice with you.

Senator HENDERSON: I think that, at the time proceedings started, there was an offer to settle for \$99,000, plus some negligible costs, very early on in this dispute. Mr Russell was seeking for the two articles to be taken offline because they were demonstrably false. The ABC did not agree to do that. But, if you could provide any further information in that regard, I'd welcome that. I want to ask about your refusal to answer a question I asked at the last estimates about your legal costs in this matter. You said that it was not in the public interest to provide information about the legal costs in this matter, which, clearly, is a breach of the Senate rules. You haven't made a public interest immunity claim, so on what basis are you refusing to answer my question, and will you now answer the question?

Mr Anderson: I don't recall that. I did mention earlier, when Senator Roberts was questioning me, about how much we had spent on this particular matter to date. I'm sure there would have been a reason why I was resisting answering you at the time. I would have been advised to do so. My apologies, Senator. But, at the moment—and the matter is still ongoing, because we just had a hearing today for costs—we've spent probably close to the \$800,000 mark. Those are our legal costs that have been incurred to date.

Senator HENDERSON: So it's departmental question No. SQ23-003799. In answering the question that you took on notice, the ABC responded by saying:

Providing a breakdown of all external legal spend by matter could undermine the ABC's ability to obtain cost-effective services in the legal market and adversely affect its commercial and/or legal position, which would not be in the public interest.

This is Senate estimates. We're here to interrogate all matters concerning the ABC, including its expenditure. Could I please ask you to answer this question about the breakdown of all legal matters, including what you are paying to each barrister and each legal firm for each matter on foot.

Mr Anderson: I'll take that on notice, because, for that question, I thought you were asking me with regard to the Heston Russell matter. For that specific question about 'per barrister per item', I think that response still stands as being a public—was it a public interest immunity claim?

Senator HENDERSON: No, you didn't make a public interest immunity claim. That's why you're in breach of Senate rules.

Mr Anderson: We will take that on notice and make a public interest immunity claim on—

Senator HENDERSON: To be clear, I was asking about the Heston Russell defamation matter, but I also broadened it. You've now said that it's \$800,000, so could you tell me what you're paying your senior counsel per day?

Mr Anderson: I don't have that information. I'll take that on notice and give you a response.

Senator HENDERSON: My understanding is that you've engaged Mr Nicholas Owens SC. The going rate for Mr Owens is about \$12,000 a day. Can you confirm you're paying that sort of rate per day for Mr Owens?

Mr Anderson: No, I can't confirm that at the moment. I'd have to take that on notice.

Senator HENDERSON: Of course, you were using in-house lawyers, so I assume that the \$800,000 is just for counsel—barristers.

Mr Anderson: When I'm quoting that, I am quoting external expenses that relate, which includes barristers, but there might be some other fees that come from other places as well.

Senator HENDERSON: Could you provide us with a breakdown?

Mr Anderson: Yes.

Senator HENDERSON: I'm also keen to understand why the ABC doesn't seek to negotiate its legal rates when you outsource legal services. The Commonwealth senior counsel rate, which other Commonwealth agencies such as ASIC and the like pay, is \$3,500 a day. Mr Owens SC charges some \$10,000 to \$12,000, I understand.

Why isn't the ABC trying to get good value for taxpayer dollar by negotiating its legal services rather than paying these exorbitant commercial rates?

Mr Anderson: My understanding is that we do try to negotiate a reasonable rate, given who we are and what we stand for and what we're doing. My understanding is that does occur, but, again, I'll give you a more full response on notice.

Senator HENDERSON: Could you please provide evidence of how you've sought to negotiate the legal fees in this particular case, because, on its face, I'm not aware that that's occurred. Could you also provide information as to why, when you are involved in litigation, you don't seek to pay the Commonwealth rate, which, of course, would save taxpayers an enormous amount of money.

Mr Anderson: I'll provide you a response on notice.

CHAIR: Senator Henderson, we'll rotate. You're up again.

Senator HENDERSON: I'm sorry. I do have a few further questions.

CHAIR: Sure. Senator Hanson-Young.

Senator HUGHES: I'm not going anywhere.

CHAIR: Thank you.

Senator HANSON-YOUNG: I want to ask you about the incident involving *Four Corners* and the Woodside protest. Has the ABC handed over any of the footage?

Mr Anderson: I don't believe so, not yet. We were in contact with the WA police last week. I'm not sure about this week—probably this week as well. We have been seeking to get constraints in the order to produce such that we can protect confidential sources where we have provided a confidential obligation—

Senator HANSON-YOUNG: Journalists protecting their sources, as a normal matter of course.

Mr Anderson: Exactly. We've always protected our sources. We always have and we always will where a confidentiality agreement has been undertaken from the ABC to those sources. That can go for information as well as for individuals. In this case we have provided obligations similar to that, hence we could not comply with the full order to produce because otherwise it would have captured confidential sources. That's why we've been negotiating with WA police.

Senator HANSON-YOUNG: Is there a time frame by which any of that might change?

Mr Anderson: We're beyond the time frame that the WA police were looking for. That's why we're talking to them regularly at the moment—because we need to do the work to quite judiciously ensure that we don't inadvertently hand over something that might compromise someone.

This has happened before. Over the last five years—again, I'll confirm this on notice—I believe we've had 28 orders to produce, or similar. We have complied, in some way, with 26 of them, always protecting our sources. These are another two matters where there was either nothing to hand over or it was completely protected and we couldn't hand anything over to the police.

I will give you a time line of when the order to produce came in. It came in before that Woodside episode went to air. It wasn't a Woodside episode, but we're referring to it as 'Woodside' because it's just easier. It was actually with regard to climate protesters and activists who we were observing at the time, when it became identifiable in the media that that's what we were doing. The order to produce came in certainly before that went to air. That's my understanding.

Senator HANSON-YOUNG: Of course, ABC has been raided by police in recent years, and it was roundly condemned, wasn't it?

Mr Anderson: Yes, absolutely. That was when we were issued with a warrant and the AFP came through the door. They were searching for a source effectively. In the end, I think we started at 9,000 files and they ended up with about 70 or 80, again protecting the source that otherwise had given us information. We did not compromise the source when we did that. The source then subsequently outed themselves, but at that moment we kept those protections and those obligations that we had provided.

Senator HANSON-YOUNG: I go to some questions in relation to ABC funding and your annual report. I had asked the secretariat to copy this. Could you just hand one to Mr Anderson, please?

Mr Anderson: I have Ms Kleyn next to me with an annual report.

Senator HANSON-YOUNG: Good. The other members on the committee might need to have it circulated to them.

Mr Anderson: Can I ask which page?

Senator HANSON-YOUNG: I want to go to page 153 where you have a graph of the comparative revenue from government from the 1985-86 financial year to the 2023-24 financial year. What does that graph show you, Mr Anderson?

Mr Anderson: It shows a decline of funding in real terms over time, which is another reason as to why—we have a statutory obligation to be efficient, but it is why we have other programs like we just had. We've got rising costs where your indexation is not keeping pace with what those costs are and then effectively you end up with a reduced funding profile in real terms. There were two reasons for what transpired in June of this year. While in the end we cut as many costs as we could, we were left with staff as well, unfortunately. As Ms Kleyn said in her earlier evidence, up to 127 people were affected by that. There were two reasons, and one was that the real cost increase was alongside the real income dropping, and the gap between those two things as well as for strategic reinvestment. They were the two reasons for it. Ms Kleyn, would you like to take over.

Ms Kleyn: Yes. As Mr Anderson said, absolutely, the graph shows that we're declining in real terms, and there are two things at play. There are funding cuts of course and, having said that, that is not to say that we don't recognise and acknowledge—and we are grateful for it—the funding we have received for things like enhanced news and audio description. We have had the return of \$83 million, so we absolutely are very grateful for that funding. But we do see that we are going backwards in real terms. As I say, that's because of not just the funding cuts but also indexation not keeping pace with inflation. We had, for example, material contracts attached to December quarter CPI, which from memory was over seven per cent. That is the reality, and I'm not saying that is not the reality that many organisations are facing. Many organisations are facing what we are facing, but it is just the reality of our funding profile.

Senator HANSON-YOUNG: Based on this graph, for the 1985-86 financial year it was \$1.419 billion, and now we are down to \$937 million in real terms.

Ms Kleyn: That is right.

Senator HANSON-YOUNG: So that's a half a billion dollar cut.

Ms Kleyn: I would add that that is alongside us trying to do more. That's the truth. We're trying to, obviously, maintain our critical broadcast services, a linear broadcast, at the same time as needing to shift into digital, which, as Mr Anderson has stated, is the challenge we're facing in the programs that we undertake. As we announced in June, it's just trying to get that balance right.

Senator HANSON-YOUNG: In the eighties, there was no iview and no 24-hour news service.

Ms Kleyn: That's right.

Senator HANSON-YOUNG: Was there an ABC headquarters in every state and territory?

Mr Anderson: We are now still very—

Senator HANSON-YOUNG: But I'm trying to work out—Ms Kleyn said you're doing more.

Mr Anderson: We are. Before multichannels, before we had the DAB channels as well—

Senator HANSON-YOUNG: The reason I'm asking is I was four—

Senator BILYK: No need to gloat!

Senator HANSON-YOUNG: But I was four. The only thing I knew about ABC back then was *Play School*. It was very popular and it's still very popular. And the local ABC Radio was always being played in my household. My dad loved ABC Radio, and the news anthem is burnt into my brain. But there weren't four channels, there wasn't iview and there wasn't digital radio, was there?

Mr Anderson: No. The way we were making programs was quite different then as well, and you would have long-running drama that was made in one spot. Certainly, in the environment that we're operating in, for the budgets for drama we operate in a mixed funding model where we license things through the roof, so it's \$2 million an hour now. I remember when it hit \$1 million, and it's \$2 million for what is a decent budget for a high-quality drama that somebody might watch. So the costs of production have gone up exponentially in more recent years, I will add, as well. So you end up with—

Senator HANSON-YOUNG: And the expectation of the audience—

Mr Anderson: The expectation of audience is continuous news and the growth of news digital. The stats came out today to show where we're at, and news digital has been reaching 10 million people. What it is we need to do keeps increasing with time. We've also increased our presence in regional, rural and remote Australia, which is important. We'd like to hold that position as much as possible. That obviously comes at a cost, but it's incredibly

valuable. And you try and protect one thing while you have to make priorities on others. But we are in a situation, with content outside of news—or even inside news as well—where, with our 'fewer, bigger, better' strategy, we can't keep affording to do the sheer volume of what it is that we currently do.

Senator HANSON-YOUNG: I asked the government a question during question time a couple of months ago about ABC funding, and it was to Minister Watt, representing Minister Rowland—because I'm in the Senate. I asked about why the government hasn't restored ABC's funding to its original place, before the Tony Abbott cuts came in, and the minister told me they had.

Mr Anderson: What's happened in recent times is that, with this current government, the \$84 million that we lost over the triennium for freezing indexation created a \$40 million a year ongoing gap from wherever that then took off again. The current government returned \$84 million but did it over a four-year period, effectively as a one-off funding at this point. It expires at the end of the fourth year, and we would need to reapply for that funding to be extended. We're being funded for a few things at the moment, such as through the Indo-Pacific, which is \$8 million per annum. I don't want to say it's fee for service, but that's kind of what it is, in that we've got a boosted presence and we've been hiring local nationals throughout the Indo-Pacific to great benefit for Australians as well as for the Pacific. That also expires at a certain point in time as well.

Senator HANSON-YOUNG: Wasn't that the original Pacific or News Australia service? Wasn't that more like \$22 million worth?

Mr Anderson: You're thinking of Australia Network. At the time, that was \$22 million a year. But it was doing something different; it was providing eight bulletins from very early in the morning out of Melbourne that were being seen throughout the Pacific. It had a different newsroom. It was just a different service and a different construct. It is a lower amount of money, but it is a different service we're providing.

Senator HANSON-YOUNG: This is so we can get some ABC content out there instead of *Married at First Sight*.

Mr Anderson: I think that program still exists. This is about journalism and original journalism coming out of the Pacific region—that we'd like to build capacity throughout the Indo-Pacific, such that there are journalists currently and in the future—

Senator HANSON-YOUNG: This is actual diplomacy?

Mr Anderson: yes—that will actually report out of those regions back into Australia as well as to themselves. There are some other new programs we've got for that too.

Senator HANSON-YOUNG: Just to wind up, according to this graph that's in your annual report, in real terms the ABC is now funded half a billion dollars less than it was in the eighties. You can see quite a steep decline from when Tony Abbott cut the ABC budget, and it has not been restored in real terms, has it?

Mr Anderson: In real terms, no. The numbers might have gone up, but in real terms we've gone backwards. That's what that chart shows.

Senator HANSON-YOUNG: Thank you.

Senator ROBERTS: To the last question I asked you, Mr Anderson—we could be talking multimillions of dollars in total costs to the taxpayer in the Heston Russell case, which you lost. This cost to the taxpayers could have been avoided if the ABC journalists involved simply made an immediate response or apology, but they didn't because they unreasonably thought they were soldiers in a culture war; that's essentially what Justice Lee said. What disciplinary action has been taken against these journalists?

Mr Anderson: None. At the moment, as I said, we're going through that judgement very carefully. We'll look at the time line; we'll look at all of it on the way through. At the moment, no-one's apportioning blame here. Decisions were made with regard to—

Senator ROBERTS: The judge is, isn't he?

Mr Anderson: this case. I respect the judgement that was handed down. I'm not going to dispute His Honour.

Senator ROBERTS: You've had millions of dollars spent on a judgement, and you're going to go against it?

Mr Anderson: I'm not saying I'm going to go against it. I'm saying that, at the moment, we're looking at our options while we sit in the 28-day period.

Senator ROBERTS: This is about a case involving defamatory material about one of our most elite people, not just special forces soldiers. I think the journalists need to be terminated. Why haven't you done so already? The judge has handed down judgement.

Mr Anderson: I'm going to disagree with you. I can go back over testimony I've already provided in regard to this and the ABC's position on it. I have noted throughout that judgement that there is—and Senator Henderson mentioned earlier the judge and what was being disputed as a matter of public interest. I believe the judge said: I have already recorded Mr Russell does not dispute that the published matters concerned an issue of public interest. That is what the judge said.

Senator ROBERTS: That doesn't mean they cannot be defamatory.

Mr Anderson: I know, but this was not a—

Senator HENDERSON: I didn't suggest otherwise, Mr Anderson.

Mr Anderson: Thank you. I'm not disagreeing with the judgement, and I know Mr Heston was not tried for what the allegations were that were put forward; I understand that. We've lost the defamation lawsuit.

Senator ROBERTS: Isn't your message to journalists that they can abandon facts, abandon being reasonable, abandon journalistic integrity, defame Australians and cost the taxpayers millions of dollars and still have a job—and do it again? That's what you're condoning.

Mr Anderson: I disagree with the characterisation of that.

Senator ROBERTS: What part? Abandoning facts? Abandoning being reasonable? Abandoning journalistic integrity? Defaming Australians? Which part?

Mr Anderson: I do not agree with the fact that that has happened in this case. I think there is acknowledgement that this met the threshold of being in the public interest. There were three thresholds here with this, and it met that threshold but it had to do with the third threshold about whether it was reasonable. That is not something that we proved through the defamation trial.

Senator ROBERTS: Abandoning being reasonable?

Mr Anderson: No, not abandoning being reasonable. But it is something for us to look at.

Senator ROBERTS: Let's move on to Mark Willacy and editorial standards. Section 1.3 of the ABC's editorial policies says:

Ensure that editorial decisions are not improperly influenced by political, sectional, commercial or personal interests.

Commercial interests are of interest to me. Did journalist Mark Willacy declare to the ABC that he was working on a commercial book in relation to alleged war crimes in Afghanistan at the same time he was working on and publishing stories in relation to Heston Russell?

Mr Anderson: I'll get back to you on notice with regard to that. What should have happened is that there should have been an approval for outside work at the time. I will respond on notice.

Senator ROBERTS: What checks were in place? I'd like to know how the declaration was made, if it was made, to the ABC.

Mr Anderson: We have a requirement—

Senator ROBERTS: When you get the facts, I mean.

Mr Anderson: Yes. When it's been asked for before, there is a form, and, when you complete this, you do need to write, if you're writing a book, what the nature of that will be. Then a decision is made, and approval is given by the director of that division. We have a process in place for this. I will respond to you on notice.

Senator ROBERTS: So you will be able to tell me, in your response on notice, what checks were in place in the editorial team specifically in relation to Mark Willacy, stories on alleged war crimes and his commercial book interests?

Mr Anderson: If we provide approval for external work, and people take leave and then write a book for publishing, we don't take responsibility for what it is. We do want to know what it is in advance, before the approval is given to go and do it.

Senator ROBERTS: And, in this case, a connection with the case and his story on Russell.

Mr Anderson: I'll respond to you on notice.

Senator ROBERTS: Can you please take on notice to provide any documents or emails demonstrating that editors were aware of Mark Willacy's commercial interests and considered them in deciding to publish the alleged war crimes story?

Mr Anderson: I'll take that on notice.

Senator ROBERTS: How much would a junior journalist in regional Queensland get paid per year?

Mr Anderson: I'll get back to you on notice, but—

Senator ROBERTS: Roughly.

Mr Anderson: A junior journalist would be on—I'll get back to you on notice—but it would be—

Senator ROBERTS: Roughly what would it be?

Mr Anderson: I think it's around \$50,000 a year. Probably a bit more.

Senator ROBERTS: What was the amount of your last pay rise, total remuneration increase?

Mr Anderson: I will defer to Ms Kleyn. I believe my last pay rise, which is set by the Rem Tribunal, as it is for all agency heads, was 2.75 per cent.

Senator ROBERTS: What's that in dollars?

Ms Kleyn: That is approximately \$25,000.

Senator ROBERTS: That \$25,000 is 2.5 per cent?

Ms Kleyn: It's 2.75 per cent, yes.

Senator ROBERTS: Mr Anderson, what's your total remuneration package?

Mr Anderson: My total rem package, which includes super, is 1.063—

Senator ROBERTS: That's one million?

Mr Anderson: That's over a million, yes—1,063,000, which takes into account the superannuation as well as parking under the building.

Senator ROBERTS: Thank you for being honest about that. Some people have not included the super. So your pay rise was worth half a regional journalist?

Mr Anderson: If you wish to characterise it like that, but my pay rise, again, was set by the Rem Tribunal at the time. A letter turned up. A pay rise happened.

Senator ROBERTS: Can you please explain the status of the RMIT ABC Fact Check partnership?

Mr Anderson: At the moment we have a partnership that goes through to June next year. This is a partnership we've had in place for a while. The key piece of information I wrote back to Senator Paterson—recently he wrote to me, concerned about that—is that our relationship is with RMIT fact check, not RMIT FactLab.

Senator ROBERTS: What's the difference?

Mr Anderson: They are two different areas of RMIT, doing two different things. When it comes to RMIT fact check, we have a person that is involved with the editorial publishing of it, in that there is an ABC staff member that puts what we would do for our high standards of what it is we would publish over whatever it is that comes from RMIT fact check before we publish it thereafter.

Senator ROBERTS: Do they share directorships, Fact Check and—

Mr Anderson: I think possibly they do. I think that we need to ensure that there is clear separation between RMIT fact check and RMIT FactLab.

Senator ROBERTS: What is the total amount that the ABC has paid to RMIT since 2020?

Mr Anderson: I'll ask Ms Kleyn to confirm this, but we pay, I think, \$150,000 a year plus GST.

Senator ROBERTS: Who, at ABC, is responsible for ensuring that the fact checks published meet the ABC's editorial standards?

Mr Anderson: We do. We have somebody there who, again, is responsible for ensuring anything published that comes from RMIT fact check is compliant with our editorial standards and policies before it ends up on an ABC website.

Senator ROBERTS: I'm told that between 1 June and 29 September, according to ABC's financial statements, RMIT published 16 fact checks in relation to the Voice referendum and 94 per cent were in relation to the 'no' campaign. Do you consider this meets the ABC's editorial standards of balance and impartiality?

Mr Anderson: When I look across the entire coverage of the Voice referendum, I do think so. I do think that we have.

Senator ROBERTS: No, I asked specifically about the RMIT. You requested RMIT to check one 'yes' campaign message and 15 'no' campaign messages.

Mr Anderson: It's a good point. I will go back and respond to that on notice.

Senator ROBERTS: I'm concerned about RMIT also, because there is some money in the financial statements from overseas foundations. I'm not sure if that's connected with RMIT. My concern is there is some very secretive foreign money flowing into the RMIT program. We have no idea what influence that has yet. You've let them hijack the ABC brand and handed over taxpayers' money to them. Don't you have journalists who are capable of researching and doing stories? Why do you need to outsource a basic journalistic duty? Why don't people trust the ABC?

Mr Anderson: That's a reasonable question about why this came into existence in the first place. We had our own fact check unit, and, as a cost savings measure, we decided to partner with a credible university that was doing this work, which was RMIT. With regard to it, the fact that we have a person there embedded in that, that is our staff member and that critiques everything before we publish it, is our assurance that anything that comes out of there adheres to our editorial policies. That's our guidance of it, and that is a requirement of that relationship.

Senator ROBERTS: It sounds like you don't have faith in your own journalists.

Mr Anderson: No, no. For us, when there's another issue that has been contested somewhere, the fact check is just one of the means where we can actually go to RMIT fact check and ask them to fact check it. Of course, we have many, many journalists that are doing journalism every day right across the country.

Senator ROBERTS: My last question is: briefly, who at the ABC was responsible for making the decision to establish the RMIT partnership, and when was this made?

Mr Anderson: I'll get back to you on notice, but it would have been well before my time. I think probably Mark Scott would have been the managing director. I'll give you an answer. I believe it was Kate Torney who was director of news at the time, but I will confirm that on notice.

Senator ROBERTS: I look forward to that.

Senator HUGHES: I've just got one qualifying question. Sorry, Mr Anderson, with regard to Senator Roberts's questioning on RMIT, how do things get there to be fact checked? We know we had Dana Morse, who I think is still employed in your press gallery—

Mr Anderson: Dana Morse? Yes, she's there.

Senator HUGHES: make bizarre claims on *Insiders*. I understand things go through to the keeper, but it was never picked up about an 'ongoing genocide' with regard to Indigenous Australians. It's not true, and it was cut from a clip that *Insiders* then posted on Twitter. Would something like that be referred to Fact Check so that it could be definitively shown to be false, because, at the moment, it's just hanging out there in the ether.

Mr Anderson: I'll respond to you on notice about the comments of Dana Morse, who's an excellent journalist in our press gallery.

Senator HUGHES: They're all journalists and they're all excellent apparently, according to you, and they all make just little mistakes, like 'ongoing genocide'.

Mr Anderson: My understanding was that—and, again, I'll confirm this on notice—Dana Morse was reflecting on some people's perspective with regard to Australia Day. She wasn't providing her own opinion, and that was in the context of whatever was happening on *Insiders* at that particular point in time. That's my explanation for that, but I will confirm that for you on notice. As far as RMIT fact check goes, I believe that matters with regard to what gets fact checked can happen through either a suggestion from RMIT or a suggestion from the ABC about what it is that we need. It happens either way. But, ultimately, the decision to publish is ours, not RMIT's.

Senator HUGHES: It's interesting how things get there when we have such outrageous claims made on a show full of journalists.

CHAIR: Senator Henderson.

Senator HENDERSON: Mr Anderson, I wanted to just pick up on the issue of costs in the Heston Russell defamation case. What are your internal costs in this matter?

Mr Anderson: Do you mean the internal costs of our legal team?

Senator HENDERSON: That's right.

Mr Anderson: We're handling multiple cases at the same time. The disputes team—there are about six people in that team. It would be a portion of that. I will provide that answer to you on notice.

Senator HENDERSON: Do you internally allocate your costs?

Mr Anderson: If you're asking me if we allocate costs per matter, we do keep track of the time that we've spent on this. In the case that we are looking to recover costs, then we need to be able to produce a schedule that says how much time was worked on any one matter. So, yes, I believe that we do.

Senator HENDERSON: What hourly rate do you attribute for your internal cost purposes?

Mr Anderson: My understanding is that that cost schedule is determined by the courts when that matter happens. We just certainly need to know how much time it is. We don't internally charge ourselves or other departments. There isn't an internal pricing mechanism, but we do track time that is spent on matters that sit in our disputes team.

Senator HENDERSON: Could you provide further information, including how you attribute costs for your internal legal department.

Mr Anderson: Yes.

Senator HENDERSON: Can I suggest to you that the internal costs would have been around \$1 million.

Mr Anderson: I will confirm that for you on notice. I can't actually give you an estimate on that.

Senator HENDERSON: If we look at total costs—I'm obviously making an educated guess—there's \$1 million for your internal costs, \$800,000 for external costs and \$412,000 for damages plus interest. Then there's at least, I assume, \$1 million in Mr Russell's costs, which have been awarded on an indemnity basis, meaning he's entitled to recover all of his costs, which only happens in the most egregious cases. So we're looking at total costs of some \$3.2 million, as I estimate them. That's precious taxpayers' money, Mr Anderson, in circumstances where, a year ago, you could have settled this for just over \$100,000.

Mr Anderson: Senator, it is certainly unfortunate that we have lost this case. There's no doubt about it.

Senator HENDERSON: Do you think it's unfortunate that you've cost the Australian taxpayer so much money?

Mr Anderson: Of course. It is not something we intended to lose. As I said, we're going to look at it carefully after this. The judgement was handed down eight days ago. There seems to be a lot going on at the moment, post that judgement being handed down, with regard to other people coming out in the media, which I will get to the bottom of—about what that means. We'll look at it and we'll make a decision on where we go from here.

Senator HENDERSON: What do you mean by that? I'm not following precisely.

Mr Anderson: What you brought up earlier, Senator, with regard to 2GB and Ben Fordham.

Senator HENDERSON: Sure. It's also in the *Daily Telegraph* today. I'm sure, as you've indicated, your team has briefed you on these reports.

Mr Anderson: They have not briefed me on the reports. They have merely said that there are matters that have been raised by 2GB and Ben Fordham that may or may not be brought up which I am not across. But you've handily given me a printout of one of them.

Senator HENDERSON: Maybe your team isn't doing a very good job on briefing you before you come before Senate estimates, given that was in today's *Daily Telegraph*.

Mr Anderson: I have lots of briefs before I walk in this door. What happens in the 24 hours before I walk in this door is sometimes something I am not up to date on—

Senator HENDERSON: Fallen through the cracks.

Mr Anderson: because I've been concentrating on what has already been provided to me.

Senator HENDERSON: That's a shame that such an important article and revelation fell through the cracks. Can I just draw your attention to an email from Mr Willacy on 27 April 2022. It was tendered in the court proceedings. It looks like there was a request from Liam Bartlett of radio station 6PR. The email says, 'Is this too provocative a response to a question about Heston?' 'Liam, you'll appreciate that I can't comment about that while there's an ABC investigation and other police investigations going on into the matter.' 'Or something like that. Something that might freak Heston out a little.'

Mr Anderson: Senator, I don't know what you're reading from. Is it material that was presented in evidence?

Senator HENDERSON: I'm happy to table it. It was tendered in the court proceedings. It shows a regrettable reflection on Mr Russell and an intention to 'freak him out'. Mr Willacy has also made denigrating comments about Mr Russell in his private notebook. This has all come out in the court case as well. Mr Willacy is making denigrating comments about him being openly gay, dodgy, bully, a total narcissist and having no credibility. In fact, when I look at the response to the original editorial complaint, Mr Willacy began his response—and it's over

many pages, and if you haven't got a copy I can tender that as well—where he goes to a lot of effort to denigrate Mr Russell rather than, as we now know, tell the truth about this particular story.

Mr Anderson: I've given previous evidence and I can only take that on notice for you.

Senator HENDERSON: If you could take it on notice, I would appreciate that.

CHAIR: In terms of where this came from or what it's referring to, does it come as a chain? I've only got one email here that responds to whatever it is that's attached to it but doesn't actually have anything attached to it.

Senator HENDERSON: That's all I've got. I can provide further information to the committee.

CHAIR: I don't know what it's referring to. It would be very helpful if you could try and get us whatever it is it's referring to.

Senator HENDERSON: The title is 'Heston 6PR'.

CHAIR: I think it says it's too provocative a response, as you had said, but it doesn't say what it's responding to. I'm unclear.

Senator HENDERSON: It's a response to a question about Heston. It's titled 'Heston 6PR' and there's a reference—

CHAIR: Maybe I'll ask you separately offline. I'm keen to know where you got that.

Senator HENDERSON: There's a reference to Liam Bartlett, who was the host of a program on 6PR.

Senator HUGHES: It was tendered in the Federal Court documents. That's where it's from. It's not a random email. It was tendered in court.

Senator HENDERSON: It was part of the proceedings.

CHAIR: It looks a little like a random email. Thank you very much for that point of clarification.

Senator HUGHES: My pleasure.

Senator HENDERSON: I want to quickly go back to the complaint that was made about Mr Barry and other members of the *Media Watch* team. What's the outcome of that complaint?

Mr Anderson: I don't know. I'll have to respond on notice to you.

Senator HENDERSON: Are you planning to apologise to the *Media Watch* team?

Mr Anderson: Why am I apologising to the *Media Watch* team?

Senator HENDERSON: Because they alerted and raised very serious concerns about the credibility of this story a long time ago and they were discredited, and Ms Puccini went out of her way to discredit the *Media Watch* team, including Mr Barry.

Mr Anderson: I don't see a need to apologise to the *Media Watch* team. As I told you, I hold them in high regard. They're entitled to their views. They run one of the few shows on the ABC where opinion is allowed, and they pass judgement on many things, so—

Senator HENDERSON: Mr Anderson, I'm sorry. I'm going to pull you up there. They weren't casting an opinion. They were looking at the facts of this story. And, in fact, it is the shortfalls of your journalist Mr Willacy and also Ms Puccini, which are at issue here, not—if I can put it to you—the very good work of the *Media Watch* program.

Mr Anderson: You're right, and they might consider what they have done as analysis. But what I've suggested is that I do not know whether they knew all the facts going into that conclusion or not.

Senator HENDERSON: Could you take that on notice? I'd appreciate if you could provide any further information in relation to the complaint, the outcome of the complaint, your interactions with the *Media Watch* team and any and all correspondence between the *Media Watch* team and other parts of the ABC in relation to this matter.

Mr Anderson: I will take that on notice.

Senator HENDERSON: Thank you very much, Mr Anderson.

CHAIR: Senator Bilyk?

Senator BILYK: On a different stream, I've got some questions about the implementation of audio description by the ABC. In December 2019, the former government announced \$2 million in funding for the ABC to introduce audio description and said that the ABC would be 'expected to begin offering audio description services to audiences by 1 July 2020'. How long did it take the ABC to actually implement audio description on its television services? Was it only six months?

Mr Anderson: I will confirm for you, but I believe it was a six-month period from January to June that we had. We did have the advantage of the fact that we had had trials previously to that. When that six-month period was over, we were only on television. We weren't on ABC iview as well. That took some time afterwards.

Senator BILYK: What key steps were taken to implement audio description on television? Can you tell me what the associated time frames and costs for doing so were?

Mr Anderson: This is inclusivity by design, so we worked very closely with people representing others who would benefit from audio description about what it is that would be most useful with regard to the service itself. It is a unique craft in audio to describe what it is that you are visually seeing for a sight-impaired audience. What I will say is that there is some content that lends itself to it and some that does not. We talked about scripted before. We're talking about drama and narrative comedy, through to, certainly, some factual series and kids series. But entertainment is not really always suitable or suited to be audio-described. So we worked with other people with regard to that. When it comes to ABC iview, we really needed to work on ABC iview to make it more accessible as a platform to then technically be available to take audio description. That's why that took longer than television broadcast did.

Senator BILYK: What were the time frames and the cost for ABC iview?

Mr Anderson: I'm looking at that right now. Audio description wasn't available on ABC iview until 21 April this year. The initial two-year grant period was from 2020 through to 2022 and, last financial year, the ABC broadcast 1,260 hours of unique audio-described content. This is in addition to all of our captioning requirements, which we exceed, particularly on multichannels. With regard to costs—Ms Kleyn?

Ms Kleyn: We received \$1 million per annum, as Mr Anderson said, from 2020. We are very grateful that that funding has now been rolled into our base funding. That's approximately \$1 million per annum. That's essentially what we've applied to development costs such as external providers or where we've needed to develop ABC iview. On top of that, we of course do apply internal resource, but that sits quite separately within our ongoing operation. But the additional funding that we were very grateful for and that we were able to apply to audio description is \$1 million per annum.

Senator BILYK: Can you tell me what the time frame was for ABC TV as opposed to iview?

Mr Anderson: The time frame to get it up and running? I believe that was a six-month lead time.

Senator BILYK: That was done within the six months?

Mr Anderson: It was.

Senator BILYK: Okay. Have you got any costs on that?

Mr Anderson: No. We'll provide you that on notice. There were some additional costs that we did need to do with regard to technical upgrades to, effectively, the technology that we had at the time, so that we could effectively do it. There were things that we put in place that were in addition to the funding that we received. We will provide that to you on notice.

Senator BILYK: Okay. You mentioned 1,260 hours for the last year. Is that calendar year or financial year?

Mr Anderson: That is financial year.

Senator BILYK: Has this increased since 2020?

Mr Anderson: Good question. I will have to provide that on notice to you. I believe so. I believe we've increased the volume over time, that we've found efficiencies on the way through. It started with launching it, and the cost per hour of audio described content has come down over time.

Ms Kleyn: Yes. We will have to take it on notice. I believe the same; I do believe that volume has grown as we've become better at it. But we'll have to provide that on notice.

Senator BILYK: Okay. Can you tell me how many ABC staff are employed to maintain the service on ABC services?

Ms Kleyn: I don't believe we've specifically employed anybody directly for this, because it's spread across quite a few of our operations. We have applied effort to it more so than actually gone out and employed specific people to service this. We have engaged specific services with external providers for the skill, but we should provide that to you on notice.

Mr Anderson: From memory—which we will confirm on notice—I think it's about \$1,200 per hour that it costs to audio describe content. But I will confirm that for you on notice. I'm pretty sure I read that somewhere in preparation for this, but I can't find it right at this moment.

Senator BILYK: If you could take it on notice, I'd appreciate that. Thanks.

CHAIR: Senator Rennick.

Senator RENNICK: Who gets to fact-check the fact checkers and, in particular, the ABC fact checkers? You've made some outrageous claims on these fact checks that aren't correct and you haven't actually backed them up with any facts yourself. I'll talk about one where you had a crack at me a couple of weeks ago when I said in the chamber that there's no evidence that there have been *Homo sapiens* in Australia for 65,000 years. You've got a bunch of scientists to make a heap of quotes, but not one of them has shown any DNA evidence that *Homo sapiens* have been in Australia for 65,000 years.

Mr Anderson: I will respond to you on notice with that.

Senator RENNICK: You haven't answered the question, though. Who are you getting to fact check your fact checkers? Why are you even fact checking? The ABC usually gets things more wrong than the man on the street. You also happen to be very biased.

Mr Anderson: I would suggest we don't have the evidence to suggest that we are systemically biased. We do take our complaints seriously and look at what is an upheld complaint. Where we get things wrong, we call it out and say we got it wrong.

Senator HENDERSON: You didn't in the Heston Russell case.

Senator RENNICK: You actually wasted taxpayers' money.

Mr Anderson: I am referring to editorial complaints, and you are referring to a defamation case that we just lost.

Senator HENDERSON: This was an editorial complaint. Come on.

Mr Anderson: We do do editorial reviews from time to time on what it is that we publish. We investigate complaints and we certainly learn from our mistakes. They turn part of what is our editorial training for our journalists, which is annual. So we do check ourselves, but we also check what other people bring to us as a complaint.

Senator RENNICK: So why is it then with the fact checkers that they're always fact-checking the right wing—until recently, actually. I must admit you fact checked Jim Chalmers a couple of weeks ago about his wage claims. But, before then, they'd all been fact checks on right-wing politicians.

Senator HANSON-YOUNG: That's not true, Senator Rennick. I've been fact-checked plenty of times.

Mr Anderson: I will respond to you on notice because I—

Senator RENNICK: So you're taking it on notice because you can't answer the question.

Mr Anderson: No, it is because I don't know the facts about precisely what we've done through RMIT ABC Fact Check over time.

CHAIR: Okay. It would be great if we could take it on notice. We'll be able to see what the balance is, then.

Senator RENNICK: Okay, thank you. Good on you. Take it on notice. Great effort.

CHAIR: Senator Hughes.

Senator HUGHES: I know we're going get wound up at some point, so I just want to cover off a few things really quickly. First, did you get an answer to my question that we spoke about before?

Mr Anderson: The other question about Mr Joyner?

Senator HUGHES: Yes.

Mr Anderson: Information just to hand is that Mr Joyner has rotated out of Israel and is taking a break. I believe he is returning then to his normal base.

Senator HUGHES: Which is?

Mr Anderson: In Istanbul. I'll confirm that on notice for you, but that's what I was able to confirm by text message in the break.

Senator HUGHES: That's okay. That's what I wanted to ask you just so we could clarify it, because I did understand there had been some movement.

Mr Anderson: Yes. Another two journalists have rotated out as well because they need a break, but they'll be heading back. That is my understanding.

Senator HUGHES: Back to Australia?

Mr Anderson: No. This is Nick Dole and someone else. They'll be heading back to London. My information is—and I hope this is correct for them—that they'll head back to that zone later on.

Senator HUGHES: Could you confirm with me, and also then confirm if Mr Joyner will be returning to Israel or staying in Istanbul. I've just got a couple of other quick things. I did write to you about Garma and the Voice, so we'll get to that. With ABC iview, just after Senator Bilyk's questioning, I noticed a change—it could be a year ago. You've now got to log in and put details in.

Mr Anderson: Yes.

Senator HUGHES: Why do you have to do that now? What do you do with that data?

Mr Anderson: We're quite judicious about that when it comes to cybersafety and data retention. We err on the side of conservatism when it comes to what data we keep, where we keep it and what we do with it. This is something that we look at regularly. It's something that gets board attention as well. When you place so much on trust, and the trust of the Australian people in you, you want to ensure that you protect that data as much as possible.

Senator HUGHES: But what do you do with the data? Do you sell it? Do you monetise it in any way?

Mr Anderson: We don't sell it. We do not monetise it. In fact, we were one of the last to make a VOD service mandatory log in. It is there for the benefit of the audience, to be able to personalise it. A lot of other—

Senator HUGHES: Can you not log in? If I don't care about personalising it, if I just want to go in and find an ABC news story, can I just—

Mr Anderson: The answer to that is no. You can still stream what is live, but you can't access what is on demand without logging in.

Senator HUGHES: Right. Okay.

Mr Anderson: Where every other service has the default switched to 'on' to receive other promotional material, ours is defaulted to 'off', and you've got to opt in to be able to get that. We still get feedback that people don't know what's coming up or what's on ABC iview in the future, but the fact is that's because we're quite conservative in the way we've set this up. We do not monetise data. We protect data as much as possible.

Senator HUGHES: The WA News, the Sunday night service, was brought back pretty quickly. Was that in response to—I've just had a blank on what the new WA Premier's name is.

Mr Anderson: Roger Cook.

Senator HUGHES: Thank you very much. We're all traumatised from McGowan locking everybody out during COVID!

CHAIR: Apart from the Western Australians!

Senator HUGHES: Yes.

Mr Anderson: Senator, that was one of many news proposals that went forward in June. We—

Senator HUGHES: What was the thinking behind that? I had the pleasure of growing up in three different states and I can tell you New South Wales is a very different market to Perth. People in Perth don't really care what's happening in Sydney—and there's probably a little bit of vice versa—so a national news service probably wouldn't have been ideal.

Mr Anderson: Some of the thinking behind it was that we were looking at weekend bulletins across the country. It was turning on one or two local stories, but the rest of what was happening in these other states and territories was effectively a national service, but locally presented. When we looked at the data, we were looking at, say, the audience of a 7 pm bulletin—I'll pick Adelaide, where I grew up—

Senator HUGHES: I was born there. That's all right. I covered that one too!

Mr Anderson: Okay, I didn't know.

Senator HUGHES: I got three!

Mr Anderson: There might be 60,000 people watching the bulletin, but we might have an online story that might reach a bigger audience. We were just looking at that. We were looking at saving money. There were no job losses associated with it, but the money that we would save from that we would put into other initiatives. That was the purpose behind doing that. But we heard quite loud feedback—we'd built in: 'Could we still have a local bulletin should we need it? If there was an emergency, something big, what would we do?' We'd still have people turn up to news conferences; we'd still do that, but what we heard was that people had put their faith in what was a local presenter. They wanted the ability, if something happened, to have their local presenter provide it to them. It was too soon, so we took that off the table. The other thing we—

Senator HUGHES: They're all still happening in each state now?

Mr Anderson: Yes. The other thing we weren't able to do was convince people we would still remain local if we needed to be. We hadn't sold that story well enough. That's why we didn't proceed with that proposal in any form. We toyed with 'could we have different bulletins; could we have a separate bulletin in WA to everybody else?' In the end, we just abandoned that proposal. That was not something that we sold well from the beginning. We'll go back on that one, and we've proceeded on everything else.

Senator HUGHES: I'll just move on to Garma. How many journalists and production and other staff did the ABC send to Garma this year?

Mr Anderson: I'm going to throw to Ms Kleyn, who's gathered the information for you in advance.

Ms Kleyn: Thirty-seven people went to Garma this year.

Senator HUGHES: How much did the ABC spend on flights, travel and accommodation for this coverage and the tickets to Garma? We did ask for a breakdown.

Ms Kleyn: Sorry—a full breakdown, just of the travel costs?

Senator HUGHES: Of flights and transport and accommodation—all of those costs associated. How much was it to send people there, and what was the breakdown of those costs? How much were the Garma tickets themselves? Did you pay for them?

Ms Kleyn: We spent approximately \$150,000, and that was on airfares, primarily. That also includes a small amount on accommodation and some ancillary-style expenses like car hire and taxis. So that was \$150,000. Garma media passes specifically were approximately \$10,000.

Senator HUGHES: Of that \$150,000, or on top of that?

Ms Kleyn: No, sorry—on top of.

Senator HUGHES: How much did that compare with Garma 2022?

Ms Kleyn: In Garma 2022, we sent 38—so, obviously, very comparable.

Senator HUGHES: Sorry—you spent 38?

Ms Kleyn: No, we sent 38 people. And our travel costs for 2022 were approximately \$186,000.

Senator HUGHES: So you actually spent less, the year before the referendum?

Ms Kleyn: We spent less; that's right.

Senator HUGHES: Okay.

Ms Kleyn: Sorry—we spent more in 2022; we spent less in 2023.

Senator HUGHES: Yes—so you spent less just before the referendum. Is that a lot of people to send? What is the sort of make-up of—

Ms Kleyn: As to the 37 people, we do a significant amount of content from Garma. This time, we did *Q&A*; we did *Insiders*; we also have quite a volume of content for audio services. So, no, it's not a lot of people for the volume of content that comes from Garma.

Mr Anderson: I've seen it firsthand. I went in 2018. I replaced Michelle Guthrie, who pulled out at the last minute—

Senator HUGHES: Sorry—Michelle Guthrie?

Mr Anderson: She pulled out in 2018 at the last minute, so I got to go. There would have been 34 or 35 people there, and they were incredibly busy the entire time, filing for different platforms, going to different areas of the events that were happening—

Senator HUGHES: I've never been to it. It just seems to have had a resurgence—

Mr Anderson: Yes. So, Senator, you—

Senator HENDERSON: What program were you filing for, Mr Anderson?

Mr Anderson: I didn't file, but I did actually help in the youth media centre with young Indigenous kids telling their stories. It was great.

Senator HUGHES: The Garma Festival said that there were only so many media passes. Does the ABC then take the lion's share of those media passes, or how does that work?

Mr Anderson: We're certainly the biggest media presence when it comes to Garma—and we have been for a number of years—when we go. We do sometimes share our services. So some years SBS have been there and I think in some they haven't. When it comes to the media passes, we only get what we need. The rest are hotly contested with regard to any pass that sort of sits in Garma.

Senator HUGHES: With regard to the ABC and the spend on the Voice, outside of Garma, just in general, what was the spend over the last 12 months, or over the 12 months before the referendum occurred?

Ms Kleyn: Generally—

Senator HUGHES: I realise you are going financial years, but—

Ms Kleyn: Yes, and also—sorry to be boring with the accounting—it was within this month, so we haven't completed this month's end. We will properly reconcile at the end of this month, specifically around the results-night coverage. For what we'd call the lead-in campaign and the travel across that time period, it was around \$200,000, give or take. Again, we will need to fully reconcile that. Travel within a newsroom and to cover stories is not unusual. That may have also included travel for an associated story that the journalist was doing or something quite different, but it was around about \$200,000. The actual polling day results night—that's mainly around set costs and things like that—was around \$120,000.

Senator HUGHES: On top of.

Ms Kleyn: Yes.

Mr Anderson: By and large, it was coverage where people were covering something anyway. They were covering the Voice instead of covering something else.

Senator HUGHES: Yes, a typical journo's story.

Mr Anderson: That's why it's such a small incremental cost.

Senator HUGHES: So overall you'd say it was pretty good value for money for taxpayers? Is that what they'd say?

Mr Anderson: I would say so, Senator, yes. We've managed to absorb the cost within our normal activities, the exceptions being what Ms Kleyn outlined just then, like the night of the referendum itself. That particular coverage is much like we do for a federal election, but that is cheaper than, say, a federal election. A federal election where we're paying to follow campaigns across the country ends up being more expensive as a result.

Senator HUGHES: You should have told Qantas that you were all voting yes. They would have flown you around for free!

CHAIR: We are currently at a few minutes past four. Do you think we'll be finished with this aspect by 4.15, Senators Hughes and Henderson?

Senator HENDERSON: I've probably got another block of questions.

Senator DAVEY: I've got one question.

Senator HUGHES: I can ask two or three more questions quickly, and then I can, hopefully, be done for you, and I can put some questions on notice.

CHAIR: This is just about advising. We're getting a lot of questions from people who are coming later.

Senator HUGHES: I can put some stuff on notice.

CHAIR: That would be great. Senator Henderson, can you have a little think and give us a sense of how much longer you would need?

Senator HENDERSON: I have one or possible two blocks, depending on the succinctness of Mr Anderson.

CHAIR: I just hope we're not going back over the same content.

Senator HENDERSON: No. It's different issues.

Senator HUGHES: Mr Anderson, you are confident in saying that you think the ABC presented pretty unbiased reporting over the Voice?

Mr Anderson: Over the Voice referendum?

Senator HUGHES: Yes.

Mr Anderson: Yes. That's not to say that we possibly don't have our problems in there. We haven't done the review yet.

Senator HUGHES: Who does the review?

Mr Anderson: Around the Voice referendum coverage, we'll get two external people to do the review for us.

Senator HUGHES: When you say 'external', are they former ABC journalists or 'external' as in KPMG auditors?

Mr Anderson: I haven't asked them yet. The reviewers that did our federal election were not former ABC journalists—I don't think Laurie Oakes was a former ABC journalist. For instance, I'd go to Laurie Oakes and see if he was available again. I think the other person needs to be a First Nations person.

Senator HUGHES: There are different views amongst First Nations people. It's not a homogenous view.

Mr Anderson: I know. No, we put—

Senator HUGHES: Some people were saying, 'Your coverage was great.' Some people might say, 'It wasn't really fair to us.'

Mr Anderson: Certainly, within the data that we've got, which share of voice—

Senator HUGHES: Minute by minute, covering each side?

Mr Anderson: Of course, we canvassed a number of Indigenous people who were no and undecided and sceptical.

Senator HUGHES: I guess it was some of the decisions, like not showing Press Club addresses on main channels until there was attention brought to them when Press Club addresses were being made by Jacinta Nampijinpa Price and Warren Mundine, whereas, if it was Marcia Langton or Linda Burney, there was full coverage.

Mr Anderson: I can't speak on behalf of what happened at the National Press Club.

Senator HUGHES: No—where it was being broadcast. It wasn't going to be broadcast on the main ABC channel; it was going to be moved to ABC News 24, and that decision had to be reversed. That is my recollection.

Mr Anderson: We'd normally broadcast a Wednesday National Press Club on the main channel as well as on the news channel. For any other National Press Club, it would just be on the news channel. The fact that these people were speaking not on a Wednesday was when, I think—and I agree with the decision that, for impartiality standards, we would want to make sure that they had the same platform as was happening on a Wednesday. That's why we made the decision to uniquely broadcast the National Press Club—

Senator HUGHES: When attention was brought to it.

Mr Anderson: Possibly, but it was—

Senator HUGHES: Okay.

Senator HENDERSON: Just to give credit where it's due, I want to put on the record that, when I messaged you about the fact that the broadcast of Jacinta's address was only on the News 24 channel at 10.30 am, when the broadcast was due to start at 12 pm, I do appreciate that you very quickly recognised the very significant issue with that and moved to change your broadcast schedule, which is no mean feat. I do want to put that on the record. But I think the bigger issue remains as to why the National Press Club didn't make earlier arrangements with the ABC so that you could fulfil your impartiality obligations.

Mr Anderson: That's one of the things that you look into when you look back on this. I can't say I know what happened at the National Press Club with regard to that, but I'm interested to find out.

Senator HUGHES: I don't think I've got anything else dying, or I'd jump in on Senator Henderson, as she just kindly did, and return the favour. Otherwise, I'll put them on notice.

Senator DAVEY: I will put on the record—poor ABC! You can't win a trick, because, when you did put both Senator Nampijinpa Price and Warren Mundine's press clubs online, you copped a bit of flack from the 'yes' side for being impartial and putting both sides online. So you can't win.

Mr Anderson: It was consistent throughout the referendum that we got complaints from both sides.

CHAIR: I think you should be proud of the fact that everyone is having a go at you! It does indicate to me a high level of impartiality.

Senator DAVEY: I've got a question from left field, and it comes from Senator Roberts's questioning earlier, putting you on the spot and asking you if you know the award for regional journalists in Queensland. Out of interest, with the new IR bill and the same job, same pay or closing loopholes bills, will your cadet journalists have to be paid at the same rate regardless of where they live? Will a journalist at the Wagga ABC—the very good ABC Riverina radio in Wagga—be paid the same as a cadet journalist who's sitting in Ultimo in Sydney?

Mr Anderson: It gets tricky in that a number of things come into play. In the recent EA negotiation, I gave an undertaking to look at those journalists that had hit the top of their band and had been there for some significant period of time and to look at what the remuneration was. When it comes to regional staff, there are different staff that get paid different amounts of money depending on the city that they're in, in that there are other allowances

put on top depending on where they live. Some of those are historical over time; others are renewed and then looked at on a regular basis. That's why it gets difficult for me to answer the question. There are some regional allowances that do differ, even within a state, I believe, let alone between states.

Senator DAVEY: Have you looked at the IR laws to ascertain whether there will be implications not just for your award staff but also for your staff who may be on a contract rather than on an FTE? You can take that on notice.

Mr Anderson: I'll take it on notice. What I will say is that the changes in those laws are on our radar. We're doing an audit at the moment of who gets caught up in those changes, because they are quite significant when it comes to two contracts in a two-year period and what that means. It's not prospective; it's right now and, I believe, slightly retrospective as well. That is something that we're looking at closely. I don't mean to be dismissive, but we are looking at it.

Senator DAVEY: I would appreciate it if you could take it on notice, and, when you've done the review, share some of the findings with the committee. I'm satisfied with that.

Mr Anderson: I will.

CHAIR: Senator Hendeson has more questions. The committee needs to have a private meeting, so what we are going to do—because we only have about four minutes—is suspend now and come back with Senator Henderson's questions.

Proceedings suspended from 16:09 to 16:28

CHAIR: We will resume.

Senator HENDERSON: Mr Anderson, why did you make redundant or dismiss Mr Andrew Probyn?

Mr Anderson: Mr Probyn's position was one of many proposals that were put forward for the changes in June. In one of those proposals we were effectively disinvesting in primarily broadcast roles and investing in future digital roles and digital skills. It was not a critique of Mr Probyn's performance.

Senator HENDERSON: Of course it was.

Mr Anderson: No.

Senator HENDERSON: Come on!

Mr Anderson: Mr Probyn has done a good job for the ABC over time.

Senator HENDERSON: This was a blatant attack on him to get rid of him.

CHAIR: Senator Henderson, I wonder if that's a fair characterisation. You may want to ask your question—

Senator HENDERSON: Mr Anderson, I put it to you that this was a blatant attack on Mr Probyn to get rid of him, one of the best journos in the game.

Mr Anderson: No. I disagree. It was not a blatant attack on Mr Probyn at all.

Senator HENDERSON: So you replaced Mr Probyn with some TikTok journalists; is that right?

Mr Anderson: No. My understanding is we haven't reinvested some of the savings yet. We are in the process of advertising for some of those positions. It's not just for a TikTok platform. But certainly what we can see is where audiences are heading for their news is primarily digital consumption over time and away from broadcast. We're all looking at third-party platforms, where audiences are increasingly. TikTok is but one where that consumption of news exists.

Senator HENDERSON: What have you done about the coverage of political stories and affairs out of Canberra?

Mr Anderson: We have a sizable team here in the Canberra gallery. I'm happy to provide for you on notice a list of all of them at the moment. Subsequent to feedback that we got with regard to the idea, 'Let's nominate one person as the lead,' after those changes were announced, we approached David Speers and made him the political lead in addition to the job he normally has with *Insiders*.

Senator HENDERSON: I put it to you that you were precariously close to facing action for constructive dismissal, because this clearly wasn't a position that you made redundant. You then engaged another person to do this role. This is a very important role that Mr Probyn was performing on behalf of the national broadcaster. It's unfair to characterise him as someone who wasn't performing for your digital channels. The bottom line is the way you distribute your news is one thing, but Australians want trusted news. They want good journalism. We just spent two hours talking about some appalling journalism at the ABC. Australians place great value on good journalism. I put it to you that you got rid of Andrew Probyn because you didn't like the fact that he challenged

some people within the ABC. He stood up to them. He was a tough operator. He wasn't a yes-man. He was highly respected, but you didn't like it and your senior management team didn't like it.

Mr Anderson: I respectfully don't agree with you that that was any motivation here for why two roles out of the Parliament House bureau were proposed to be made redundant. There are over 40 people left out of the news division of which that was two. Personally, I have always got on well with Andrew Probyn. I have no problem with Andrew Probyn whatsoever. The decision was based around his position and that of another person that was in the Parliament House bureau.

Senator HENDERSON: How much money have you saved in getting rid of Andrew Probyn? I congratulate him on being appointed by the Nine Network. He's been picked up because of his great skills and the great contribution he's made to Australian journalism, including, I think, being nominated for a Walkley Award. He's also won a number of other awards. The mail that I'm getting—and I still get plenty of good mail from the ABC—is that he was not liked because he was a tough operator and he stood up to some dumb decisions made by the ABC, and senior personnel didn't like it, including Justin Stevens. I've already, as you know, questioned whether he's the right person to be running news and current affairs because of his lack of experience and poor judgement.

Mr Anderson: Again, I will advocate for Justin Stevens as an excellent director of news. This was a proposal for change, one of many proposals for change that were approved and proceeded with. Andrew Probyn's role was one of those and it was considered to be a redundancy. These choices were all difficult for all of the people that were affected by this. There were 127 people affected by this. We have some reinvestment that comes off the back of that as well as savings. I will get for you on notice an answer to your original question with regard to the savings that were generated.

Senator HENDERSON: Could you please provide those details, including any new jobs that have been created as a result of the savings that have been created, the cost to the organisation and also what Mr Speers is being paid and how that is saving the organisation money. If you are suggesting that you're wanting to reinvest in digital, there's no evidence that you've done that.

Mr Anderson: I will take that on notice. We are constantly reinvesting in digital. There is one thing I will be upfront about. When it comes to Mr Speers's salary, I will take it on notice and make a public interest immunity claim with regard to that, because I think that should be kept confidential.

Senator HENDERSON: I think there are well in excess of a hundred people in the ABC earning more than \$230,000. Can I ask for the details of each of the senior personnel of the ABC earning that level of money—both the names of those personnel and how much they're earning within a \$5,000-increment salary band.

Mr Anderson: I'll take that on notice, and I will be putting forward a public interest immunity claim with regard to that.

Senator HENDERSON: Thanks, Mr Anderson. I want to turn to the hot-mic incident which occurred when a number of your staff were following or reporting on the Deputy Prime Minister and the foreign minister travelling overseas. Sky News host and investigative journalist Sharri Markson was called 'unhinged' in relation to the Wuhan lab leak so-called theory, which she has very impressively substantiated. This was broadcast to newsrooms in Australia and abroad. What does the ABC say about that matter?

Mr Anderson: I don't have the details in front of me, but I am aware of the incident that happened with ABC journalists in question—I think is what you're referring to—where there were three journalists, one of them an ABC journalist, where mics were open and they were having a private conversation which was quite disrespectful towards a number of people in both the ABC and other commercial media. The person involved certainly was aware of that. I think individuals have a right to confidentiality when it comes to disciplinary matters. Given the fact that that was in public, disciplinary action was taken against the journalist in question.

Senator HENDERSON: That's not consistent with what you've previously done. There was the disciplinary matter, or the sanctioning, in relation to Ms Patricia Karvelas, for instance. I would ask that you provide full information in relation to your investigation, including the outcome.

Mr Anderson: I'll take it on notice.

Senator HENDERSON: Sorry, are you taking it on notice because you don't know the answer to the question or because you don't—

Mr Anderson: I don't know the answer to the question.

Senator HENDERSON: I think Senator Roberts wants to jump in.

CHAIR: I think you'll find that I'm in the chair! Have you finished, Senator Henderson?

Senator HENDERSON: No, I haven't.

CHAIR: Could you please continue.

Senator HENDERSON: I was just trying to accommodate Senator Roberts, but I'll continue. So these journalists actually admitted to not pursuing unbiased public interest journalism, and there were some very derogatory comments, which I won't repeat. As we know, in broadcasting, when you say anything in front of a microphone, you should always assume the microphone is operating. So maybe someone needs to go back to school in relation to that lesson. But it does give rise to the bigger issue of, again, trust in the public broadcaster. What do you say to that, Mr Anderson?

Mr Anderson: Trust in the public broadcaster is imperative for us. Whenever there is an incident where our reputation comes into question as a result, obviously it's a matter we take very seriously. I don't know the details about precisely what was spoken about, other than the fact that the incident happened and that what was said was disrespectful to a number of people. I don't know that there were comments with regard to—I forget the phrase you used—but it was a double negative. I think it was something about a lack of commitment to unbiased journalism. I don't know about that. But, otherwise, I will take that on notice and respond to you, because I don't know the details.

Senator HENDERSON: Thank you. If you could do so, including the outcome of your investigation—whether staff were disciplined—I would appreciate that.

Mr Anderson, I now want to move to the *Four Corners* program in relation to Woodside. I'd like to ask you about the events of 1 August in Perth when an ABC crew worked with protesters in the filming of a story, including at the home of Woodside CEO Meg O'Neill. Can you remind us what the ABC said at the time about your *Four Corners* crew having no knowledge of what climate protesters were planning at the house? When I watched that program, I saw the journalists working very closely with those protesters practising the raid they were planning—another illegal activity. They filmed all of that behind-the-scenes planning, scheming, including in relation to illegal acts. So the ABC's statement that the ABC *Four Corners* team in no way colluded with the activists is looking like a blatant lie, isn't it?

Mr Anderson: A couple of things there. We were not colluding with the activists. We weren't scheming with the activists. All undertakings I've been provided were such that we were observing the activists. We were observing them practising what was a rehearsal. That was the night before. When it came down to it the next morning, I'm sure they did not know the address until just before. There was a meeting spot and then there was an address that was provided. The last part of your question—

Senator HENDERSON: It seems beyond credibility that you could suggest then, and as you do now, that the ABC crew and journalists were not colluding with the activists. They were aware of plans to commit potential crimes, Mr Anderson.

Mr Anderson: They were aware of a non-violent protest that was planned to happen.

Senator HENDERSON: That was a criminal offence or offences.

Mr Anderson: Sure, vandalism, absolutely.

Senator HENDERSON: Do you know about trespass?

Mr Anderson: I know about trespass, but we advocate that we did not trespass. We knew not to trespass on private property.

Senator HENDERSON: No, I'm referring to the state of the ABC's knowledge in relation to what the protesters were planning.

Mr Anderson: Yes, our crew knew they were planning a protest that involved spray paint, paint in balloons et cetera and that they were going to chain themselves to a fence or something.

Senator HENDERSON: So they knew about this not just for days but for many weeks. That crew and the journalist had been working hand in glove with those protesters for weeks.

Mr Anderson: They were not working with; they were observing. I think they had knowledge in advance that the activists had planned to do this protest anyway, regardless of whether *Four Corners* was going to be there. Yes, the journalists were invited to observe what was training and they were invited to observe the protest with a date that could have been one or two days.

Senator HENDERSON: No, they weren't just invited to observe; they were filming it.

Mr Anderson: That's what I mean. They were observing; they were filming.

Senator HENDERSON: No, observing is to watch. They were filming as well.

Mr Anderson: Yes, they were.

Senator HENDERSON: In order to film it they made a lot of arrangements in terms of being there and organising for a film crew to be there. When I say 'working with them', I'm not suggesting the ABC was working with the protesters to also commit crimes. I'm saying they were working closely with the protesters to film the story.

Mr Anderson: They were, obviously, as journalists, in touch with them to film the story. You are absolutely correct. I will say that there is objective journalism here, and their intent was certainly not in any way egging on the protests, the activists, with it. Rather, that was part of what was at that time a larger story about climate protests.

Senator DAVEY: If your journalists had prior knowledge that a group of young teenagers were going to break into or break the windows of, say, a jewellery store, would you not expect them to take preventative action or report the criminal intent to the authorities?

Mr Anderson: I think it would depend what the matter was, and you'd expect what knowledge they had to be upwardly referred to their senior person.

Senator HENDERSON: The point that Senator Davey's making—a very good one—is that the ABC had prior knowledge that this group were planning to commit criminal offences. Isn't there an ethical obligation to step out of that situation rather than to be seen to be endorsing it by filming this activity?

Mr Anderson: A couple of things—filming the act of vandalism that was otherwise corporate vandalism—

Senator HENDERSON: I'm talking about the planning.

Senator DAVEY: It was a private residence. You can't call it corporate vandalism at a private residence. Anyone googling the address given to you could see on Google Maps that it was a private suburban area.

Mr Anderson: They made a judgement call on the way—there was another car following when they went to that—that they then realised it was a private residence that was—

Senator DAVEY: They should have googled it.

Senator HENDERSON: Mr Anderson, I'm sorry. I'm looking at your statement—the very long statement that was made on 11 August—where you eventually admitted that your team—

Mr Anderson: This is my statement, Senator?

Senator HENDERSON: Well, the ABC's statement. The ABC admitted that it did have some awareness of what was planned. 'Some awareness'? That sounds like there was some incidental knowledge. Some awareness? Your crew was working hand in glove filming all of this activity for weeks on end. Come on, Mr Anderson. You've got to be honest with the Australian people when questions arise as to the conduct of your personnel and your employees.

Mr Anderson: I am being honest with you in that, yes, they filmed training the night before.

Senator HENDERSON: That's not 'some awareness'.

Mr Anderson: I guess their knowledge wasn't complete about everything that they had proposed to do. This is issuing that statement after checking with the EP and the crew to make sure that we knew what it was. What I wanted to do in that statement was correct the record from the previous statement that had said that we didn't know what they were going to do. That was incorrect, and it needed to be corrected.

Senator HENDERSON: It is incredible—having been in this situation myself, working on the road with a crew—that it took a week for that statement to be corrected.

Mr Anderson: I wanted to find out the facts. I asked for it to really be looked into and investigated as to what happened prior to that moment. It did take that long to find out those details such that I could issue that statement with confidence that it was accurate.

Senator HENDERSON: Do you know what also amazed me about the story? It was the most biased piece of journalism. I'm not disputing the fact that the ABC wants to tell the story of the protesters, although I have major issues with how that occurred, but there was no other perspective told about the benefits that Woodside has delivered to this country and about the benefits of coal and gas. It was the most hideously, extremely biased one hour of rubbish journalism. It looked like a propaganda piece for these activists, not telling an objective story about the pressures that these companies are under and about what protesters are doing and also explaining important facts like the benefits these companies have brought to our nation.

Mr Anderson: We were seeking comment from Woodside. We approached them a number of times to participate. They declined. The team then went—this is my understanding—and found other people to say what you are discussing right now.

Senator HENDERSON: It was incredibly incidental. The whole focus of the story was on giving a glorified picture of these climate activists, giving us great insight into their plight and their mission, casting them in the most empathetic light without telling an objective story. As a piece of journalism, Mr Anderson, personally I thought it was one of the worst one-hour stories I've seen on *Four Corners* in a very long time. *Four Corners* can often do some very good work. I thought that was a rubbish piece of journalism.

CHAIR: Senator Henderson, we're going to rotate the call. I appreciate this is a great opportunity to provide your perspective and critique of the ABC—

Senator HENDERSON: I was going to ask Mr Anderson did he agree with me.

CHAIR: but I wonder if we could stick to some questions, rather than—

Senator HENDERSON: Mr Anderson, if I can just finish that—good point, Chair; you have made a good point—by saying: do you agree with me on that?

Mr Anderson: What I would say is that that story would have benefited from the participation of Woodside in it. Without that, it felt like that story could have been stronger.

Senator HENDERSON: I can perhaps explain what you could do as a journalist. You could still write the piece of voiceover that explains what Woodside has done for the nation.

CHAIR: Senator Henderson, I'm not sure that the managing director of the ABC needs your advice on how to run the service.

Senator HENDERSON: I'm asking questions.

CHAIR: We will go to Senator Roberts.

Senator HENDERSON: I will come back to that question because I was asking Mr Anderson a question.

Senator ROBERTS: Following up on Senator Henderson with regard to Sharri Markson and unprofessional comments, there seem to be two issues, Mr Anderson. One is the unprofessional behaviour and the other is that Sharri Markson came out with groundbreaking research that was factual and accurate many years ago, at the start of this COVID response. She's been completely vindicated. The ABC is wanting to trash her because she's been vindicated. She's accurate. What does that tell us about the ABC journalists? That destroys trust.

Mr Anderson: I don't think that incident was a published piece of content by the ABC; rather it was incident with an open microphone that then got—

Senator ROBERTS: I agree, but it gives us an insight into the minds of the ABC journalist who was present.

Mr Anderson: Of that individual? Yes, I can't deny that.

Senator ROBERTS: I asked you for your past pay rise. What about your imminent pay rise? What will that be?

Mr Anderson: I don't know. I know that the Rem Tribunal wrote to the board, and the board, the chair informs me, discussed it at the last meeting. I don't know the outcome of that. I don't know where they will land.

Senator ROBERTS: We will see how many regional journalists that consumes.

Mr Anderson: Senator, I gave you incorrect information before about the salary of a regional journalist. It's more circa \$75,000 a year.

Senator ROBERTS: I want to come back to Heston Russell and the defamation case you lost. Another ABC source for that article, a member of the US Drug Enforcement Administration, Bret Hamilton, was interviewed twice by your journalist Mark Willacy. I would like to table this affidavit from Mr Hamilton, Chair.

CHAIR: Sure, go ahead, Senator Roberts.

Senator ROBERTS: Mr Willacy told Mr Hamilton that he was planning to do a positive story on the joint operations in Afghanistan. Mr Willacy then peppered him with questions about the conduct of Heston Russell and the Australian soldiers attached to November platoon. Bret Hamilton was extremely complimentary of Heston Russell and all the troops, rejecting Mr Willacy's questions. Mr Willacy decided not to publish the majority of those complimentary remarks. Mr Hamilton provided a sworn statement to the Federal Court in support of Mr Russell. At the bottom of page 2 he says, 'My experience of the Australian Defence Force was overwhelmingly positive.' He goes on to say, 'I never witnessed nor was told of any wrongdoing committed by Mr Russell.' Later he says, 'After watching a final edit of my interview on the ABC, I recall being disappointed as it falsely suggested I believed November platoon had committed wrongdoing.' Mr Anderson, is this conduct from Mark Willacy appropriate, to be misquoting, misrepresenting and misinforming a source and misinforming an audience on something as serious as a war crimes allegation?

Mr Anderson: I will have to take that on notice because I don't know the background to it. I don't know what other stories might have been published. You are going to have to leave it with me, and I will come back to you on notice.

Senator ROBERTS: Thank you. Mr Anderson, last Senate estimates, Mr Stevens, I think, and I had an exchange informally—pleasant—and we were talking about my complaints about ABC bias with regard to a politician in New South Wales. We quantified that, we proved that, and then I said, 'You're also biased on climate.' He said, 'Well, show me the evidence'. So, I provided him with about 20 pages of examples of bias in the ABC, just on climate alone. Then you have responded, or the ABC has responded, by saying, 'We refer to the science in the *State of the climate* report from the Bureau of Meteorology and the CSIRO and the United Nations Intergovernmental Panel on Climate Change.' The *State of the climate* report is a biannual glossy booklet that the CSIRO and the Bureau of Meteorology jointly produce.

The head of the Bureau of Meteorology, Dr Andrew Johnson, in answer to my questions in Senate estimates some time ago, acknowledged that it's 'merely a snapshot and does not contain proof that carbon dioxide from human activity affects climate and needs to be cut'. Yet you cite it as such. The United Nations IPCC reports have relied on unvalidated, erroneous computerised numerical models and have never provided the logical scientific points, including the empirical scientific data, proving that carbon dioxide from human activity affects climate and needs to be cut. Neither document provides scientific proof or evidence of causation proving that carbon dioxide from human activity needs to be cut.

If you still claim that the *State of the climate* report and the UNIPCC climate assessments provide proof, then please provide, on notice, the specific locations within each that provide the logical scientific points, including the empirical scientific evidence—in other words, the proof of causation, the specific location.

Mr Anderson: I'll take that on notice.

Senator ROBERTS: Thank you. And I remind people that Carl Sagan, a noted science communicator, said: We've arranged a society on science and technology in which nobody understands anything about science and technology, and this combustible mixture of ignorance and power sooner or later is going to blow up in our faces. It is. Who is running the science and technology in a democracy if the people don't know anything about it? The ABC doesn't know much about climate science.

CHAIR: Senator Roberts, having studied climate science myself, I also agree with some of those reports. I think there's an opinion here. You have an opinion, and it disagrees.

Senator ROBERTS: And I'm asking the ABC to provide, and Mr Anderson's taken it on notice, the specific location.

CHAIR: Are we having a speech? Or do we have any further questions? I'm very conscious that we are hours and hours late, and what we seem to have descended to is a series of speeches and insults.

Senator ROBERTS: I have two short questions. Can you please explain why the address by Senator Nampijinpa Price—that's Jacinta Price—to the National Press Club was broadcast only on the ABC News channel and not on the main ABC channel?

CHAIR: That was all explained earlier, Senator Roberts.

Senator ROBERTS: Well, I'll skip that question. Thank you very much, Chair. Thank you, Mr Anderson.

CHAIR: Senator Henderson—and, again, I will say on speeches that it would be really nice not to go there, and on insults, it would be really nice to stop that, too. If we could get through this as quickly as possible I think we'd all be deeply grateful.

Senator HENDERSON: Mr Anderson, returning to the issue in relation to the *Four Corners* program, can you confirm that no ABC crew member stepped foot on the property of Ms O'Neill?

Mr Anderson: It's my information, yes, that they did not step on private property.

Senator HENDERSON: Were they intending to, do you know?

Mr Anderson: My understanding is that they were not. I agree, by the vision, they were very close.

Senator HENDERSON: Did they know? Did anyone in the crew know, including the journalists, that the climate activists were planning to go to Ms O'Neill's address?

Mr Anderson: No. We've specifically asked that question. That was not known until the morning of, and some time on the way there, that they got the address.

Senator HENDERSON: So how is it that you got your initial statement so wrong?

Mr Anderson: At the moment all I've got for you is a breakdown in communication. I'm still, from that moment on, ensuring that I get to see those statements and they come to me. That statement was issued off the back of—again, it wasn't the communications team per se; they did in the end, but it was news, and within the news team and chain of command there was a communication breakdown about that statement being released. The director of news sought assurances over that statement that everything was accurate, which of course we later found it not to be, and it was released, and that portion was an error and needed to be corrected.

Senator HENDERSON: Who in the news department authorised the initial statement?

Mr Anderson: Well, Justin Stevens, as director of news, is authorising the statement, but he did the appropriate checks with his team to make sure that was accurate. And there was a breakdown in communication in that chain.

Senator HENDERSON: Are you able to provide the relevant emails and correspondence in relation to that authorisation and what happened with that miscommunication on the initial statement, please, on notice?

Mr Anderson: I'll take that on notice. Somewhere in a recent FOI request I've provided something similar.

Senator HENDERSON: In light of this particular event, has the ABC reviewed its conduct, how it manages these matters, and is this type of journalism also under review?

Mr Anderson: What I will say is that I gave an undertaking to look at our editorial policies. We've done that. We've got some changes coming to our ed pols that in part relate to the McMillan-Carroll review that was done some time ago, which led to the establishment of an ombudsman. We're looking at our ed pols with regard to that. I have included an update to the ed pols that does specifically mention the mandatory upward referral when journalists are aware of a criminal offence that is about to be committed.

Senator HENDERSON: What is the policy?

Mr Anderson: We do have mandatory upward referrals at the moment that sit there, and all I'm doing is making it clearer—I'm making it crystal clear—that that should happen. Whoever the crew are, wherever they are, they should be in touch with their manager about what they know at the time, and a judgement should be made.

Senator HENDERSON: So the journalist did not inform her manager that she was aware that a crime was in the planning and could be committed?

Mr Anderson: Again, I believe that it was known that that was going to be, penultimately, an activity that would otherwise be witnessed. In the moments of that time line, I think there was judgement that was exercised locally, without an upward referral that I think probably should have happened. In fact, I think it should have happened.

Senator HENDERSON: So that is your policy if any journalist at the ABC is aware of a crime that may be committed or a potential crime that could be committed?

Mr Anderson: Yes.

Senator HENDERSON: And, if that is part of a story or the work of a journalist, then the journalist is required to report that to his or her manager to make an assessment as to the journalistic merits of continuing to conceal that activity?

Mr Anderson: With reason. For instance, if there's a protest that's happening on the streets of Melbourne and we know that we're covering people that might be committing a crime that is broad and that a lot of people will be covering, that's one thing. But something along the lines of what we witnessed here is what I'm trying to capture—so yes.

Senator HENDERSON: Was the journalist disciplined or has she been sanctioned in relation to her failure to report her knowledge of the crimes in planning or potential crimes in the planning?

Mr Anderson: This journalist did advise what they were up to, what they were observing and what they perceived would happen. What they did not know was that it was going to be a private residence—I understand your disbelief about that—until the morning of. There is a conversation in there that should have happened that I do not blame the journalist for, frankly. I think there should have been better guidance provided from her management.

Senator HENDERSON: Okay. So, going back to my question, is she under investigation—

Mr Anderson: No.

Senator HENDERSON: in terms of breaching any ABC guidelines, or has the journalist been disciplined?

Mr Anderson: The answer is no.

Senator HENDERSON: What action has been taken, then, in relation to this so-called oversight?

Mr Anderson: The action that has been taken is with regard to the follow-up of, certainly, how we ended up with a statement that was incorrect, because I don't want that to happen; I don't want to have to issue a correcting statement again on the first statement. That is No. 1. There was an update to what we have with regard to editorial policies—and that that be communicated quite clearly to editorial management of our teams.

Senator HENDERSON: You mentioned before that the journalist did not know they were going to a private residence until the morning.

Mr Anderson: Until the morning of, when they received a text message with the address.

Senator HENDERSON: What time did the journalist get notice that they were going to a private residence?

Mr Anderson: I'll confirm this on notice; it's somewhere in my notes. I believe it was between 6.30 and 6.45 am.

Senator HENDERSON: And what time did the crew and journalist arrive at Ms O'Neill's house?

Mr Anderson: I'll confirm that for you on notice. I don't know it off the top of my head.

Senator HENDERSON: So, in advance, she knew she was going to a private residence.

Mr Anderson: They knew they were going to a private residence, because they took the address, put it in their phone and figured out it was a private residence and not a corporate residence.

Senator HENDERSON: Can we get a copy of those messages between the journalist and the activist as to what she knew between 6.30 and 6.45? Was it just the address?

Mr Anderson: Right now we are subject to a notice to produce from the WA Police Force, so we're going through that legal process. I will take that on notice and respond as best I can.

Senator HENDERSON: Okay. So she's received a text. Does the text just say the address?

Mr Anderson: I don't know, so I don't know if it reveals anything about a confidential source. I don't know.

Senator HENDERSON: Well, we've seen the activists in all their glory on the *Four Corners* program, so there's nothing confidential about those people involved in the program. Could I ask for all correspondence between the climate activists and the journalist and the *Four Corners* team in relation to the arrangements that were made to attend Ms O'Neill's house, please.

Mr Anderson: Senator, I'll respond to you on notice, but I will say this: there are other confidential sources—this is why we're talking to the WA Police Force—where we've given undertakings that we do not want to reveal their identity, and we would be protecting their identity as I take this question on notice, and I'll get back to you.

Senator HENDERSON: Okay. You also gave confidential undertakings about confidential sources to the Federal Court, and that proved not to stand the integrity test. So I just say to you, Mr Anderson, that this is Senate estimates. This is a very significant issue. This has caused a lot of distress to Ms O'Neill and her family. This has not shone a good light on the ABC's operations. So, if you could provide that information on notice, I'd be most grateful.

Mr Anderson: Senator.

Senator HENDERSON: Thanks, Mr Anderson.

CHAIR: Mr Anderson, thank you for your patience. Thank you for the length of time you've remained here today—and Ms Kleyn. We will now release you.

Special Broadcasting Service Corporation

[17:07]

CHAIR: Good afternoon, Mr Taylor.

Mr Taylor: Good afternoon, Chair.

CHAIR: Would you care to make an opening statement?

Mr Taylor: In the interests of your time, I'm happy to table a statement and move straight to questions.

CHAIR: Fantastic. Thank you, Mr Taylor, and thank you for your patience today. I know we're running significantly late. Senator Hughes.

Senator HUGHES: Good afternoon, everyone. Could I just look towards any relationship that SBS might have with Al Jazeera. Did SBS issue any directive to editorial staff on covering the issue with Israeli-Hamas tensions? If so, what were those directives?

Mr Taylor: In relation to Al Jazeera or—

Senator HUGHES: Well, in relation to covering the current Israel-Hamas situation or, in fact, at any stage when covering Hamas or tensions between Israel and Hamas?

Mr Taylor: Well, we have general obligations in relation to reporting accurately and in keeping with that code. I'm not aware of any specific directions issued to editorial staff in relation to the current conflict. I'm happy to take the question on notice. To go further, I'm not aware of any directions that relate specifically to Al Jazeera content, but I'm happy to take that on notice.

Senator HUGHES: Do you have content-sharing agreements with Al Jazeera?

Mr Taylor: I think we do, but I think we've got exclusions as it relates to coverage of the Middle East. If you bear with me, I can get an answer to that question whilst we're on with the committee, because I can get in touch with our director of news and make sure I'm providing the information in a timely fashion.

Senator HUGHES: Yes, if you could let us know what the nature of those is, that would be great.

Mr Taylor: Absolutely.

Senator HUGHES: And also if there are any stipulations in those agreements about how certain events are covered?

Mr Taylor: Yes, absolutely.

Senator HUGHES: Do your journalists use the word 'terrorist' when referring to Hamas?

Mr Taylor: The word 'terrorist' has appeared in our coverage. We have used that word recently. We use the word 'militant'.

Senator HUGHES: 'Militant' or 'terrorist'?

Mr Taylor: Yes. We have acknowledged that Hamas is recognised as a terrorist organisation by the Australian government, for example.

Senator HUGHES: I'm just a bit concerned. I'll make reference to an article published on 9 October titled "'Resistance is justified': Hundreds of pro-Palestinian protesters march in Sydney"—this is, of course, the anti-Israel protests that we saw outside the Sydney Opera House, where 'Gas the Jews', amongst other things, was yelled. I'm concerned that it makes no mention of the words 'terror' or 'terrorist attack' and in fact doesn't make any mention of the antisemitic commentary that was heard during the protest. It didn't mention that the protest was illegal. Probably the closest thing it said to anything was that there were a few comments from a couple of people calling for restraint. But it's overwhelmingly sympathetic to the Palestinians. Do you think that this actually reflects appropriate, fair and balanced reporting?

Mr Taylor: I'm unfamiliar with the article to which you refer. I'm very happy to take it on notice and provide you with a comprehensive response.

Senator HUGHES: You're not here, so it's probably just as easy if you find it. It's from 9 October—"'Resistance is justified'". I'm sure someone will be able to find it for you. I'm going to change topics. Would you suggest that SBS had balanced coverage on the Voice referendum?

Mr Taylor: Absolutely. We put significant effort into ensuring that the product and the offer around the referendum for the 12 months of coverage remained impartial and took in an array of perspectives. There was coverage right across SBS, and, of course, NITV, as the home of Indigenous storytelling on SBS, covered the event comprehensively through an array of fora. One program, *The Point*, covered 39,000 kilometres bringing storytelling to communities and carried an array of Indigenous perspectives. So, yes, I'd say we provided a fulsome offer to the Australian public and it complied with our obligations under our code.

Senator HUGHES: There was a particular incident on the program 'The Point: Australia Decides'. It was hosted by Narelda Jacobs and John Paul Janke. This is with regard to how Mr Mundine was treated when he took issue with claims of racism in Australia. Ms Jacobs cut in and said, 'We are not going to sit here and take you abusing a national treasure like Marcia Langton, who never said that Australians were racist; her words were twisted.' Ms Jacobs went on with, 'I'm going to stop you there, Warren. We've just seen who Warren Mundine is,' at which Professor Langton jumped in and said, 'Yes, that's right.' The professor then also described 'no' campaigner Jacinta Nampijinpa Price as the 'princess of assimilation'. Mr Mundine has said that it was the worst interview he had during the Voice campaign. Warren's pretty tough. That was pretty upsetting not only for everyone who saw it but for anyone who knows him and for himself. Do you think that's an appropriate way to treat someone who is a leading Indigenous voice in this country, even if it's not the voice you want to listen to, or that it was appropriate to just literally put Marcia Langton up on a pedestal whilst abusing Mr Mundine and whilst Professor Langton had a go at Senator Nampijinpa Price?

Mr Taylor: I'm familiar with the broadcast. Let me give a specific response and then a general response. The specific response is that program has received a small number of complaints under our code to the SBS Ombudsman. To be specific, we've received eight complaints under our code. That means that right at the moment the SBS Ombudsman is independently deliberating on that program. It would be unhelpful if I expressed a specific view about elements of the program, and I'd appreciate your patience in that regard to allow me to comply with our own processes. What I will say, though, without speaking to the specific comments or observations you've made, is that was a very, very robust exchange between two prominent Indigenous leaders. The hosts of that program were using their best efforts to ensure the conversation remained constructive, fact based and safe for all participants. The full interview is available on YouTube, and people can form their own views about the way in which the interview was conducted and the conduct of various participants, but I can't say anything more because I would like the ombudsman to have the opportunity to quietly deliberate on the program.

Senator HUGHES: Could you please—not necessarily take it on notice—maybe put it in the pile on your desk, because you will be back here in February, and I assume the ombudsman will have gone through it by then. Mr Mundine is a former member of your board, and it seems an extraordinary way for him to be treated at an organisation funded by the taxpayer. But I will move on. I want to ask you quickly about the proposed move of SBS from its current site in Artarmon to Western Sydney. What do you think about comments from North Shore MPs and councillors who say that forcing the SBS to move was politically motivated and would punish their area? Do you agree?

Mr Taylor: I don't have a view about that. What I can say is there are a number of individuals who have views on the move, and they're entitled to them. The department is moving through the feasibility study process, and the SBS board at some point will be given the opportunity to form a view about the paperwork that is generated by that review team and form an independent view about whether it wishes to pursue relocation or not.

Senator HUGHES: How far along is that feasibility study?

Mr Taylor: Midway-ish. I think the government has committed to deliberating on this in the first quarter of next year. I imagine a report will be available to the SBS board at about that time—January, February, March or so—and then the board will form a view.

Senator HUGHES: Have you or the board made a submission to it?

Mr Taylor: No. We're represented on the steering committee and the working group: I represent the SBS board on the steering committee, and we have a number of representatives who are on the working group to provide information et cetera to the department so that they can conduct the review process.

Senator HUGHES: Has there been any consultation with staff on what that move would mean for them?

Mr Taylor: There has been some consultation. We've taken in views about our current facilities, what works, what we'd seek to improve and what we'd love to have in any world where new facility was provided or we renovated this facility. We've also conducted a staff survey to take in views about what is important to staff about their workplace. They are being provided through to the feasibility study group.

Senator HUGHES: Is this a decision for the board?

Mr Taylor: Yes, it is.

Senator HUGHES: Could a government minister force you to make a decision in a particular direction?

Mr Taylor: No, I don't believe so. The minister has, through many public statements, been at pains to emphasise—in my view—that this is the decision for the SBS board. Certainly, the board regards it as a decision for the SBS board.

Senator HUGHES: We've just heard from the ABC—they're in the process of moving up to 300 staff out to Parramatta—on their redesigning and designing and layouts and all the sorts of things that are going on for their new area. Do you think there are any thoughts by the government that it might be a good idea to park you in with them?

Mr Taylor: It's certainly not a proposal that has been put to us.

Senator HUGHES: Thank you.

CHAIR: Senator Bilyk.

Senator BILYK: What does the establishment of stable five-year funding terms mean for the SBS in terms of strategic planning, quality and efficiency?

Mr Taylor: We welcome the introduction of five-year funding terms. Stability of funding and certainty of funding is helpful in what is a rapidly changing and evolving media market. It provides us with more certainty about both our funding and the resources that we can apply with that funding against our strategy.

Senator BILYK: How will the extension of funding for SBS Media Sector Support assist in providing news, content, subtitling and English learning resources to Australians who speak languages other than English, particularly Chinese and Arabic?

Mr Taylor: My apologies. I lost the first few words of your question, but I got the rest of it. Would you mind repeating the first segment?

Senator BILYK: How will the extension of funding for SBS Media Sector Support assist in providing news content, subtitling and English learning resources to Australians who speak languages other than English, particularly Chinese and Arabic?

Mr Taylor: You're referring to some elements of funding which were terminating but which have been made ongoing in our budget which facilitated the advent of daily Mandarin and Arabic news services and subtitling of a raft of other content. That certainty is welcomed. Those are important services. SBS broadcasts in 60 languages. It's always a joy when we can enhance and improve the breadth of offers to particular communities. We are in the fortunate position of reaching 60 to 65 per cent of some language communities each and every week, and our capacity to reach more audiences with more content is assisted by funding certainty. Importantly, when community members in any language are consuming content from SBS, they're consuming trusted, independent and impartial Australian news and information, which means they're not consuming, at that time, information and news from less credentialed sources. I welcome that, and I hope the committee does too.

Senator BILYK: The budget extends funding to the SBS for audio description for blind and low-vision Australians. Are you able to explain how the SBS has been tracking in the provision of audio description over time, whether the SBS has been able to increase the number of hours being audio described and whether there are any plans to extend audio description further?

Mr Taylor: Ms O'Neil will take that question.

Ms O'Neil: We were really pleased to receive initially the first grant to provide audio description services, and to have that funding continued and now rolled into our base at the last budget. It's greatly appreciated. We're really proud of our audio description services. In the last financial year we provided more than 1,400 hours of new audio-description content across SBS ONE, Viceland, NITV and World Movies. That's around 27 hours a week. That's up from around 20 hours a week from the previous financial year. So we are growing the amount of hours that we're producing, and we're also providing that service on VAST, which we're really pleased about as well. We are working through the provision of audio description on SBS On Demand. Our initial consultations with the vision impaired community indicated that broadcast was their first preference, so that's obviously what we focused on first. We are, hopefully, going to be announcing shortly the time line for On Demand provision. It's just a little bit complicated to build it on every single platform that we provide OD on.

Senator BILYK: Aside from the On Demand stuff, are there any plans to extend the audio description further in the mainstream SBS?

Ms O'Neil: We've managed to grow the amount of content we provide year on year, each year. We'd be hopeful to do that again. I heard Mr Anderson's testimony earlier. We worked closely with the ABC, in consultation with the community, on the sorts of programming and features that they would find valuable in the AD service, so we're continuing that for our OD rollout. I'm really proud of the other way that we're innovating in audio description, by being really bespoke and creative in the voice tracks that we're providing. For example, we had an NITV program called *Off Country*. The audio description for that was provided by First Nations voice artists. We're also engaging vision-impaired voice artists and engaging vision-impaired experts to quality-control our AD programming. We're really proud not only of the amount we're doing but how we're doing it as well.

Senator BILYK: That's amazing work. Thank you.

CHAIR: Mr Taylor, having waited for hours and been so patient, we're now going to let you go. Thank you so much for your time, and we look forward to seeing you again in February.

Australian Communications and Media Authority

[17:24]

CHAIR: I now call officers from the Australian Communications and Media Authority to the table. Welcome to Ms Nerida O'Loughlin, the chair. Would you care to make an opening statement?

Ms O'Loughlin: I would like to make a very brief opening statement, if I may.

CHAIR: Of course.

Ms O'Loughlin: BetStop, the National Self-Exclusion Register, was launched on 21 August 2023, and I'm very pleased to inform the committee that it's now providing an important service for Australians who want to make a change to their gambling habits. People can register online at betstop.gov.au or they can call 1800238786. To date, almost 10,000 people have registered to self-exclude from all licensed online and phone-wagering services in Australia, with 1,600 people registering on the very first day.

One of our key objectives was to make online registration quick and easy, and to date we have seen around 98 per cent of users completing the registration online. Our contact centre is also operating five days a week to further support users, and there have been more than 2,000 interactions with the centre. Once a person has registered, wagering providers are required to close all of the person's betting accounts and must not let them place a bet or open a new account, and they cannot send them marketing messages. The register is also performing well in dealing with industry requests and keeping up with demand as we move into the very busy end-of-year racing season. The matching service used by industry has processed more than two billion requests with 100 per cent uptime since its launch. Industry requests concerning the self-exclusion status of a single individual are being processed in an average of around two milliseconds.

We continue our activity to increase public awareness of the service across digital channels and, out of the home, in pubs and clubs. Industry also has obligations to promote the service to its customers on websites and in their marketing messages. We've also now turned our focus to monitoring and enforcing industry compliance. We've been proactively engaging with wagering providers and have issued further compliance advice to the whole industry on potential issues that we are seeing. While we're currently focused on building voluntary compliance, we will not hesitate to take formal action where we find serious noncompliance.

The implementation of BetStop, the National Self-Exclusion Register, has been a priority for the ACMA, and I thank the dedicated team of ACMA staff for their hard work, diligence and professionalism in its establishment. I also thank this committee for its ongoing interest in this important work and look forward to your questions today.

CHAIR: Thank you very much. I wonder if I could just start. It's a great initiative, BetStop, and it sounds like it's rolling out excellently. Could you maybe give us some of the demographics of the people who are signing up?

Ms O'Loughlin: Certainly. We've found really interesting demographics. Probably the most interesting one is that the vast majority of registrants are under 40 years of age. We find that very interesting. Further to that, most of the people who are registering are actually registering for life—for a lifelong exclusion. So we're seeing a combination of younger people excluding for life, which we think really explains the importance of this initiative, particularly for younger Australians who want to be in more control of their gambling.

CHAIR: That's quite surprising. I would have made a guess, on I don't know what basis, that they would have been older and wouldn't have signed up for life. It sounds very positive.

Ms O'Loughlin: We see it as very positive and a very interesting bunch of statistics, which support the establishment of the register, and possibly, like you, a little surprising given who you might think the average gambler is and who might be signing up for BetStop. We're also finding that people are signing up a support person as well. So they're not just signing up themselves; they're acknowledging that they may need support and registering a support person as well. We think that really gives those people who are registering the support they need to continue to seek a change in their gambling habits.

CHAIR: How does the support person work?

Ms O'Loughlin: I might pass to my colleague Cath Rainsford to give you a little bit more detail on that.

Ms Rainsford: When someone signs up or registers, they have the option to nominate up to five support people. It is entirely their choice as to who they pick or whether they pick someone, but typically we expect people to pick family members, their counsellors or other professional support people. Those people, in effect, then have a role to play in supporting that person through their self-exclusion. That includes, at certain points, the registered person maybe having choices to make. For example, if they registered for a period that was less than a lifetime, three months is the minimum period of registration but they can pick any time after that. Then they hit a point where the choice is, 'Do I want to stay registered?' or, 'Would I like to come off the register?' The support person can be available to help them to work through that. There are arrangements in place so they're notified around when those points are coming up in the registered person's registration life cycle, if I can put it that way, so they are available to assist.

CHAIR: Are you getting much feedback from support organisations or community organisations who deal with people who are struggling with gambling?

Ms O'Loughlin: We had extensive consultation with those organisations in the development of BetStop, the register itself, and also the rules around it. I don't think we've had formal feedback, but we are hearing from various groups that they've had a very positive response to the register—firstly, about its establishment and also the ease of getting onto it, the support that's available to them and the capacity for them to put support people around them. So initial feedback is very positive, and we've also had positive feedback from the industry around the ease of their part of the register—of being able to wash lists and make sure that they've got their systems and processes in place to exclude people who have asked to be excluded.

Senator HUGHES: Good afternoon, Ms O'Loughlin. We're only 2½ hours behind. I want to talk to you today, if I could, about what the role of ACMA has been with regard to the drafting of the misinformation bill. What engagement or involvement did ACMA have in the drafting of the bill?

Ms O'Loughlin: There are probably two parts to that question—three, actually. We have been involved very closely with the development of the voluntary code on disinformation and misinformation, developed by the digital platforms themselves. We issued an issues paper right back in, I think, 2020 around what we thought should be in a code and what a regulator would like to see in that code. We have been observing the development of that code; it's not a registered code, so it's not something we've ticked off on. We've also reported to government on where we think improvements could be made to the code, and we also provided initial advice to government that we also thought that the code could be enhanced by a number of matters: firstly, information-sharing rules to us so we could gather more information about what the platforms were doing; greater transparency from the platforms about what they were putting in place and how they were managing the things they put in place; the rules around how they were making decisions; and also the usefulness of having some backup from the regulator so that, if that code wasn't sufficient to do what was expected of it—to successfully deal with misinformation and disinformation on digital platforms—the regulator could register a code or, indeed, make a standard, which is the thought of the process we have in place in other aspects of our work.

Senator HUGHES: As I understand it, that's the voluntary code.

Ms O'Loughlin: Yes, that's the voluntary code.

Senator HUGHES: What about the draft bill at the moment?

Ms O'Loughlin: We have been advising the department on the implementation of the government's policy around how that bill would actually work in practice, but it really—

Senator HUGHES: We don't have the bill yet. It's only in draft form.

Ms O'Loughlin: With the exposure draft of the bill, our focus was on, depending on the decisions of government, how that would be implemented.

Senator HUGHES: So the department is drafting it, and you're liaising with them.

Ms O'Loughlin: That is correct.

Senator HUGHES: Have you been involved in meetings with the minister's office or Prime Minister's office to discuss the draft bill?

Ms O'Loughlin: No.

Senator HUGHES: We have asked the question, and I think we got that it wasn't going to happen. The minister said that we would have the bill by the end of the year. Do you think that that's likely?

Ms O'Loughlin: I think the department indicated this morning that that was the current timetable. I don't have further information I can add to that.

Senator HUGHES: From where your conversations are up to and the input you're having on the explanatory memorandum, are you confident that it'll be in the Senate and the House within the next couple of weeks?

Ms O'Loughlin: That's the timetable that we've been advised of. I don't have any further information—

Senator HUGHES: They haven't advised you differently.

Ms O'Loughlin: No, they haven't advised us differently.

Senator HUGHES: Considering that we're seeing these submissions come through that are suggesting significant changes to the drafting of what's currently proposed, you are not finding it difficult to believe it'll be within the—

Ms O'Loughlin: We're involved in discussions with the department about various aspects of drafting and, as I said, are pretty much focused on the implementation of options rather than the policy options themselves. But we're working together with the department on the time frame that they've advised us they're working to.

Senator HUGHES: Did any of that work slow down during the period of the Voice referendum?

Ms O'Loughlin: As that was really a matter that was being undertaken in the department, I think it'd be a matter for them to answer. We haven't been involved in things like reviewing the submissions or thinking through changes—

Senator HUGHES: Was there any work that you were doing around the Voice referendum, or weren't you asked to hold back on any of the work you were doing for them?

Ms O'Loughlin: No, we weren't.

Senator HUGHES: If by chance this bill does come to us and gets passed, how many more staff will ACMA need? Has that been modelled or looked at?

Ms O'Loughlin: We were provided with funding of \$7.9 million over four years from 2023-24 to combat online misinformation and disinformation on global digital platforms. It's intended that some of that cost would be offset as well.

Senator HUGHES: Right. You haven't put a new budget in, for the next budget or MYEFO, if this bill's passed and you require more staff. Has that already been factored in?

Ms O'Loughlin: I think we'd wait and see the end shape of the bill to understand if we needed any resources beyond what the government has already provided to us.

Senator HUGHES: The minister said that ACMA won't be ruling on individual claims of misinformation. I'm not quite sure how that works. Surely, you'd have to form some kind of view. How would the digital players know where it was headed?

Ms O'Loughlin: The exposure draft envisages the ACMA would focus its attention, as it does with the voluntary code, on looking at the systems and processes that digital platforms have put in place to see if they're satisfactory. Our focus is not on the content; it's on the systems and processes. Where that takes you, in terms of what we would be looking at if we were looking at compliance and enforcement, would be: do the digital platforms have systems and processes in place? Are they sticking to those systems and processes? Are they making transparent the decisions they're making about what they're doing with particular pieces of content? We'd be looking at those types of questions rather than looking at the content. More broadly, what we would look at is things like we have done previously in consumer research about what people's concerns are about misinformation and disinformation on digital platforms and what complaints are going to those platforms about those types of issues. They're the more systemic pieces that we would be looking at when we're looking at compliance and enforcement.

Senator HUGHES: We don't have the legislation yet, but it's obviously going to be difficult for them to know how they've contravened the act without some form of guidance.

Ms O'Loughlin: The voluntary code has got a number of objectives in it, which are things like disrupting advertising, monetisation incentives for disinformation, working to ensure security and integrity of services and empowering consumers to make better-informed choices of digital content. They're the sorts of systems, processes and objectives that (1) the platforms are living up to now and (2) we as a regulator would look for them to have in place. Then we would be assessing whether they are living up to what they have promised to do.

Senator HUGHES: Constitutional lawyer Anne Twomey has said:

ACMA would effectively at an "underlying level" be making the assessment of what constituted misinformation and disinformation because of its role in enforcing digital platforms.

She added:

It seems to be a bit of a fiasco. It needs to be far more properly thought through ...

Is she wrong?

Ms O'Loughlin: There are a wide range of voices that have contributed to the exposure draft. I think that's a matter that the government will be thinking through as it develops a draft bill. As I've explained, we see our role at the systemic and process part of the chain, rather than as looking at individual pieces of content and making judgements on them.

CHAIR: Shall I share the call?

Senator HUGHES: Yes. Please.

CHAIR: Senator Rennick.

Senator RENNICK: Hi, guys. Are you responsible for regulating social media platforms, or do they comply with the voluntary code?

Ms O'Loughlin: At the moment, in our area, the digital platforms, in terms of misinformation and disinformation, are only covered currently by the voluntary code.

Senator RENNICK: So you've got no powers to enforce what they post or don't post?

Ms O'Loughlin: That's correct.

Senator RENNICK: So they get to determine their own rules?

Ms O'Loughlin: Currently, yes.

Senator RENNICK: What happens when they decide to pull down posts by people and those people have no recourse? Given that social media today is the town square, how can democracy flourish when we're having foreign owned companies come in and just arbitrarily delete posts without any recourse for those people to protest that deletion?

Ms O'Loughlin: If I can go back to my earlier comments, that's part of what the bill is trying to achieve—much greater transparency. We've already said that we think there isn't sufficient transparency from the digital platforms about the way they are making decisions. We think they can be more open in a voluntary sense. Also, that's where the bill is going. It is trying to get greater transparency about what they've got in place, how they're going about things and how they're making decisions on taking content down, because we know that people don't fully understand and don't get sufficient feedback around why platforms are making particular decisions. That could go even to the point of a better process for people to actually complain and get a response from a digital platform. We think that those are areas where, if the digital platforms can't improve that transparency, there is a need for some sort of regulation around it.

Senator RENNICK: I note that, for example, Twitter has had a head of public policy who is an ex-Labor staffer. The same goes for Meta, which had a head of censorship—I'll call it censorship—who was also an ex-Labor and ex-Democrat staffer. I'm concerned because, on your website, you say that one should go to accurate sources of information, and you refer to RMIT ABC Fact Check, AAP FactCheck and AFP Fact Check. Earlier today, we've shown where these fact checkers have been wrong as well. Why do you think these guys are the fact checkers? I think that's an Orwellian term. Who gets to call themselves a fact checker, and who gets to fact check the fact checkers?

Ms O'Loughlin: I haven't turned my mind to that question. I think it's a very good question. I think what we're generally encouraging people to do is look for authoritative sources of facts. I'm not saying there is just one potentially authoritative source. I think we're—

Senator RENNICK: That's the problem. You've referred to these guys. I've got an article right here from my colleague where the judge lashes the ABC for a misleading press release relating to Heston Russell that's cost the taxpayer close to a million dollars.

Senator HENDERSON: It's closer to \$3 million.

Senator RENNICK: Oh, \$3 million. There you go. A bit of misinformation there, sorry. I'm a bit upset at seeing you refer to these particular agencies, who, in my view—and I've been watching them for a couple of years now—are running a political agenda. So why do these guys get to be put on a pedestal?

Ms O'Loughlin: I'm not quite sure that we see them as running a political agenda. That's your view. I'm happy to take it on notice. I think what we are trying to do is encourage people to be inquisitive and question what they're looking at online and seeking out more than one source. I'm happy to take on board your concerns, unless my colleagues have anything else to add. If we've limited it too much to particular fact checkers, we'll look at that and we'll make adjustments.

Senator RENNICK: Thank you. What about government agencies and what bureaucrats say, for example? Are you allowed to censor them?

Ms O'Loughlin: We have no role in that.

Senator RENNICK: Do you have no role in controlling what the bureaucrats say?

Ms O'Loughlin: No. I would expect that there are policies across the Public Service about the use of social media by Australian public servants. That would be developed and implemented by the Public Service Commission.

Senator HUGHES: That's going well for the ABC. They've got some policies, and yet we spend hours every time—

Senator RENNICK: I note you referred to there being misinformation about the COVID vaccines, for example, and yet the TGA kept telling us they were safe and effective and that they were going to stop

transmission and infection. Yet 10 million people caught COVID eight months after opening up despite the fact they were double jabbed. I still don't know how the TGA have gotten away with such an outrageous claim.

Senator DAVEY: Because governments are exempt.

Senator RENNICK: Because governments are exempt. It's one thing for elected representatives and people to be exempt, but when we pay bureaucrats enormous sums of money they have a responsibility. In the private sector they would be held to account. It seems to me that in the public sector they can say whatever they like and then not be held to account for that later.

Senator BILYK: What's your question, Senator Rennick?

Senator RENNICK: Thank you, Senator Bilyk. I don't need interjections from you. My question is: are you considering looking at and holding bureaucrats to account in relation to their misinformation?

Ms O'Loughlin: I think the department mentioned this morning that this is one of the many issues that have been raised in the consultation process on the exposure draft of the bill. I expect that will be something that the department will be turning its mind to. The intent of that is to make sure that things like emergency warnings are not unnecessarily impeded, but it's a matter that the government will think through carefully.

ACTING CHAIR (Senator Payman): Senator Roberts?

Senator ROBERTS: Have you made a submission to Labor's combating misinformation and disinformation bill?

Ms O'Loughlin: No. As I mentioned to Senator Hughes earlier, we have been involved in discussions with the department. Those discussions have been mainly around—once the government policy is settled—how it would be implemented and what we, as a regulator, would be looking for in the law to help us to do our job.

Senator ROBERTS: So the implementation rather than advice on the policy?

Ms O'Loughlin: That's correct.

Senator ROBERTS: What about interactions with the previous government? My understanding is that the concept of misinformation and disinformation was introduced by the previous government, and they introduced a bill, I think.

Ms O'Loughlin: They didn't introduce a bill.

Senator Carol Brown: They had an election commitment to introduce new laws to provide ACMA with stronger enforcement in information-gathering powers to hold big tech companies to account for harmful disinformation and misinformation online. I'm happy to table that.

Senator ROBERTS: Did the previous government say that?

Senator Carol Brown: Yes.

Senator ROBERTS: I know that the Department of Home Affairs and the Department of Health and Aged Care have also been involved in censoring people on social media during the COVID response.

Ms O'Loughlin: I think you're referring to some requests, and I—

Senator ROBERTS: Yes, they're ad hoc.

Ms O'Loughlin: Ad hoc requests from home affairs to digital platforms to take it down. I understand that home affairs confirmed this week that they were no longer doing that.

Senator ROBERTS: No longer, no, but they did admit that they did it and that they regretted it, which was encouraging. So what interactions were there with the previous government?

Ms O'Loughlin: We provided a report. I'll pass over to my colleague Cathy Rainsford, who can take you through the details. Thank you, Cathy.

Ms Rainsford: We provided a report to the former government in June 2021. That report covered our views on the development of what was the first iteration of the voluntary code on mis- and disinformation developed by the digital industry and our broader views, including reflecting some research we had done on the state of mis- and disinformation in Australia at that time. That was the report where we recommended that consideration be given to providing us with a range of reserve powers as a backup, should the voluntary arrangements that the government had asked the industry to put in place not be effective in doing what they were. The then government released that report in early 2022. At that point in time, the then minister put out the release to which the minister has just referred.

Senator HUGHES: We're hearing about a voluntary code. The misinformation bill isn't voluntary. The former government didn't put a bill out that was not voluntary. I'm just trying to understand, because I think there

could be some misunderstanding about the voluntary code proposed by you, the voluntary code proposed by the platforms themselves and the draft legislation that we've got now. They're three different things.

Ms O'Loughlin: I think the time line was that the voluntary code was put in place; we made recommendations to the government of the day to say that we thought there were improvements that could be made to the code; but, on top of that, we thought that, as Ms Rainsford described, there should be backup powers for the ACMA to register a code or to make a standard and the information-gathering powers and record-keeping rules that we have proposed, which are reflected in the exposure draft bill.

Senator ROBERTS: So the concept of the reserve powers, if you want to call them that, or the opportunity to put a standard in, as the current bill says, came from ACMA?

Ms O'Loughlin: That was our proposal to government.

Senator ROBERTS: What consideration have you given to Australia's right to political expression? I don't know whether that's a question for you or for the minister. I would prefer to hear from Ms O'Loughlin.

Ms O'Loughlin: I think it's been at the heart of all the discussions in this area. It's reflected in the voluntary code of practice. It was something that digital platforms were extremely concerned about, so it is reflected in there in terms of the right to freedom of speech and political expression. We think that is fundamental to what we're trying to achieve here, as well as dealing with misinformation and disinformation that may cause harm to Australians. Trying to get that balance is the challenge for the government and the bill.

Senator ROBERTS: In my opinion, the No. 1 factor in human progress, especially in the last 170 years, has been freedom of speech and freedom generally to innovate. It would be terrible if the government could say whatever it wants to say, including misinformation, and the opposition and other opponents were shut down because they're going to be regulated by this. How will you determine if something is political expression and will be protected from censorship?

Ms O'Loughlin: As I expressed earlier, we're not going to be focused on individual pieces of content. That will remain, as it is now, a matter for the digital platforms.

Senator ROBERTS: Do you accept that the act of the government removing information if the reserve powers come in, whether for noble purposes or not, is an act of censorship?

Ms O'Loughlin: I'm not in a position to give an opinion. It would be inappropriate for me to give an opinion on it.

Senator ROBERTS: Minister, do you accept that the government removing information, whether for noble purposes or not, is an act of censorship?

Senator Carol Brown: We have already got laws in terms of hate speech. As we've already discussed, the draft bill as it is now—again, as I'm sure you know, this is an exposure draft—has been put out there to enable people to put their views forward. There have been thousands of submissions that the department's gone through earlier today. The draft bill, as it currently is out there, provides a number of safeguards for freedom of expression and robust public debate, which is important to our democracy. The draft bill also sets a high bar of serious harm for what it defines to be misinformation and disinformation which may be spread at scale. This includes malicious disinformation. What the government is seeking to do is to work through the submissions and the consultations that have been received so far. We're working through that feedback that has been provided, and we'll bring a piece of legislation to parliament as soon as we're in a position to do that.

Senator ROBERTS: How will you classify material that's been removed?

Ms O'Loughlin: I don't think it's a process of classification. If I can answer in a slightly different way, I think what the bill is doing, in trying to get greater transparency for what the digital platforms propose to do and, indeed do, is to get to your point that, if content is deprioritised or removed, people have a clear understanding as to what decisions the digital platforms have made in taking that action. I think that's very unclear to many people under the current arrangements.

CHAIR: Senator Roberts, we need to wind up so I can share the call.

Senator ROBERTS: Okay. I'll come back to more questions later, but, on that point of deprioritisation, that seems strange to me. Do you mean the deprioritisation limits the reach of a social media post as opposed to taking it down?

Ms O'Loughlin: Yes.

Senator ROBERTS: On what basis is deprioritising a post justifiable? Either it's misinformation or it's not.

Ms O'Loughlin: That's a matter for the digital platforms. That's one of the actions that they have in their suite—

Senator ROBERTS: So you're leaving them with the right to do that but you want them to be more transparent about how they do it?

Ms O'Loughlin: We want them to be more transparent. Even under the current voluntary code, we think they need to be more transparent. We think that, as a fallback, there should be the capacity for the regulator to seek greater information and greater transparency out of the platforms.

Senator ROBERTS: Thank you, Chair. I would like to continue later.

CHAIR: Senator Bilyk.

Senator BILYK: Welcome, Ms O'Loughlin. Nice to see you again. I just want to have a couple of quick questions—I know we're quite short of time—on the important issue of scams. Could you please update the committee on how the first phase of the SMS sender ID registry is progressing?

Ms O'Loughlin: Thank you, Senator. I think it's progressing very well, but I will pass to my colleague Jeremy Fenton to give you an update.

Senator BILYK: Thank you.

Mr Fenton: We are delivering the registry under a phased approach so that we can have protections in place as soon as possible. Once fully implemented and enforceable under legislation, the sender ID registry will create a trusted communication channel for brands, government agencies and others in Australia. Specifically, texts that use sender IDs, such as shortened business names, will be able to be trusted even when they contain links. That really changes the way texts work in the community at the moment, where essentially the message is that you need to be suspicious and wary of texts and you're never really sure if it's coming from a legitimate party. So that's—

Senator BILYK: Sorry, Mr Fenton. I didn't mean to interrupt, but you're talking about things that might look like they came from Australia Post or somewhere like that?

Mr Fenton: Exactly. The end state here is that, where—I'll use your example—Australia Post's sender ID is used, everybody will be able to have confidence that that's actually a text from Australia Post. So it essentially changes the way texts from business and government are, hopefully, perceived in the community, so that this is a trusted communications channel and consumers don't need to be wary in that space.

Your question was about delivery. We are absolutely on track to deliver phase 1 in December of this year. That is subject to appropriate security testing and industry readiness. The first phase will uplift and expand several provider-level initiatives, so they are centralised and enhanced. And we are, in parallel, proceeding with work on phase 2, which will place mandatory obligations on telcos.

Senator BILYK: How has the engagement with the telco companies been?

Ms O'Loughlin: I think we've had quite strong engagement with the telco companies. This is a model that's been used in other countries. We are adapting that to the Australian environment and the Australian telcos. As Mr Fenton said, I think we've got very good progress from the telcos to come up with a voluntary approach by the end of this year, and with a lot of consultation from Mr Fenton and his team. I think we've got good support from the major telcos in that regard. I would say, though, that the ambition is for it to become a mandatory requirement so that we can be assured that all telcos have processes in place and that all telcos are making sure SMSs are legitimate. So, that's the longer-term goal, but we think it's important to get some short-term consumer protections up as quickly as we can.

Senator BILYK: How will better collaboration between the telecommunications providers lead to better outcomes for consumers?

Ms O'Loughlin: As Mr Fenton said, I think it's going to be a real step change for consumers in being able to trust SMS. For so long we've been saying to people, 'Don't trust a link in an SMS.' And that's a really important way of businesses communicating with their customers. The other thing I'd probably remind people, and I think I've said this in here before, is that we're not talking about just ad hoc, fortuitous ability of people to get to accounts. We're talking about big organised-crime syndicates who are fooling Australians by being able to impersonate in scams. And, while the number of scams may go down, we're seeing the loss to Australians going up. So we'd just remind people that they're not making a silly mistake if they fall for a scam. These scammers are out to get you. And we think that if we can make SMS a safer communications portal for businesses then that will be good for the businesses and good for consumers.

Senator BILYK: I don't know about other people, but I'm very wary when I see an SMS. I've got a medical device, and I got an SMS from them, and I just kept getting this same repeated message. It was legit, but I thought it was a scam. So I've gone the other way.

Ms O'Loughlin: That's right. That's the confusion that we hope the ID registry can help with. I think at the moment we still would say to people, 'Be very wary about links in SMS.' We have been working with the telco industry with some codes around reducing SMS scams, and they've advised us that through their own systems they've probably stopped almost 250 million SMS scams from getting through to Australians. So, they're playing their part in that space as well as assisting us in the development of the registry.

Senator BILYK: Thank you.

Senator DAVEY: I want to just quickly come back to the misinformation bill, and then I'll move on. I accept that you didn't draft it and you haven't provided your input on the exposure draft at this stage, and it's not finalised. But I want to check my interpretation of the penalties contained within the bill. My reading of it is that under the draft bill ACMA can require an individual to appear before them, and failure to do so could amount to a fine of over \$9,000 for every day that the individual or organisation fails to appear. Is my reading of it correct?

Ms O'Loughlin: I believe so. As the drafting was done by the department, they are probably in a better place to answer that. But we recognise that that's been raised as a matter of concern in the consultation process.

Senator DAVEY: So you've heard it has been raised. On that reading, that would look like it is significantly more powers than even the police have. If you get a notice to appear before the police, they can't keep lobbing you with a fine every day that you fail to turn up.

Ms O'Loughlin: We have some existing powers in the broadcasting space to request people to attend hearings. I can't remember the penalties in that space. As I said, that's a matter that's been raised in the consultation process and that we expect the department and the minister will consider.

Senator DAVEY: We hope so! I want to touch briefly on the National Anti-Scam Centre. You've just been talking about the importance of ensuring people have trust in SMSs. Does that also come in to the National Anti-Scam Centre that I know you're working on with the ACCC and other agencies?

Ms O'Loughlin: There are a broad range of activities being undertaken under the government's fighting scams initiative. The sender ID register is part of that and is being managed by the ACMA, as is the National Anti-Scam Centre, which, as you identified, is being established by the ACCC in cooperation with not just regulators but also industry.

Senator DAVEY: Is it fully operational yet or is it still being developed?

Ms O'Loughlin: It commenced operations on 1 July. It has set in place its governance arrangements. It has established an advisory group, a regulator steering group and a number of operational groups and working groups. The first fusion cell, which is where they're bringing together regulators, industry, telcos and various people to look at particular issues, and that's looking at the issues around investment scams—they've created that as well. A huge amount of work is being done at the moment, and I expect we'll be seeing outcomes in the coming months as particularly the fusion cell works through how it might better deal with investment scams.

Senator DAVEY: Is this linked to the Scamwatch that you hear about?

Ms O'Loughlin: The ACCC runs Scamwatch.

Senator DAVEY: Will they be working together?

Ms O'Loughlin: They're working together. A lot of the information that is being provided to the advisory group comes from Scamwatch. There's a good data repository there around the number of scams. The point I made earlier is we're seeing the number of scams falling, but Scamwatch is seeing the dollar value lost by people increasing. That evidence base is really important not only for all our regulators but also for the National Anti-Scam Centre and the people with which they're working.

Senator DAVEY: Will it eventually be a portal where I can go on when I get my text message—like Senator Bilyk, I've had text messages saying 'check this device' or 'check your toll', and it doesn't look legit. Can you go on and, eventually, check the link, and they'll come back and go, 'No, that seriously is the toll company. Go and pay your toll'?

Ms O'Loughlin: I think the ID registry is probably more focused towards that. I think the ambition with the National Anti-Scam Centre is that all the different data across government and industry about scams can be brought together in a more intelligent way than it sitting in everybody's different systems, and the sharing of that information between industry and regulators and how we can make better value of that data. I'll just check if Mr Fenton had anything to add.

Mr Fenton: Only to add that, in the specific circumstances you're talking about there, scammers are very agile and use a whole range of deceptive techniques and approaches to trick consumers. It might not be as simple as having a URL in there that's confirmable; that might actually be a specific URL that only you see.

Senator DAVEY: Will the scam centre actually have enforcement powers or does an agency have enforcement powers when you discover that there is a scam going on and you can find the originator, which I know is a whole other—

Ms O'Loughlin: That's one of the things we're working through with the ACCC. The scam centre won't be a regulatory body, but the ACCC has its regulatory powers, we have our regulatory powers and ASIC in particular have their regulatory powers—so how is it that we can coordinate it as well as regulators, and what is our current and what should be our future remit in dealing with scams?

Senator DAVEY: How many people are currently working at the National Anti-Scam Centre? Are they all co-located or are they dispersed amongst the different agencies?

Ms O'Loughlin: The National Anti-Scam Centre is established in the ACCC, so that question is probably better put to the ACCC. We are not part of the centre but we are contributing quite a significant amount of work to it.

Senator DAVEY: Are the people in ACMA working on it full time, or are they providing input?

Ms O'Loughlin: They're providing input, but I'd have to say they're providing an enormous amount of input. Partly because of our background in dealing with spam and scams, we have a lot to bring to the table in terms of things like data and advising of our own regulatory powers. A range of people in the organisation are contributing significantly, I'd say, at this stage to the centre.

Senator DAVEY: Finally, which minister is responsible for scams, given that you've got the ACCC, which has regulatory powers, and yourselves and ASIC?

Ms O'Loughlin: It's very much a shared responsibility between the Assistant Treasurer and the Minister for Communications.

Senator DAVEY: I want to quickly move on to quite a unique licensing issue, which I believe you were made aware of prior to appearing.

Ms O'Loughlin: 88.9?

Senator DAVEY: Yes, 88.9 Tamworth—a quality community broadcasting service, which, for reasons beyond its control, is transferring its licence so that it comes under federal legislation. But it seems to have stalled; it's been a two-year ongoing process. Can you explain what the hold-up is?

Ms O'Loughlin: There has been quite a lot of engagement with 2YOU 88.9 on a range of matters. I'll ask my colleague Linda Caruso to give you some context and background of where that's at and where it's going.

Ms Caruso: We're dealing with 2YOU on a range of matters related to different aspects of their licence. We've recently amended a licence area plan for the Tamworth licence area. That licence area plan includes commercial and national broadcasters as well as 2YOU as the community broadcaster. In that variation we provided a plan for infill transmitters for 2YOU so they could reach Quirindi, extending their service to Quirindi—that is one aspect of the work that's going on. That decision was made in September so they could provide better quality service into Quirindi.

There are some other matters related to, basically, their radiocommunications licence. The bit that uses the spectrum to push the signal out—they have applied to us to vary the height of their transmitter, and we're currently considering that matter; I think that was what you were referring to, Senator, by 'matters beyond their control'. There have been issues around the planning and they've had to move the site of that transmitter. We're considering that matter at the moment.

They've also requested separately, and recently, changes to the power levels they want to operate under. We've said to 2YOU: 'We're not going to consider that matter at the moment. It's been a late request that's come in.' There are a number of other compliance matters; 2YOU has been under investigation and has offered some enforceable undertakings. The other matter that is yet to be considered is a licensed transfer they are requesting, which is to change, essentially, their ownership structure. We're saying we're not considering the licence transfer just yet until we have resolved some of the compliance matters with 2YOU in relation to the sighting of the transmitter. 2YOU made a submission to us very recently. We're considering that. We're hoping we can get back to 2YOU later in November. That would then put us in a position to, hopefully, resolve both the transmitter location and height issues and consider separately the licence transfer. There have been a number of different

moving parts, multiple different requests from 2YOU which we have been addressing over quite a number of years with 2YOU, but that's essentially the current status at the moment.

Senator DAVEY: My understanding is that the antenna is owned by Tamworth Regional Council, so the transmitter location and height is out of 2YOU's hands.

Ms Caruso: That's the issue I said we're looking to resolve. That is one aspect 2YOU has requested that is under consideration to get resolved shortly.

Senator DAVEY: But you can't facilitate the licence transfer between what is effectively 2YOU, as you say, changing their ownership structure, effectively changing their business name. That can't be done until—?

Ms Caruso: What 2YOU has requested for the transmitter height is not what is currently planned in the area. Essentially, it would put it in breach of its licence conditions. We are looking to see how we can regularise arrangements, consider the transmitter height issue and address that so it can be put to bed. We will then consider the licence transfer issues, which are kind of separate and we would have to consider in a different way. Some aspects are about the spectrum planning and making sure that whatever we plan for 2YOU will not interfere with the other, say, commercial and national broadcasters in the area. In a sense, everyone has to have their spot so that all audiences can receive the right kind of signal in the areas where the licensees are authorised. They are the issues that we are managing, but there have been a number of different aspects of the 2YOU requests that we have been working through with 2YOU over several years now.

Senator DAVEY: I appreciate you've had a lot of correspondence with them. Have you actually met with them, or is it possible for them to be in contact to actually speak face to face through the process?

Ms Caruso: We have had formal submissions from them. I have also had staff go to Tamworth to visit the sites. That was an important part to work out what was going on and what needed to happen. I've had some of our field staff go to the different sites at Tamworth to work out what we can actually do. It's always open to 2YOU, and they do talk to our staff. We've had formal submissions from them as part of the formal process as well.

Senator DAVEY: Ms Caruso, obviously you are the person who is overseeing this?

Ms Caruso: Yes.

Senator DAVEY: So I'll go back to them with this transcript and, if they have any questions, I'll come to you.

Ms Caruso: No problem.

Senator DAVEY: Thank you very much.

CHAIR: If I could just get a point of clarification before we go to Senator Roberts. For what purposes would your information-gathering powers and the ability to compel witnesses be used? Who would you be bringing people in to talk to?

Ms O'Loughlin: Sorry, Chair, I can't remember the exact details in the bill. I know in terms of—

CHAIR: I'm interested in what sort of circumstance you would seek to have a witness.

Ms O'Loughlin: In the broadcasting space, if I can give that example, if we were doing a broadcasting investigation which was a serious matter where we thought we needed to bring in people to actually ask questions face to face, we are allowed to do that in the context of a broadcasting investigation. Probably the last time the hearing powers were used in broadcasting was 'cash for comments' back in the day, which was a considerable length of time ago.

CHAIR: Would it be people with specific skills, experience or expertise?

Ms O'Loughlin: Or people who sat behind the misinformation or disinformation—

CHAIR: So a direct—

Ms O'Loughlin: a representative of a digital platform.

CHAIR: It wouldn't be someone who forwarded a message?

Ms Rainsford: No, we never envisaged that type of use, given our focus was certainly on the systems and processes that the digital platforms who would be covered by any regulation had put in place and their effectiveness.

CHAIR: What about a fact checker or someone? I am just trying to work out where the line is.

Ms Rainsford: Across our remit, when we talk about information-gathering powers, it's not uncommon to have the powers to both require information in writing as well as a power to call someone to appear before the ACMA, as Ms O'Loughlin said. Depending on the remit, that might play out in different ways. For example, in our online gambling remit, from time to time we have used the powers to compel information to be given—not

calling someone in—not only from the wagering entity that we would be investigating at that point in time but also from financial institutions or from software providers where we had reasonable belief—and there are tests set out in the acts about how it plays out—they had information that was relevant to the investigation before us. So it does depend on the remit. But certainly, in the discussions we've had with the department about the development of a misinformation and disinformation bill, we have never envisaged a power which would have us calling in a member of the public or a Facebook user or a Twitter user to provide us with information. It is almost impossible for me to see how that would be relevant, given the role that is envisaged for the ACMA through that exposure draft of the bill.

CHAIR: There have been some suggestions and some anxiety that there would be a power there that would enable you to pick up a Facebook user or somebody who had seen the misinformation or disinformation and that you would then have that ability to sort of effectively fire your average person on the street.

Ms Rainsford: Certainly, we're aware of the concern that's been raised to the department through the submissions process. As I said, it's not something that we envisage we would need or was appropriate. I'm certain that is something the department is looking at very carefully in terms of whether any tweaks would be needed to the bill to make sure that power is appropriately limited to the role that's envisaged for the ACMA to deliver the policy objectives.

Senator ROBERTS: Just going on from what the chair said, a private message would not be subject to this bill, but podcasts would be?

Ms Rainsford: Yes, I think that is correct.

Senator ROBERTS: That's my understanding. The minister is bringing this bill at a difficult time after 3½ years of contradictions in the previous government and contradictions with the state government over the COVID response, and after the Voice referendum campaign failed because there were perceptions that there was a lack of information about the 'yes' side. There's not a lot of trust in government at the moment.

Senator Carol Brown: You're not suggesting that the referendum would be affected by this bill?

Senator ROBERTS: Not at all. I think of the people affected by the referendum. You have reserve powers that can be used if the industry doesn't develop a decent code of conduct. Can you see that those reserve powers are effectively censorship as well—that just having them there would mean that a platform like Meta would be encouraged to censor before the government introduced its own standards?

Ms O'Loughlin: What the obligations on the platforms would be when the bill is presented would apply to them whether or not it was voluntary, whether or not it was a code registered by the ACMA and whether or not it was the standard. We take that approach in the other areas of our work. In telecommunications some things are set in standard; some things are set in code. It does not affect our expectation that the telcos will comply with either a code or a standard, even if they have slightly different enforcement processes. My response to that would be that, whatever shape it is, we expect people to comply with it. It's fair to say that different enforcement approaches may provide different incentives for people to comply. People may feel that there's more incentive to comply if there's a standard rather than a code or a voluntary code. I don't think we see that distinction; we think they should take each of those as seriously.

Senator ROBERTS: What I was alluding to was that, if there were a standard and a foreman with a baseball bat threatened, social media platforms might take down posts that they perceive may not be favourable to the government. It's basically censorship.

Ms O'Loughlin: That certainly would not be the intention. The intention of us setting a standard would be to make sure they have rigorous processes and systems in place to deal with mis- and disinformation, rather than putting any pressure on them to—as you put it—take down—

Senator ROBERTS: Anti-government posts.

Ms O'Loughlin: things that might be problematic. What it does is say that we expect your systems and processes to be rigorous and we expect you to be transparent.

Senator ROBERTS: Moving on to the next point, at the moment, with advertising and so on, it's much easier to draw the line. But with misinformation, disinformation, harm, truth—there's no definition of truth—it's very difficult. Minister, wouldn't it be better to just let the people decide? Every three years the country decides on a government. Every six years they decide on whether or not you and I will come back to the Senate. If they perceive that you or I have been misinforming people then we won't be coming back. Surely it's better to give people that responsibility. Apart from protecting children and serious violence, shouldn't the people be given the responsibility? That's what develops responsibility—the freedom of choice.

Senator Carol Brown: As a government we're committed to a misinformation and disinformation bill, but your question to me already excluded a number of points. We're not taking down posts. This is about a bill empowering the ACMA with new information-gathering and record-keeping powers to create transparency around efforts of the platforms to respond to mis- and disinformation on their services. That's what it's about.

Senator ROBERTS: Yes, and we've seen outrageous abuses of that. We talked earlier about Sharri Markson, who was pinged for misinformation years ago, and now she's leading the pack. She is actually accurate. Several things have been like that. The government have accused people of misinforming and have taken down the posts, and we now find out those things are correct.

We've heard of similar bills overseas—in Canada, America and perhaps New Zealand. Is the government working with other nations or international entities of any kind in developing this bill, and is it part of a global program?

Senator Carol Brown: Not that I'm aware of, no.

Ms O'Loughlin: Some of the work has been very much informed by work in the European Union. There has been a code of practice in place for digital platforms dealing with mis- and disinformation in the EU for a considerable length of time. They've recently legislated an online safety act to deal with mis- and disinformation as well. Similar debates are occurring in the UK. Going back to a previous point, you were talking about government communications in particular—I don't have them in my pack, but in our initial report we made to the previous government we did quite a lot of research that talked about the general public's concern—general concerns, not specifically about government—about misinformation and disinformation. In that report the feedback from the community was that they thought the that platforms had a role, that people had a role and that government had a role. Those are some of the things that informed our initial report to government. I just say that there is community concern out there, but they recognise that they need to play a role as well.

CHAIR: I'm just going to intervene here and say that we've hit the dinner break. I promised Senator Henderson five minutes, so we will go five minutes late and then we will break for dinner. Ideally, we will be able to let these good people go, because we are currently two hours late.

Senator ROBERTS: Can I just express my appreciation for Ms O'Loughlin for her direct answers.

CHAIR: Of course.

Senator ROBERTS: It's wonderful.

Ms O'Loughlin: Thanks, Senator.

Senator ROBERTS: I'm not excluding Senator Brown.

Senator Carol Brown: Chair, just to follow up Senator Roberts's comment, I want to acknowledge your concern about censorship and say that the current status is that digital platforms themselves make decisions about what content is on their platform and they make decisions about what content they take down or demote. That will not change. The platforms will continue to be responsible for the content on their services.

Senator ROBERTS: Thank you.

CHAIR: Senator Henderson.

Senator HENDERSON: Ms O'Loughlin, good evening. I want to follow up the chair's questions in relation to the scope of persons who may be called to ACMA coercively under the exposure draft of the misinformation bill. I want to ask you about proposed section 19(3), which states:

The ACMA may, by written notice given to the person, require the person:

- (a) to give to the ACMA, within the period and in the manner and form specified in the notice, any such information; or
- (b) to produce to the ACMA, within the period ... any such documents ...

So it's quite clear that in proposed section 19(3) of the bill the person that can be required to appear before ACMA can be any person. There is no qualification, as long as that person has information about the misinformation, or alleged misinformation. Is that the case?

Ms O'Loughlin: I'm going to take that on notice. I apologise, but I'm not across that level of detail of the bill. I think it would be better if we took that on notice, given that the exposure draft of the bill was developed by the department.

Senator HENDERSON: I'm just concerned about the impression we just heard that this really only relates to the digital platforms and that people need not worry. I've read the bill and, in fact, the Law Council in its submission raised very significant concerns about the significant coercive information-gathering powers of this bill. I ask you to respond to the Law Council's submission. The Law Council says that these information-

gathering powers can be 'exercised against any person who might have information or documents "relevant" to the existence of, among other things, "misinformation or disinformation on a digital platform service"'. The Law Council goes on to say:

While the Guidance Note suggests that the target of these powers might be 'fact-checkers or other third-party contractors to digital platform providers', they are not limited in this way. For example, suspected authors or disseminators of alleged 'misinformation' could be subject to the use of the proposed information-gathering powers.

I ask you to respond to that.

Ms O'Loughlin: As I said, if we have not got the provisions accurately for this committee then I apologise. I will take that on notice. As the drafting has been the responsibility of the department, they are probably better placed to respond to that. In terms of the Law Council's submission, it is one of the range of submissions that have raised this issue. We expect the department and the minister will be turning their minds to it.

Senator HENDERSON: Ms O'Loughlin, is there anyone here who can answer this question in relation to the coercive powers that can be applied to anyone?

Ms O'Loughlin: No. I think you would be better to ask that question of the department.

CHAIR: Senator Henderson, you've got one minute left before the dinner break.

Senator HENDERSON: I also want to ask you about proposed section 19(7) of the exposure draft, which states that, if a person does not comply with the ACMA coercive powers, that person risks being in breach for every day that he or she does not appear. The penalty works out to be a maximum of \$9,000 per day. That's for any person. I ask you to respond to that or provide more information.

Ms O'Loughlin: It would be a matter for the department to explain that provision. We are happy to take on notice what we can provide, but I expect that that will be something that the department will be better placed to respond to and will also be taking into account in looking at all the comments and concerns raised on the exposure draft.

Senator HENDERSON: If you can provide me with further information on notice, I would be grateful.

CHAIR: We will take a break for dinner. Senator Henderson, it might be worth you putting those questions on notice for the department as well so that they can respond equally and clarify.

Senator HENDERSON: I'm happy to do that.

CHAIR: It's just to help you get those answers.

Senator HENDERSON: I am happy to also put those questions on notice for the department.

CHAIR: Fantastic. Are we okay to let ACMA go?

Senator HENDERSON: Yes, we are.

CHAIR: Excellent. Thank you so much. Thank you for your patience. We really appreciate you coming and waiting so long.

Proceedings suspended from 18:36 to 19:35

Australian Postal Corporation

CHAIR: We will now resume with the Australian Postal Corporation. Welcome. Do you have an opening statement?

Mr Graham: Yes, I do. I'd like to start by acknowledging the traditional custodians of the Canberra region, the Ngunnawal and Ngambri peoples, and pay respects to their elders past and present. I thank the committee for the opportunity to provide this opening statement. As you know, Australia Post is an entirely self-funded business, and we recently posted a \$200 million loss. This is only our second loss since we corporatised in 1989. The Australia Post parcel business continues to achieve steady growth, and the ecommerce market will see significant growth over the next decade, but our letter losses increased by more than 50 per cent to \$384 million. In addition, we also invested \$442 million in our community service obligations, which is also self-funded.

We now operate a two-speed business. Parcels are performing well, but letters are dragging us into deep losses. It is simply not possible to stop the structural shift in our business without intervention. Since 2018 we have delivered 800 million fewer letters but have added over 800,000 delivery points. Without reform and changes to the way we run our business, we will see our losses continue to accumulate. This would be a very poor outcome for the Australian taxpayer, and we would require ongoing government funding to continue operating.

Despite the significant financial challenges confronting the business, we have made some very good progress on delivering our Post26 Strategy to simplify our business, realising savings across the organisation and

improving our services. In FY 2023 we invested \$343 million to improve our network, with a focus on enhancing our parcels business and improving our store format. We continue to innovate, launching our new Australia Post Metro service, which provides reliable next-day delivery in Sydney, Melbourne and Brisbane. We continue to invest in our technology and carry parcels for the nation, with an open network that delivers more than half a billion parcels each year, with over 70 million managed on behalf of other parcel providers. Our first community hub will open in Orange this month, another investment in innovation.

We have also provided postal operators in the Pacific with a range of equipment, technology and training to assist them to modernise their operations through the Pacific Postal Development Partnership program.

We continue to invest in our people and their safety, mental health and wellbeing, giving them the right tools to work with.

But we cannot avoid the elephant in the room. Our letters business continues to decline sharply. Today the average Australian household receives only 2.2 addressed letters each week, down from 8.5 in 2008. And we expect this to halve again in the next five years. Delivery frequency of letters remains one of the most significant costs to the business. In conjunction with the CWU, our union partners, we successfully trialled a new delivery model in Hornsby that has now been expanded to other locations.

The size of our post office network is a major challenge. The minimum number of outlets was set in 1989, before the internet boom. Most Australians no longer visit the post office, but we are required by regulation to operate a network larger than all the supermarkets combined. It's easier to buy a postage stamp than a loaf of bread. We will never abandon the regions and rural Australia, but it makes no sense for Australia Post to keep the same number of post offices where there is a clear oversupply and where customers are simply not using the service. For example, in Camberwell in Victoria there are 84 post offices in a 7.5-kilometre radius. This is but one of many examples. The number of post offices in our major cities is not sustainable or sensible.

We know the importance of the services we provide, including Bank@Post, parcels and identity services, but we must be sustainable financially. We recognise the careful balance we must maintain between service, cost, presence and financial sustainability.

The good news is that collectively we have a great opportunity to turn this 214-year-old business around and set it up for success over the long term and without the need for government funding. As part of our Post26 Strategy, we are focused on doing everything in our power to improve our business—from reducing our overheads, consolidating sites, closing unviable services and simplifying our remuneration framework. We have realised \$237 billion in business efficiencies in FY 2023 alone, with more to come in FY 2024. Our Post26 Strategy is delivering.

If we do everything in our power to run the business well and get government and public support for the modernisation of Australia Post, we will return to profit. More importantly, we will be able to continue to invest in our growing parcels business and upgrading our technology and post office formats. This is good for customers and good for communities.

We have a laserlike focus on simplifying our business. We're stripping out the complexity accrued over many years and investing in our key growth area of parcels. We have a clear plan and we're doing everything within our control to build a sustainable business. However, we need regulatory support. As the current custodian of this business, I am acutely aware that Australia Post plays a critical role in the lives of our customers and the community. We remain a cherished and trusted brand, but our ability to remain relevant is being challenged like never before. We remain totally focused on delivering a better tomorrow for all Australians. Thank you.

CHAIR: Thank you very much, Mr Graham. Your next-day service is relatively new. Can you unpack a little bit for us how it's going.

Mr Graham: We launched the service in August. This is a service to provide next-day reliability to our merchants, the senders of ecommerce parcels. We launched it in Sydney, Melbourne and Brisbane. The take-up has been terrific. Customers want that reliability. It's the ability for our merchants to have a cut-off at 8 pm, and then we will provide delivery next day in that metropolitan area. We are seeing week-on-week growth. On average, we are seeing about 20,000 parcels a day now for that service.

CHAIR: Obviously, you've had to structure it to fit within the existing services that are being provided. How does that work out in a profitability sense?

Mr Graham: We've priced it competitively because we're aware, particularly in the current environment, that pricing sensitivity is a key point for both consumers and senders. But we've been able to leverage off our existing infrastructure and make sure that we've designed a technology such that those products funnel through the most

efficient channel but still provide high reliability. We are delivering an on-time delivery mark of about 99.2 per cent, which has been terrific.

CHAIR: That's impressive. What would be the time frame for an expansion of that service, given you are in three key locations?

Mr Graham: We are looking to make it national before the end of the year. We trialled it firstly in Sydney. It proved incredibly popular, more so than what we anticipated. As we know, the three key metropolitan areas of Sydney, Melbourne and Brisbane make up about 65 to 67 per cent of all ecommerce volume in Australia. So that was the focus. But, as we bed it in, we will look to expand to other major capitals.

CHAIR: Thank you.

Senator HENDERSON: Good evening, Mr Graham. In August, Australia Post announced a pre-tax loss of \$200 million. Then in September you asked the ACCC to approve a 25 per cent hike in the cost of stamps. With the Reserve Bank desperately trying to keep inflation down and avoid any increase in interest rates, how responsible is it for Australia Post to be trying to force up the price of stamps by such a massive margin which is way beyond the current inflation rate?

Mr Graham: Thank you for your question. We put the price of stamps up last year, which is the first time we had put it up in three years. We are continuing to preserve the price of concession stamps, which we have not raised since 2014. We are ensuring that charity mail has a significantly lower increase. It's important to note that the average Australian consumer only sends about 1.7 to 1.8 per cent of all mail. It's usually a Christmas card or a birthday card. The analysis we have done shows that the added cost to the average household will be about \$4.50 a year. It's still an expense that they don't have today, but we believe it is a reasonable amount for the average consumer. The majority of this cost—98.4 per cent—gets picked up by corporate Australia.

At the moment, with the way the regulations are set, we actually have to put the consumer price of a stamp up before we can raise the corporate price. This is one of the things that we are talking to the government about in relation to reform, because it makes no sense to us that the consumer has to pay more just so we can raise the price of a corporate stamp. But, currently, that's the way the regulations are set up. We prefer to keep a lower price for the average consumer. As I said, it's \$4.50 a year more based on our calculations. We are preserving, as I said, concession stamps. We've not raised the price since 2014. Unfortunately, the only way we can raise the corporate postal rate is to put the consumer price up.

Senator HENDERSON: Well, why don't you go to government instead and ask for a variation to legislation?

Mr Graham: We are working with the government, as you know, Senator, in relation to modernisation. The government did put out expressions of community interest and feedback in April as to what the community and our customers felt were the important services and the future of Australia Post. The government continues to work through that, but certainly one of the areas that we have highlighted to the government that makes no sense in terms of the way that the current regulations are set up is the connectivity of the consumer price of a stamp versus the corporate price of a stamp. We have proposed that that be decoupled to allow us to preserve the consumer cost and focus on making sure the large corporates, who send the vast majority of mail, pay an appropriate price.

Senator HENDERSON: So why hit consumers with such a massive increase?

Mr Graham: The way the legislation—

Senator HENDERSON: This is going to make the inflation problem worse.

Mr Graham: It's about \$4.50 a year to the average household. That is still \$4.50 they have to spend that they didn't spend yesterday, but it is a very small amount of money, albeit an additional amount of money, and we're very sensitive to that. But the average household sends less than two per cent of mail a year. It is, say, a Christmas card or a greeting card. We've maintained the price on concession stamps, as we've done since 2014. Unfortunately, with the way the current regulations are set up, the only way for us to increase the price of a corporate stamp is first of all start what we call the basic pricing mechanism, which is to increase the price of a consumer stamp as well.

Senator HENDERSON: What advice have you given the communications minister, Minister Rowland, about your proposed increase in stamps?

Mr Graham: We have explained to her in relation to where our business sits. Obviously, we lost \$348 million in our mail business last year. That is not sustainable. The increase of the price of a stamp is one of the mechanisms we can put in place to raise revenue. We have the second-lowest price of a stamp in the OECD, and we felt that, whilst the imposition of the cost increase to the average household was, as I say, approximately \$4.50 a year, it was still an imposition. Being able to drive up the price of a corporate stamp for your electricity bill or

your bank statement was a fair and reasonable price, given that we've only had one increase in the last three years in what has been a very high inflationary environment.

Senator HENDERSON: I'm worried about this characterisation, because it's not \$4.50 for every family. Older Australians who use more of the regular mail would be hit by this 25 per cent increase disproportionately.

Mr Graham: They would be entitled to concession stamps if they are of pensionable age.

Senator HENDERSON: So what's going to happen to those?

Mr Graham: They're frozen, and they have been since 2014.

Senator HENDERSON: Right. So what's the cost of a concession stamp?

Mr Graham: It's 60c.

Senator HENDERSON: Who is eligible for that stamp?

Mr Graham: Nick, remind me of the classification. It's pensioners, people on disability cards—

Senator HENDERSON: You can provide further details on notice. In your submission to the modernisation review you've said the letter service is no longer sustainable, incurring a record loss of \$189.7 million over the first half of the 2023 financial year. So what are you suggesting in relation to the letters business? Are you trying to prosecute the case for the letters business being shut down?

Mr Graham: No, indeed we are not. It's still a very important business to our customers. We will deliver the last letter that ever gets sent in this country, whenever that will be. I have no idea. People keep asking me that question. I'm not sure when that will be. We recognise that is a critical service, but we are seeing the onslaught of digitisation. Many of the large corporates are moving to digital wallets. Westpac just recently announced, for example, that all the correspondence with them will now be through a digital wallet. We are seeing bill payments being automated, again, through digital means, through no fault of Australia Post. This is not just happening in Australia but happening globally.

What we are seeing, though, are two things in relation to mail, or letters. The first is the price of a stamp, which we believe justifies being increased, and the second is the frequency of mail. Currently we are regulated to deliver mail five days a week to every household. Every household on an average weekly receives less than 2.2 letters. So, again, we feel that this regulation put in in 1989 is no longer appropriate to the demands of our customers, and therefore we would seek the government to consider looking at that regulation.

Senator HENDERSON: I want to drill down on the letters losses, because your press release and your annual report state that the total reported letter losses rose 50 per cent to \$384.1 million, whilst letter revenues sat at \$1.7 billion, and they fell just four per cent and volumes fell 7.8 per cent. So this just does not seem to add up—the losses per letter rising 60 per cent; the community service obligation cost per letter equates to 22 per cent and rising, 37 per cent, and yet previously it's been some 16c. I'm just wondering whether you're shifting losses from other parts of the business into the letters business at all, Mr Graham.

Mr Graham: No, absolutely not. We have a very strict regime as to how we account for the costs. This is validated under ACCC guidelines that we have followed for many years. It's also reviewed by the National Audit Office as well as our own auditors. As I say, it's been a practice around the allocation of costs that has been in place for many years. Australia Post applies that rigidly to ensure that we have got clarity and transparency as to what the letter business is actually costing us.

Senator HENDERSON: Could you give us a breakdown as to the losses between the two categories of letters, both the reserve letters and the non-reserve letters? It looks like you are quoting total reported letters.

Mr Graham: Yes.

Senator HENDERSON: I'm just keen to understand the differential costings between the two categories of letters, please.

Mr Graham: I think we had that in the annual report. Nick?

Mr Macdonald: I think the information you are looking for may be on page 167 of the annual report, which includes a breakdown between letters and non-letter services.

Senator HENDERSON: Yes, I'm having a look at page 167 and it indicates that the letter losses include \$170 million of non-reserve letter losses. Now, they include marketing leaflets and packets, and that's the pricing set by Australia Post. They're not regulated, are they?

Mr Macdonald: That's correct. Catalogues, leaflets and magazines are not regulated.

Senator HENDERSON: So, even if these non-reserved letters, the marketing material, just broke even, you would have a big improvement in profitability. I'm just concerned that there is some real fudging going on here between the different categories of letters and that you are attributing the very large loss in letters to reserved letters, to the regulated letters. In other words, you're distorting the figure, and then you're imposing this massive increase on consumers based on some pretty questionable ways in which you are calculating your losses of letters, Mr Graham.

Mr Graham: Those calculations are from the ACCC on the way we allocate costs. As I say, they are also—

Senator HENDERSON: No, I am looking at—

Mr Graham: validated and audited—

Senator HENDERSON: I'm following Mr Macdonald. He said page 167 of your annual report.

Mr Macdonald: Correct.

Senator HENDERSON: I have followed that and I am seeing, in fact, that the letter losses include \$170 million of non-reserved letter losses. They're the costs that you control, aren't they?

Mr Graham: Well, they're costs that we control, but we also have a community service obligation to ensure that every community in Australia is serviced with both non-reserve and reserve letters. These are services that we provide on an ongoing basis, both as part of our community service obligation as well as the universal service obligation that we have in relation to the agreement that Australia has with other postal unions across the world.

Senator HENDERSON: If I have a look at these non-reserve letters, there's revenue of just \$210 million, yet there were expenses of \$380.7 million, leading to a loss of \$170 million. It seems a very unusual loss, because these are expenses you can control. You can set these prices. It just suggests that you are shifting costs across your different letter divisions to try and conceal what is really going on here. This is not ordinary mail where all these losses are occurring. These are costs that you control, Mr Graham.

Mr Graham: We control costs to a degree, but we have a community service obligation. We're obligated to deliver mail five days a week, and unaddressed mail and other non-reserved letters, to the community. That is not a choice that we have. That is imposed upon us by the regulations.

CHAIR: I'm going to rotate the call, if you can wind up.

Senator HENDERSON: Sure. But the revenue losses are not sitting primarily with reserved letters, the regulated ordinary letters. They're not sitting with the reserved letters as much as they are sitting with the non-reserved letters or the marketing and other material. That's why I am concerned about the characterisation that you are making in relation to mail. In regional Australia, people really depend on their local post office. They really depend on their mail, particularly older Australians. It appears to me that there is some inappropriate representation of what is going on in your letters business that you are using to justify your attempt to effectively reduce the letters service in this country. Can I ask you to respond to that?

Ms Mangos: As part of the BPR application process, the ACCC reviews our revenues and cost allocations and determines the profitability or otherwise of our letters business. The ACCC's recent review, when we raised the price of a stamp in January of this year, found that our letters business was making a loss and that no cross-subsidy of our parcels business exists.

Senator HENDERSON: I know, Ms Mangos. With respect, you're not correctly representing the question I'm asking. I'm not talking about parcels.

Mr Graham: I understand the question.

Senator HENDERSON: They are a clever bunch of people in the ACCC. I'm not talking about parcels, Ms Mangos. Mr Graham, I'm looking at the page reference that Mr Macdonald sent me to. In the fine print we can see what's going on here. I am asking you to be very candid about what's going on in the different divisions of your letters business.

Mr Graham: I understand the question. The way that we have allocated costs, both reserved and non-reserved, has not changed. We have been doing the same process consistently for many years. If you look at this annual report or previous annual reports, it will be the same. We are not about to reduce the letters service. We understand how critical it is, particularly to regional and rural Australia. We are also very sensitive to the cost of mail. But, as I said before, the average consumer is 1.9 or 1.8 per cent of all mail volume, and we have estimated that's about \$4.50 a year to the average household.

Senator HENDERSON: But, if I look at the reserved letters revenue, and I would welcome further information on this, it doesn't look like there was any substantial fall at all. I'm talking about the regulated

ordinary mail that people receive. As I say, it appears, based on your own numbers, that you are mischaracterising your letters business. Based on what I can see in your annual report, your reserved letter revenues did not substantially fall at all.

CHAIR: I will intervene at this point in time. We are going around the same question. I appreciate, Senator Henderson, that you're not getting the answer that you're looking for.

Senator HENDERSON: No, this is a different question. This was about revenues of the reserved letters.

CHAIR: I will ask you to wind up because you have had 20 minutes.

Senator HENDERSON: I'll have to come back to this.

CHAIR: Of course you will.

Mr Graham: Mr Macdonald has some information.

Mr Macdonald: I will try and assist. I think perhaps we will need to provide some more information on notice. If we can just go back to that page of the report, it does talk about the breakdown between letters and nonletters. As you've noted, the footnote indicates that the letters number includes reserved letters. You've pointed out that the revenue figure for 2023 and 2022 is \$1.5 billion in each case. Those numbers are obviously rounded to the nearest half billion. Between 2022 and 2023, letters revenue in total dropped from \$1.783 billion to \$1.71 billion. There isn't a breakdown on this page between reserved letters and non-reserved letters for either profitability or cost. It's merely a revenue breakdown.

Senator HENDERSON: Mr Macdonald, what I might ask you and Mr Graham to do is provide a breakdown in your letters business so we can clearly see where the costs are and, as I raised before, why you're carrying such an enormous loss with your non-reserved letters. That's the material of which you control the price. It seems extraordinary that you would be running a business which would accrue such enormous expenses leading to a loss of \$170 million when you in fact control the price at which you sell the non-reserved letters. Can you explain why you're incurring such massive expenses for non-reserved letters?

CHAIR: Again, I'm going to tell you that you are up to 20 minutes, and we do need to rotate the call.

Senator HENDERSON: That's fine, Chair.

Mr Graham: I take your question. It's fair to say that, in relation to that particular service, we have been putting the prices up quite significantly over the last 18 months. I would agree with your assertion that we control those costs, and it's fair to say that our revenue and our costing policy, I believe, was too cheap in many cases. We had certain customers where we were doing it, in my view, for very little. We have significantly put those costs up. However, we also need to take those customers on that journey. These are small businesses—small printing companies, small marketing companies. We're very sensitive to the cost impact that we have on these companies. Whilst the world is going digital, there are still many consumers who receive leaflets, meal vouchers—a whole bunch of stuff—through the mail. We are on a pricing path to increase that cost, but we are doing that with sensitivity to the market and to the impact it may have on some of those small businesses.

Senator HENDERSON: I look forward to you providing very detailed information on the breakdown of the revenue and the cost for both reserved and non-reserved letters, understanding why you are incurring such costs in an area of business where there are no cost constraints, why those expenses aren't being properly managed and why there isn't cost control. I would welcome the further information you can provide.

Mr Macdonald: Thank you. Perhaps I may add one thing. We will take your question on notice in respect of those details. To clarify, page 167 records that the loss on letters for 2023 was \$384.1 million. Page 158 of the annual report contains information about our CSO costs, which are the costs incurred by us in meeting our community service obligations. That reports that the cost of those obligations for 2023 was approximately \$442 million, which exceeds the loss on letters. I thought that's probably a useful piece of information in terms of the cost to Australia Post of delivering those community service obligations. In rural and remote areas, that's estimated to represent \$237.3 million. We will come back to you with more detail as requested.

Senator HENDERSON: I will come back. I have more questions. Thanks, Chair.

Senator ROBERTS: Thank you for appearing tonight. My questions are fairly short. At the Senate inquiry into regional bank branch closures, I asked Westpac CEO Mr King, 'How much do you pay Australia Post for a community representation fee?' The response on notice was this:

Westpac is happy to provide a specific figure, including the Community Representation Fee, however our contract with Australia Post requires both parties to agree to the release of any commercial details within the contract. Westpac would agree to Australia Post providing these details to the Committee.

Are you happy to share those details today or on notice?

Mr Graham: No, we are not. Those are commercially confidential. We have a number of agreements with many banks and institutions. They differ from bank to bank. That would disclose what we believe is commercially sensitive information.

Senator ROBERTS: Westpac is happy for you to disclose their contract.

Mr Graham: Again, they may be happy, but that's one side of the contract. We have contracts with over 81 financial institutions and would not be comfortable sharing that sensitive information.

Senator ROBERTS: I asked the Commonwealth Bank the same question and also on notice received the same reply, as one would expect from an oligopoly. Are you able to share the Commonwealth Bank's community representation fee today or on notice?

Mr Graham: No, Senator. We will take the same approach to that. As I say, we have many contracts with many banks. It is commercially sensitive. Disclosing what one bank pays versus what another bank pays would create commercial risk for Australia Post.

Senator ROBERTS: How so? The bank is happy.

Mr Graham: In that we are negotiating with 81 different companies and, if they were aware of what other companies are paying, that would put us under a very difficult commercial situation.

Senator ROBERTS: Show them the high-price contracts.

Mr Graham: It would be good if we could do that, but it's unfortunate the way that the negotiations would work.

Senator ROBERTS: It would help you if you picked the top one. Are you happy with the fees you're receiving from your banking partners in Bank@Post for providing their customers with services?

Mr Graham: When the Bank@Post agreement was put in place three years ago, the scope of that was for what we would call rudimentary or very basic consumer banking services—the ability to deposit some money and take out some money. It's fair to say that, since that service has been put in place and since we've seen an increase in the number of bank closures, the pressure that has been placed on our post offices that provide Bank@Post has increased. Customers are looking for a broader scope of services. Small businesses particularly feel that they're not able to access what they would traditionally access through their banking branches. And the provision of cash has become an issue. Whilst a lot of people say cash is going to die, we certainly don't see that, particularly in certain demographics and also in certain neighbourhoods where cash is still prevalent.

When we were set up, we were never established, from both a physical and a service perspective, to deal with cash. We're happy to extend the range of services we provide to our customers at Bank@Post, be it small business or the provision of cash, but we would need that to be funded by the banks. A good example is Coober Pedy. It is a cash town, given the nature of its work. We are now flying cash into that town on a weekly basis because there are no banks remaining in Coober Pedy.

Senator ROBERTS: I'm very pleased to hear that you're supporting cash and keeping it alive. A lot of people are starting to swing back now, because they know it's essential for freedom. Would Australia Post like to offer a wider range of banking services from an existing partner, such as Suncorp? If so, what services would you like to provide?

Mr Graham: As I referred to in my previous answer, we are seeing an increasing desire by regional towns, particularly when we are the only banking service remaining, to increase the range of services for small business—be that cash floats for the local hairdresser or the local coffee shop. One example recently was where a footy team and the Country Women's Association both ran a gold coin fundraiser over a weekend and our post office was inundated with 1,800 gold coins on the Monday. It was never equipped to handle that type of cash.

We see there's an ability for us to increase the range of services we provide, certainly for small businesses, and for the provision of cash for those small businesses. However, that would need an investment—in some cases in physical infrastructure, for safes and security, and also additional systems and training for our team—which we are prepared to do. That would obviously require support from the banks to enable those services to be extended.

Senator ROBERTS: So you'd welcome something like Suncorp, which is for sale right now? Its sale to ANZ was blocked.

Mr Graham: We provide services to Suncorp today through Bank@Post—they are a Bank@Post customer—and 81 other financial institutions.

Senator ROBERTS: I'm not asking you to commit to Suncorp or anything like that, but does the concept of having a bank with branches already, albeit not as many as you have, appeal to you?

Mr Graham: That's a question of policy, which is for the government. We're very happy to provide our over-the-counter services, which we are well equipped to do, certainly for basic banking services. But as I said, if we were to extend the range of those services we would need to look at those post offices on a case-by-case basis. A town in the Snowy is another case in point, where the last bank left and our post office there does not have disability access, so, again, that challenge comes on Australia Post and we work with the banks to try to solve that. We see over-the-counter services and providing Bank@Post services, particularly in regional and remote areas, as essential services and we continue to be invested in those services.

Senator ROBERTS: Something Christine Holgate did a very fine job of doing was to listen to and address the problems of the LPOs—the licensed post offices. We haven't heard much from them lately, so that is probably a pretty good sign, but I'd like to know what you think of your relationship with the LPOs. How's that going? They're fundamental.

Mr Graham: Yes, they are. They make up more than two-thirds of our branch network. They are partners in our network. We deal with both the key associations. I think our relationship is a very positive one. We are very transparent on what we are doing, the investments we're making. We're currently rolling out our POST+ new point-of-sale system through every post office in the country—the largest single investment that Australia Post has ever made, over \$250 million. This will create efficiencies for both our corporate and licensed post offices, and also create a better service experience for our customers.

Our relationship with them is healthy. We certainly listen to them. We spend a lot of time out in their post offices, understanding their needs and their challenges. I also spend a lot of time out; it's one of the best parts of my job. But we also see, in certain areas, where they are financially challenged because of the reduction in foot traffic because of the digitisation of services, and, as I mentioned in my opening address, certainly in metropolitan areas where there can be significant overlap, we do see cannibalisation of licensed post offices by their fellow licensees in some of those areas. It is a changing financial environment for many of them, and we look to continue to support them where we can. Bank@Post certainly helps, as does the growth we're seeing in our parcel business, and also investing in new systems which helps them become more efficient and better at serving their customers.

Senator DAVEY: Before I get to my line of questioning, for those following along at home and myself, I'd like to clarify where we got to with Senator Henderson. Your letter-making business is achieving a business loss, but there are two components. The stamp component, which is addressed mail, is regulated, so you can't increase the price of stamps without government sign-off. That is one side. Then you have the unaddressed mail, which is your shopping brochures, political brochures—sorry, everyone at home!—and all of that. That is not regulated, so you can apply your own cost. What you've undertaken to do, on notice, is go away and assess the two different sides so we can see where the real losses are being incurred. If the losses are being incurred—yes, I get you have a community service obligation—by the unaddressed mail, which you control the cost of, just increase the prices. I don't think anyone is going to complain if Coles—

Senator HENDERSON: Don't put it on to the consumer.

Mr Graham: We're not putting it on the consumer, Senator.

CHAIR: These were taken on notice.

Senator DAVEY: Yes, I was just clarifying this for my own purposes. I want to talk about the review and the restructure that you're currently going through. I really appreciated what you said in your opening statement. You said that you would not turn your back on the regions. You understand the importance of post offices in the regions, but you mentioned that there are some areas in suburbia which may be overserved. Are you looking at a radius and are you looking at services? How are you actually evaluating which post offices may be restructured, changed or taken out of the network?

Mr Graham: Currently we have, under the regulations, a requirement to retain 4,000 post offices—2½ thousand of those in regional and rural Australia—which we obviously fulfil. We have 4,271 at present. As you rightly said, there is significant overlap of post offices, particularly in metropolitan areas. Our network is an organic one; we open and close post offices on a regular basis. We have a number of unplanned closures, which is primarily people retiring, handing their licence back for financial reasons, illness or indeed because the landlord has decided to terminate the lease and there's no ability for them to move somewhere else. Currently under the regulations we have to have a post office within 2½ kilometres of a citizen in a metropolitan area, and 7½ kilometres of a citizen in a regional township. They are the current restrictions that we operate under.

We make an assessment that we use in opening new post offices, which we also do in growth areas, which is around demographics, around growth, around the availability of postal services within that demographic—so how far away is it to the nearest post office that will provide the same range of services. We're particularly sensitive to

Bank@Post. If we are the only banking service in that area, and that post office is faced with a change of circumstances, then we feel very obligated to ensure that Bank@Post service is available. So there's a set of criteria that we apply, but, currently, we are regulated under the Australian Postal Corporation Act 1989, which says that we must have a post office within 2½ kilometres of a citizen in a metropolitan area.

Senator DAVEY: I can only dream of such service! But I'm glad to hear that you are still committed to that. There have been claims raised, probably with multiple offices but certainly with my office, that some licensed post offices and licensees have received a letter from Australia Post offering them the chance to hand back their licences. This is not to purchase their licences or remunerate them for getting those licences. Can you talk us through what's going on there? Where's that happening, and why would you be offering to effectively take someone's basis for their business off them with no remuneration?

Mr Graham: To correct you, there is a remuneration aspect to this. We have written to licensees again that we have looked at areas where there is significant overlap, and we base that assessment on the commissions that we pay to them. We have sent a letter out for a voluntary licence hand-back with compensation. Obviously, we expect people to be compensated for the business that they've built up. Each business is unique, depending on the commissions, structure, what its lease commitments are and what its staffing commitments are. But this is a process that would enable us to look at making the network more viable. What we find is that, if we do have a post office that comes out of a certain community and there are other post offices nearby, that revenue doesn't go away; it just flows to those other post offices, therefore making them stronger and more viable. But it is a voluntary program, and it does have financial compensation attached to it.

Senator DAVEY: There is financial compensation. So what we're talking about is, say, not an area like where I'm from, where there's only one post office—

Mr Graham: No. This is purely targeted at high-density metropolitan areas.

Senator DAVEY: So there might be an overlap where you've got a suburb in Sydney with a north and a south post office, which happens, and you might have written to both of them and said, 'There's an offer on the table, here,' and maybe one will take it up. If both of them wrote back in a scurry and said, 'Yes, I will take you up,' you'd have to then—

Mr Graham: We've only written to those we've targeted. In that example, we'd only write to one of those to ensure that the community was still serviced. It is focused on metropolitan areas. I mentioned in my opening address one suburb in Melbourne where we have a significant number of post offices in a 7½-kilometre radius. This is about making the network more sustainable, making the post offices that remain more sustainable for those licensees and ensuring that we're providing financial compensation for that. We do find a lot of our licensees are in an age bracket now where they are considering retirement or are looking at future economics and seeing that digitisation is taking away foot traffic and is replacing some of the services and fees that they used to get. Therefore, we feel it's an appropriate time to make that voluntary offer, and it is voluntary and comes with compensation.

Senator DAVEY: Is there also a negotiation process so that, if they don't like the compensation you're offering, there is scope for them to try and justify or sit down with their books with you and go, 'Actually, we believe that we deserve more'?

Mr Graham: Yes. We obviously respect that these are all small businesses and that they have a view as to what their business may be worth. There are a number of things that go into that calculation—the lease commitment, the cost of fixtures and fittings, the cost of the stock that they have and the ability to buy that back. All these are taken into account, and we have provided a process by which we would enter into discussions with them. As I say, we launched that process last Friday, and we've already received some expressions of interest, but it's completely voluntary. We have targeted those people who have gotten the letter on the basis that we feel that there is an overlap in that particular area and that, because of the trading environment or other individual aspirations around retirement, these people may consider a voluntary buyback appropriate for them at this period in their lives.

Senator DAVEY: Thank you. You also mentioned in your opening statement the community hub in Orange—an area that I'm very across. Can you talk me through the community hub. What does it do, what extra services does it provide, what are you looking at, through offering that service, and how will it be replicated in other areas?

Mr Graham: I'll be there on the weekend, in the beautiful town of Orange, and we have our official opening on Monday. Orange is not the ideal town in terms of the research that we've done. It's about 50,000 people. It does

have banks. It does have general-merchandise retailers. However, we were able to take back the beautiful post office there and use it as a testing ground for our retail format and for our community hub program.

Basically our community hub program is ideally suited to a regional town of 25,000 or less, where most of the banks have gone and also where they don't have a Kmart, a Target or a Big W. This will be a bigger physical Australia Post presence, a bigger building. In Orange, for example, we'll have a dedicated line for banking services, a dedicated line and space for parcels, a dedicated line for traditional posting services. We'll have a much bigger retail footprint, which will allow local merchants, particularly small to medium sized enterprises, to showcase their wares to the people who come in. We will also have a changing room in that post office, allowing people to get their parcel across the counter and, rather than go home and try things on and have to make the journey all the way back, go into the changing room there and try on the article and then hand it back over the counter, get their money back and either put it in their back pocket or decide to go back online and buy something else.

We have three other community hubs on the go. We've got Noosa. We've got Williamstown, on the outskirts of Melbourne, which is metro, but it's on a peninsula and feels more like a country town, if you've been there. We also have Burnie in Tasmania coming up as well. As I say, we've identified about 100 regional towns that may fit the profile, but we are using Orange as the trial to test community acceptance of the format and also some of the technology and new layout that we've put in for that post office to see how customers react and how it drives greater service for our customers.

Senator DAVEY: This is my last question. Through that hub model, would you potentially look at areas that still have the old-fashioned, traditional country town store that does clothes, kitchenware—everything?

Mr Graham: A general store.

Senator DAVEY: I'm thinking of Golders of Roma and Assef's of Moree and others—that sort of general store—and partnering with them so you've got the post office in one corner and those sorts of things. I think there is potential in such a product. I'm thinking of my local town too. We lost our Target, and it took a very long time to find someone to come in and replace that service—to fill in that gap.

Mr Graham: That's exactly one of the options as well. It's about where we have the ability—like in Orange, because of the post office—to do it ourselves. As I said, Orange is probably not the ideal town, but there was an opportunity to do it, so we've done it. But in other places it is partnering with the local general store. It's providing that one-stop convenience shop. You come into town, you go and do your groceries and you want to be able to top up your mobile phone, to pay a bill, to pick up your parcel and to go and do some banking transactions. The more that we can consolidate and centralise that, the better—or it may be a Services Australia function that you want to do as well.

That's the concept. That's why it's called a community hub. It's so that people can go there and treat it as a one-stop shop. We are very open to different formats, provided they enhance the services we provide to the community and make the experience a better experience than what they currently have.

Senator DAVID POCOCK: Thank you for your time this evening. Mr Graham, I think it was on 20 September that I wrote to you to raise concerns about things I've been hearing from Norfolk Islanders. This morning I received a response from Kristina Hickey, your general manager of government, industry and regulatory affairs. It was very good timing, on the day of estimates. One of the concerns that repeatedly gets raised is there's confusion when Norfolk Islanders are being sent mail, because you now have to put 'New South Wales' and a New South Wales postcode. Clearly it's nowhere near New South Wales. I've raised this a couple of times, and the response—and I thank you for it—basically says it's too hard to do. I'm wondering why we can't find a solution for Norfolk Islanders, or any of the external territories, to have their proper address on our national postal service.

Mr Graham: I think the first time we met we also discussed that. I think 1865, from memory, was the postcode that would be ideal for Norfolk Island, or any other postcode designated specifically—

Senator DAVID POCOCK: From talking to Norfolk Islanders, the big one is 'New South Wales'. They used to have post sent to 'South Pacific', and that's no longer the case.

Mr Graham: We have explored it both in terms of the formal processes we have and the informal processes we have. It is a difficult one, not so much around the designation of Norfolk Island or some other territory; the actual changing of a postcode for any reason becomes a challenge for us. We do get a lot of requests to change postcodes, primarily for insurance purposes, where insurers will set the cost of insurance based on the postcode you're in. But we have explored options in relation to changing that. I know there's also some difficulty with some of the online retailers, who don't classify Norfolk Island as part of Australia or indeed have it classified as a

separate country for some strange reason. We are certainly engaging with those retailers to explain and educate them about Norfolk Island.

We'll continue to explore it, but under the current policies that we have it is a very difficult thing for us to change. There is no designated postcode for 'Pacific islands' or 'Pacific'. We'd have to create a whole new set of criteria for that. That is not an easy process in our systems or network, but we will continue to look for ways in which we can satisfy Norfolk Island in relation to their desire to not have a New South Wales postcode or indeed have their mail addressed to New South Wales. We are aware of the sensitivities.

On the issue of getting products to them—I know that also comes up from time to time—we are aware that we are in peak season. We already have all the barges booked and available. We also have a charter flight that we will send in, depending on the volume that we get.

But, on the postcode, I'll take that on notice again. The team did look at every which way that we could justify an exception. But that is a very difficult thing for us to do because once we grant one it leaves the door open for many others, unfortunately.

Senator DAVID POCOCK: So, if new suburbs are built in the cities, you can't give them a new postcode?

Mr Graham: We do give them a new postcode, but it's attached to the state. Therefore, if there's a new suburb in the west of Sydney, it would be 2068, for example, New South Wales. The issue with Norfolk Island is that it's got a '2' postcode and it's designated as 'New South Wales', when it's not physically part of New South Wales. Norfolk Islanders are not happy with that designation.

Senator DAVID POCOCK: No, they're not. A related concern—and it's a massive frustration for Norfolk Islanders—is that a lot of family who live here in Australia try to send them things at post shops, which say: 'No, we can't take this. You can't send something to Norfolk Island with a New South Wales postcode.'

Mr Graham: I haven't heard that experience, and that's certainly not the case.

Senator DAVID POCOCK: I've had a number of emails with that, so I'm just—

Mr Graham: If you'd like to share those with us, we will look into them. We have a significant volume going to Norfolk Island, as I say, on the basis that we'll put an air charter in play for the Christmas peak. We'll continue to look at it. I can assure you that it's not something we're ignoring or paying lip-service to. But it is a difficult issue because, as a government business enterprise, once we set a precedent unfortunately we'll then have a lot of other people knocking on our door trying to justify why they need a postcode change—the largest one, as I say, being people who want their postcode changed for insurance purposes. Therefore, it becomes more sensitive than maybe you would first expect. But we certainly take the views of the Norfolk Islanders to heart and will continue to try and explore options for that.

Senator DAVID POCOCK: I take your point. But there's surely a big difference between Norfolk Islanders, who are a thousand-plus kilometres off the coast, and some sort of insurance gerrymandering. They seem very different.

Mr Graham: They may be, but in running a GBE we have a set of policies and processes that we have to apply, and we have to apply these on a fair and balanced basis to all Australians. There may be people who will come out and say that because of that exception that we made for Norfolk Island they also justify an exception. It may be stretching a long bow, but we have had experience in other areas where that has been the case.

Senator DAVID POCOCK: On the point of 'fair and balanced for all Australians', I understand there is no guarantee around express post. But in the letter Ms Hickey advises, 'Our general guidelines are to allow up to 20 business days for the delivery of express post items and up to 12 weeks for the delivery of non-express services.' If you send something express, waiting 20 days is a fair while. I know you have been working on this, but are there ways to make it more express than 20 days?

Mr Graham: Yes, it's certainly the case, and as you say express doesn't make for a fast service. That time frame to Norfolk Island is unique because of the uplift. We do not have a plane service on a consistent basis or every day. We have brought back our express post service standards now that we are well past COVID, so they should be in place. The notation of the days is conservative, and it does apply particularly to Norfolk Island, but we will look at what would be the average number of days. I think it would be significantly less than that, and we will provide that to you. It is also important to continue to educate Norfolk Islanders on the best ways to send products through Australia Post and the options they have, both those that would see them guaranteed a delivery of either mail or parcels within a set time frame and those that would provide cheaper and longer options, but at least to give them a choice to make the decision.

Senator DAVID POCOCK: Do you send express post in Australia using Qantas?

Mr Graham: We have a partnership with Qantas. We own our own aircraft fleet, so a lot of it goes on our own planes. We use the belly capacity in the Qantas domestic fleet as well.

Senator DAVID POCOCK: It has been pointed out to me by a few Norfolk Islanders that there are probably three Qantas flights a week, yet they are waiting 20 days for someone to send something from Sydney to Norfolk Island. Is there a possibility of getting stuff on a weekly flight?

Mr Graham: Again, I will take that on notice, but I would say that we have mail in every one of those flights. But we consolidate that in Port Macquarie, so it has to make its way around the network and then gets consolidated in Port Macquarie so we can uplift that in one loop. What we can do is provide more information to people in Norfolk Island around the service commitments that they can expect based on Western Australia, Queensland, Victoria, South Australia, and also help educate them on the way that that mail gets routed through our network so that they can understand the time lag that's appearing in certain cases. But certainly, if it is an express product, we should be able to find a way to ensure it gets there in fewer than 20 days. I take your point.

Senator DAVID POCOCK: It is a big point of frustration, so I appreciate the work that you and your team have been putting into it. Thank you.

CHAIR: Senator Henderson.

Senator HENDERSON: I want to pick up on Senator Davey's line of questioning about the decision to offer LPO licence holders the opportunity to hand their licence back. How many offers have you made in that respect?

Mr Graham: We have a number of 274, based on analysis we did around the density of those post offices in metropolitan areas and what we felt was a degree of oversupply in these areas. Two hundred and seventy four letters went out for a voluntary buyback of the licence, taking into account each individual post office's circumstances.

Senator HENDERSON: Are these licensed post offices in metropolitan areas only?

Mr Graham: Yes, correct.

Senator HENDERSON: Can you provide on notice the address of each of those post offices?

Mr Graham: We can, yes.

Senator HENDERSON: What is the breakdown on a state-by-state basis?

Mr Graham: I do not have the state-by-state breakdown, but the majority would be in Victoria and New South Wales, just given the population growth we have there. We have a detailed analysis of that, and I'm happy to send that to you.

Senator HENDERSON: What are you offering the licensed post office licensee by way of compensation?

Mr Graham: We have a calculation of 1.5 times the commission, which is a calculation that was made in relation to consultation with stakeholders as well as the associations. But as I said in response to Senator Davey's remark, we will sit down and work with each licensed post office to understand their particular circumstances.

Senator HENDERSON: What is the average commission?

Mr Graham: It varies significantly.

Senator HENDERSON: Can you give me a range?

Mr Graham: We have a minimum payment. Nick, would you like to answer?

Mr Macdonald: There are minimum payment arrangements, but I believe this offer has been extended to licensees with commissions of less than \$185,000 per annum. It is targeting those licensees that are more likely to be having issues of visibility and sustainability and therefore may be interested in the opportunity of that offer.

Senator HENDERSON: You are making it sound like a generous offer, the opportunity to eligible licensees. But isn't this a pretty brutal way to shut down post offices across this country?

Mr Graham: It is a voluntary program, so there is no imposition on the individuals. We have targeted and used our data to look at those post offices that are within 1.75 kilometres of another post office, so they are cannibalising each other. We are looking, as Mr MacDonald's said, at those post offices where we have seen a continual deterioration in their commissions and fees and we believe they are in a vulnerable financial position and therefore have been able to be given a voluntary hand back with a guaranteed payout, and that may be something that proves attractive. But it is completely voluntary.

Senator HENDERSON: I want to look at your submission to the ACCC where you say in relation to retail networks:

[Australia Post] is ensuring that our physical presence across the country has the flexibility to reflect the changing expectations and interactions of customers in physical stores, accessing services and shopping in an increasingly digital world. That sounds like gobbledygook for you planning to close plenty of post offices.

Mr Graham: We have a regulatory obligation to maintain 4,000 post offices. We have 4,271 today, and 2½ thousand of those have to be in regional and rural areas. We have no goal other than to maintain that obligation. I would not classify it as gobbledygook; that is well-researched information and factually backed not only by Australia Post research but by the research of many retailers in this country.

Senator HENDERSON: I will go back to my question. It sounds like part of your plan is to close a lot of post offices. How many do you plan to close? What is your plan?

Mr Graham: As I said, we have a regulatory obligation to maintain 4,000 post offices. We will maintain that obligation, and 2½ thousand will be in regional and rural Australia. We have no plans other than to maintain the regulatory obligation that we have. We have 271 post offices above that regulation today. As I said, our network is organic; it ebbs and flows. We had about 78 closures this year and, I think, 34 openings, with a net deficit of 35 out of 4,271. That is a fairly normal movement in our network. Indeed, we opened more post offices in regional Australia than we did in metropolitan Australia.

Senator HENDERSON: On notice, are you able to provide the number of post offices that you opened and closed, including their addresses?

Mr Graham: Yes, happy to do that.

Ms Mangos: I might just correct the record. There were 73 closures and 34 openings.

Senator HENDERSON: I am seeking details as to where those post offices are, including if you can provide the number of closures and openings since 1 July 2022.

Ms Mangos: Yes.

Senator HENDERSON: Are you seeking to vary the regulatory framework which requires you to hold that number of post offices in your network?

Mr Graham: We are in review of our network on an ongoing basis. As I said in my opening statement, we certainly feel that the density of post offices in metropolitan areas creates significant overlap and also creates significant financial challenges going forward both for our corporate post offices and our licensed post offices. That number was created in 1989, under the regulatory act. We don't feel that that number is appropriate, particularly in metropolitan areas. We are very conscious of our commitment to rural and regional Australia, and, indeed, things like our Community Hub@Post are a doubling-down of our investments in that area. We continue to fund our community service obligations. Indeed, as I mentioned just now, of the post offices that have opened, we've actually proportionally opened more in regional Australia. But I think anybody would look at the density we have in metropolitan areas—as I mentioned in my opening statement, 78 post offices within a 7½-kilometre radius. That that does not make economic sense. We are continuing to see a degradation of foot traffic due to digitisation, due to people using mobile devices and other things. Therefore we feel that that significant overlap is not economically sustainable and does not make sense for Australia Post, going forward, but—

Senator HENDERSON: I'm sorry, Mr Graham; I'd ask you to try and keep your answers a bit briefer, if you could, please. We've got limited time. You say the number of post offices going into the future is not sustainable, so—

Mr Graham: In metropolitan areas, we believe that's the case.

Senator HENDERSON: So how many would you like to close?

Mr Graham: We don't have a set figure on that. That is a matter for—

Senator HENDERSON: But you must have done the work.

Mr Graham: We've done lots of modelling, based on many variables—demographics, foot traffic, new suburbs that are rolling out that will see us actually add post offices to our network—but there are areas, particularly in the larger cities, where there is a significant overlap of both licensed and corporate post offices, and we feel that the long-term sustainability of those outlets is significantly challenged.

Senator HENDERSON: Mr Graham, I'm going to try and get through my questions as quickly as I can, knowing that I've got to move quickly. Could you provide on notice a copy to the committee of that modelling in relation to forecast closures? We'd like to understand the various models that you run, looking at different scenarios as to possible post office openings and closures. If you could, provide that on notice, please.

Mr Macdonald: Sorry to interrupt. We will take that question on notice. I do have some concerns that it raises issues of public interest immunity, so that's something we would like to consider. But we'll take the question on notice as a question—

Senator HENDERSON: Well, we think it's very much in the public interest for Australians to understand Australia Post's future plans.

Mr Macdonald: Yes. The reason—

Senator HENDERSON: So I would just ask you to exercise a lot of care if you intend to make a public interest immunity claim in relation to that matter.

Mr Macdonald: We would of course exercise caution before making such a claim.

CHAIR: Maybe you can just come back on notice with that answer.

Mr Macdonald: I will come back on notice, but—

CHAIR: Senator Henderson, I will just reiterate your point to witnesses here about the time and keeping your questions brief.

Senator HENDERSON: Yes, I will do that. Thank you, Chair. I want to go back to this letter that you sent to LPOs. It's a very unusual letter. You're inviting eligible licensees to consider handing back their LPO agreement as if you are doing them a favour. There's no information about compensation. There's no information about payment. There's no information about why they are being targeted. There's also no information about what will happen if they decline the offer. Will they be closed down or targeted anyway? I'm just very concerned. That letter went out, I think, on the day that you released your annual report. Why didn't you provide all relevant information to LPO licensees?

Mr Graham: We have provided that information. It's in an information pack that is available. We work closely with both the licensed post office associations. We also had consultation with APLAC, which is our advisory board made up of—

Senator HENDERSON: Who was provided with that information pack?

Mr Graham: We provided both the associations with what we were going to be sending out to the licensees, and part of the—

Senator HENDERSON: To each licensee that received a copy of this letter?

Mr Graham: They will have received a copy of that information pack as part of that letter, yes.

Senator HENDERSON: On notice, could you provide the committee with a copy of that information pack?

Mr Graham: We will happily provide that information pack, yes.

Senator HENDERSON: Chair, I've got about another 10 minutes, max.

CHAIR: On you go. Be as brief as you can. We'd be grateful.

Senator HENDERSON: I will be as quick as I can. Can I take you to your financial results again, to page 110 of your latest annual report. It goes to the question that I asked at the last estimates. I really want to raise concerns about your cost control, Mr Graham, because it shows that your revenue dropped only slightly, from \$8.973 billion in 2022 to \$8.695 billion in 2023—these are eye-watering numbers, of course—but your expenses jumped from \$8.8 billion to \$9.12 billion. What's going on here? Why are you not managing your expenses, such that you are incurring this quite dramatic increase in expenses compared to last year?

Mr Graham: We are managing our expenses. We had the CPI increase in wages, 6.1 per cent, for our team members.

Senator HENDERSON: Hang on, what was that—6.1 per cent?

Mr Graham: Correct.

Senator HENDERSON: Over what period of time?

Mr Graham: It was paid during the financial year—a 12-month period.

Senator HENDERSON: Over one financial year?

Mr Graham: Yes, correct. We've also seen other cost inputs go up, as indeed every business has. We were able to drive efficiencies in our business and we continue to drive those efficiencies, but, as we've spoken about at length today, the significant increase in the community service obligation as well as the losses in our mail business did not compensate for the stabilisation—the slight increase we saw in revenue. The main cost factors

were to do with wages and other input costs like electricity and all the other normal costs that you would have in an operation as large as ours.

Senator HENDERSON: I'm just concerned that there is an indication, looking at these big numbers, that there's not been sufficient attention to managing costs.

Mr Graham: There's been significant attention to managing costs, as I said—

Senator HENDERSON: Was the 6.1 per cent increase for all staff?

Mr Graham: Yes, for all our enterprise agreement staff across our business. Correct.

Senator HENDERSON: What's going to happen next year? Is there any increase next year?

Mr Graham: Yes, there will be. We enter negotiations on our enterprise agreements in the early part of next year, and we will work through the enterprise process. The costs you see for last year also are on top of a 6.1 per cent wage increase the previous year. So the accumulated cost increase is 12.2 per cent paid over two years.

Senator HENDERSON: Why such a large increase in wages, Mr Graham?

Mr Graham: As you mentioned previously we are very sensitive to the economic times that we are in, particularly for our average team member, and we wanted to ensure that in these difficult times they were keeping up with inflation. That was part of a broader enterprise negotiation that we did with the unions that are involved in Australia Post's business, particularly the CWU and the TWU.

Senator HENDERSON: On notice, could you provide a detailed breakdown of both your revenue and your costs. I understand there is a lot of information in your annual report, but, if we could drill down, we could try and understand where those costs are sitting, including in those contractor costs that I raised last time, where there was no appreciable decrease in outsourced or contractor costs, despite the fact that COVID was over—if we could understand that in more detail.

Mr Graham: I'm happy to do that. As I said, I think, at the last estimates, it is a large, complex business with lots of revenue and moving costs. Again, we can arrange either in this forum or indeed in a briefing with you in person to walk you through the complexity and explain how our costs get allocated to also cover some of the cost increases that we've seen.

Senator HENDERSON: Well, I waited for a very long time for the information I asked in questions on notice. It was very much delayed, Mr Graham. So, if you could provide that more promptly, for the benefit of the committee, that would be appreciated.

Can I just go back to the modernisation inquiry by the government. If Australia Post is now proceeding to seek to shut down post offices before any recommendations have been made, and you don't have a target, on what basis have you identified these post offices? And why haven't you waited for the outcome of the modernisation inquiry?

Mr Graham: We have the ability under our current regulations to get down to 4,000 post offices. We have 4,271 today, so we have 271 post offices more than the regulations allow for. So we do have wiggle room, for want of a better word. We continue to see our licensed post offices come under financial strain, particularly in metropolitan areas, due to the significant overlap and the deterioration of revenue due to foot traffic and digitisation. So we are not ahead of the reform or modernisation agenda. That indeed is in the hands of the government. We are taking steps within the permitted regulatory framework that we have today to help assist those licensees—

Senator HENDERSON: Alright, Mr Graham. Sorry to cut in. If you could keep your answers a bit more truncated, I'd be grateful. I want to go now to the Australia Post decision to close your Perth Gateway Facility. This is a real blow to the people of the west. On what basis have you made the decision and how many staff are impacted?

Mr Graham: Most staff are impacted. We redeployed all team members in the Perth Gateway. The Perth Gateway is not an imposition or a blow to those people in the west. The vast majority of volume that comes into Western Australia from overseas is actually processed through Sydney and Melbourne because that is where the aircraft lift is and they have the capacity to move into that. This was a decision made on what was basically economic grounds because the volume into that gateway from overseas was minimal. We were able to service that volume more than adequately from Sydney and Melbourne. And, indeed, we announced on Sunday the addition of a new aircraft into fleet, an A330-200, which will see a significant increase in the lift available into Western Australia. That's on top of the \$85 million we invested last year in our new Perth parcel facility. The west is being well serviced, and we continue to invest in that important market, both through air capacity and through our new

parcel facility. We've been able to ensure that, of the international mail coming through, the vast majority—over 96 per cent—is processed through our Sydney and Melbourne gateways.

Senator HENDERSON: What guarantees can you provide the people of Western Australia that they won't face longer times to receive international mail and parcels?

Mr Graham: The guarantee we can give is that today those service standards are being met by the gateways we currently run in Sydney and Melbourne. Indeed, we should be able to at minimum meet, and in some cases enhance, that service with the addition of our new aircraft and the faster processing speed we have in our new Perth parcel facility.

Senator HENDERSON: Can I ask briefly what role Australia Post played in supporting the Voice referendum?

Mr Graham: We played a very important role, as we have done for hundreds of years, or at least since Federation basically—over 100 years now, since Federation. We play a very key role in the physical execution of the referendum—sending information pamphlets, as well as postal votes. We play that role with a very neutral stance. Our job is to execute that operation on behalf of AEC. As well as—

Senator HENDERSON: Sorry to interrupt. I was asking about any events or any fundraising or any other activities—

Mr Graham: We had no events or fundraising. We are sensitive to the independent role we play and therefore there were no events that were supported by Australia Post.

Senator HENDERSON: Were staff allowed to take time off to campaign or be involved?

Mr Graham: No, they were not. We issued 18 directives to our staff from the beginning of the campaign to the end, reinforcing our independent position and the sensitivity that our role played within the referendum, as it does with federal elections and other events.

Senator HENDERSON: Did you make donations or contributions to the 'yes' campaign or the 'no' campaign?

Mr Graham: No, we did not.

Senator HENDERSON: Just briefly—you had a number of fatalities in the business this year. I think there were five fatalities.

Mr Graham: We had one fatality of a team member; that's correct. There are fatalities associated with Australia Post in relation to our vehicles that resulted in the death of other people. Within our business, we had one team member who unfortunately lost his life in a tragic accident while crossing the road in a country town at night.

Senator HENDERSON: I'm very sorry to hear that. The five fatalities—either involving staff or as a result of an accident—is that above the normal number of fatalities? How does that compare to other years?

Mr Graham: No. Our serious accidents were actually fewer than in prior years, which is good. But frankly, as I'm sure you'd agree, one accident is one too many. We continue to see accidents, particularly with our motorbikes, which is why we continue to roll out our eDVs—because they are significantly safer—and we see accidents in relation to dogs. We had nine dog attacks last week, for example. That continues to be an issue for us.

Senator HENDERSON: Just to go back to the number of fatalities, there was one team member and there were four other people involved in accidents?

Mr Graham: I believe that's the statistic.

Senator HENDERSON: Were they contractors?

Mr Graham: We had two contractors, both on motorbikes, who were, tragically, killed. The other deaths were as a result of coming into contact with an Australia Post vehicle—someone running into us or—

Senator HENDERSON: They weren't employed or engaged by—

Mr Graham: Not to my knowledge, no.

Senator HENDERSON: Could I go to your executive bonuses? Could you walk me through the bonuses that were paid? I understand there's been an increase in your base remuneration, which is three per cent year on year, but the numbers we've seen for this financial year reflect just over nine months of pay. Can you explain the bonuses that are applicable to executive staff, including you.

Mr Graham: Yes. We have a structured at-risk component of our remuneration. We paid out \$34.2 million in bonuses overall, which was down from \$70 million in the prior year. We have a clear structure in relation to those

bonuses and how they're paid, both for the executive team and for me. They are then assessed by the board and signed off as to whether we meet or do not meet the criteria in relation to the scorecard that was issued to us.

Senator HENDERSON: Could you detail what bonuses were paid, please, in general terms, if you can.

CHAIR: Senator Henderson, could I ask you, if there's anything at all you can put on notice, to consider that.

Senator HENDERSON: Sure. I actually could ask Mr Graham to take that on notice.

CHAIR: We have other senators with other questions for other people.

Mr Graham: Are you looking for specific numbers of individuals?

Senator HENDERSON: Yes, please. That would be terrific.

Mr Graham: I can give you that. It's in our annual report, on page 97.

Senator HENDERSON: Alright. Could you provide those details on notice, because I am cognisant of time.

Mr Graham: I will do so.

Senator HENDERSON: I just raised the question about bonuses because you've had flat revenue and a group loss of \$200 million. Why are any bonuses being paid?

Mr Graham: Because we met certain criteria in the scorecard. There were no bonuses paid on the financial result. But the financial loss that the business incurred was certainly not in relation to the executive management that's in place. This has been forecast for over a decade, in the 11 inquiries and reports that were done on Australia Post. It should not come as a surprise to anybody that we lost money this year. We did not get any at-risk incentive on the financial component of those incentives, but we did meet entry point or stretch on a number of the other criteria, and that is detailed in our remuneration report. Our remuneration report is fully aligned with APSC guidelines and, we believe, incredibly transparent, and it's detailed on page 97 of the annual report.

Senator HENDERSON: Thank you. If you could provide that further information on notice, I'd be grateful.

Mr Graham: Happy to do so, Senator.

Senator HENDERSON: Thank you very much for your time this evening. I do appreciate it.

CHAIR: I'll just ask one quick question. The organisation's people have known that Australia Post needed some serious work for 10 years?

Mr Graham: Correct. There have been 11 reports published on Australia Post in relation to its future and the market dynamics, particularly in relation to mail. They could indeed forecast a loss situation and an ongoing increased loss, should we not get the logical reform.

CHAIR: Why was nothing done?

Mr Graham: That's not a question that I can answer.

CHAIR: Minister?

Senator Carol Brown: What I can say is that, obviously, the government now is committed to ensuring that Australia Post continues to provide postal services and that we will be considering our response to that. In regard to your question as to why nothing has been done for the last nine or so years, we know—I think everyone knows—that letter demand has been slipping for more than a decade, and the former coalition government had no plan to address the long-term structural challenges facing Australia Post, obviously, besides sacking the former CEO.

CHAIR: That was disgraceful.

Senator Carol Brown: Their only plan was to attempt to sneak through service changes without consultation. This government has committed to responding to the issues raised in the consultation, particularly around performance standards, and will further consult on any recommended reforms.

CHAIR: Thank you, Mr Graham, Ms Mangos and Mr Macdonald. We really appreciate your time. We will release you now and take a break.

Proceedings suspended from 21:01 to 21:15

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

CHAIR: We will resume with the Office of the eSafety Commissioner. Welcome. Commissioner, would you care to make an opening statement?

Ms Inman Grant: Given the shortness of time, I will decline to deliver the statement, but I would like to submit the statement in full for the record, please.

CHAIR: That would be lovely. Thank you very much. We can table that. We will go directly to questions.

Senator HENDERSON: Good evening, Commissioner and colleagues. Thank you very much—apologies, we have kept you waiting a little bit. I'd like to go to your report *Roadmap for age verification*, commissioned by the former coalition government, and specifically to page 28. For the benefit of the committee, are you able to read out your recommendation 2, if you have that?

Ms Inman Grant: I don't have the road map in front of me, I'm afraid.

Senator HENDERSON: Are you able to summarise your recommendation in relation to the roadmap?

Ms Inman Grant: I'm not sure that I've got that summarised in my briefings. I can take it on notice. Was this around education and cultural measures, around technology trials, around utilising the powers in the Online Safety Act?

Senator HENDERSON: This is around the trial of the age assurance technologies and the recommendation that you made.

Ms Inman Grant: Recommendation 2:

Develop, implement, and evaluate a pilot before seeking to prescribe and mandate age assurance technologies for access to online pornography.

The primary reason for that is that we believe, based on 65 consultations with 65 different organisations and 28 different meetings and fundamental research as well as independent technology research, that the age assurance industry is nascent and maturing. We've watched some age verification applications or implementations happening around the globe—some have been successful; some have not—and we thought it was important to test some of the appropriate technologies that are appropriate for the culture of context and needs of the Australian populace before we would recommend mandating of any status. That was the justification behind that.

Senator HENDERSON: What was your response when your minister rejected this recommendation in favour of industry codes that could take a number of years to finalise?

Ms Inman Grant: We hope it won't take a number of years to finalise. We did note in the report that we would utilise the powers of the Online Safety Act, specifically of the phase 2 codes. We were also very clear that we made an agreement with industry upfront—that these are their codes, and we would tackle the phase 1 codes and standards first. Those have taken almost two years of negotiations. We've now registered six of those codes and we're presently working on standards. We're already in discussions with the industry about how we might take lessons learnt from the first process and try and streamline the phase 2 process, which we expect will commence in early 2024 after all the codes and standards have been registered for phase 1.

Senator HENDERSON: Commissioner, in the hours and days after the minister's announcement that she would not be accepting your recommendation, the National Children's Commissioner expressed disappointment about the decision, but the body representing the porn industry welcomed it. What do you make of that?

Ms Inman Grant: Commissioner Anne Hollonds was doing her job as an advocate for children, and she is independent and that is her right. All I can say is that we consulted broadly. There were a very wide range of views and decisions. Of course we did the best job, and I put best recommendations forward based on all this knowledge, consultation and research. But it's up to the government to determine which direction they want to go in. I would caveat that by saying that the minister did not say that they won't pursue the technology trial. They will just want to postpone it until after the codes have been considered.

Senator HENDERSON: There was no commitment, though. The minister said in her statement:

Stakeholders have also raised concerns about the effectiveness, privacy and security of these technologies.

Do you agree with the minister in that respect? Are these precarious technologies such that they should not be trialled or entertained?

Ms Inman Grant: I think there were a broad range of stakeholders we considered, and privacy, security, identity and safety were all common themes. There were very strong concerns, particularly from the digital rights community and those that were strong privacy advocates against any use of biometrics or facial recognition technologies. Those have been longstanding concerns. We believed that approach can be taken—one that considers a child's safety and identifies that adults are adults and children are children, particularly on those comingled sites—and that you can do that in a way that is privacy enhancing and secure. We think it is in the realm of the possible, and that's why we think testing, sometime down the track, will be optimal.

Senator HENDERSON: Let's cut to the chase, Commissioner. Children being exposed to pornography is very unsafe, very harmful.

Ms Inman Grant: It absolutely is.

Senator HENDERSON: It is absolutely everywhere on the internet, on social media platforms. Your recommendation was an attempt to provide greater safeguards for children. So how can children be protected under the current vacuum of regulation?

Ms Inman Grant: I wouldn't say there is a vacuum of regulation. Again, you're right; 70 per cent of young Australians pick up online pornography on porn sites, and 60 per cent see them on social media sites, so just blocking porn sites is not going to be sufficient. The average age an Australian comes across pornography is the age of 13, but about a third have come across it accidentally or incidentally on sites other than porn sites, so the way that young people described it is 'in our face'. It's been a challenge. I've been working on these issues since 2008—for a very long time. No country has yet nailed age verification, and I haven't seen an implementation of age verification technologies that could be considered fully efficacious, so I will continue to use the tools that I have at my disposal. We are continuing to do work on further age assurance technologies, as well as on the codes, to move these issues forward. In fact we're working with euCONSENT and will be participating in their conference. They had run a trial in Europe, and we'll continue to learn from our colleagues in the UK and France who are also moving forward with age verification laws and trials.

Senator HENDERSON: I want to ask you about the letter that was sent to the Prime Minister from women's safety and protection experts—and it was also sent to the Minister for Communications, Minister Rowland—desperately requesting a rethink of the federal government's decision not to proceed with an age verification system to help protect children from exposure to pornography. Obviously the letter sets out in some detail the profound concerns that the authors have in relation to protecting children from pornography, including the comment that 'online pornography is recognised as a threat to children under the United Nations Convention on the Rights of the Child'. What do you make of that letter and the case that they argued?

Ms Inman Grant: They're advocacy groups looking after the welfare of children and also women who experience online violence and sexual assault. That was independent of the age verification road map consultation process, and that's a matter for government in terms of how they respond.

Senator HENDERSON: Assistant Minister, what do you make of this letter, with so many eminent women and child safety experts calling on the federal government to rethink its decision not to proceed with any sort of age verification, which poses an increased risk to children being exposed to pornography online?

Senator Carol Brown: The government is obviously very concerned about children accessing material online that is not age appropriate, including over social media. When we were in opposition, we supported a recommendation from the eSafety Commissioner to develop a road map for an age verification regime for online pornography, and that road map has now been released, on 31 August. We thank the eSafety Commissioner for her extensive research. The road map—

Senator HENDERSON: But, Assistant Minister—I'm sorry—on the question that I asked you, which I'd like you to be relevant to, why did the government not accept the recommendation from the commissioner? You're thanking her for her work, and yet you haven't accepted this key recommendation which would enhance the safety of children online.

Senator Carol Brown: The minister wrote to the commissioner to request that work begin as soon as practical on mandatory industry codes to address online pornography, and the government will seek information on options for a pilot, as recommended by the regulator, once the industry code process has been concluded. That's the decision that government has made.

Senator HENDERSON: How long will that industry code process take? From my knowledge, this will take one or two years or perhaps even longer.

Ms Inman Grant: We really do hope to expedite the process. That's why we're beginning some discussions now. I'd also note that—

Senator HENDERSON: I'm sorry, Commissioner, I'll just go back. I have a couple more questions for the assistant minister.

CHAIR: I'll just tell you, Senator, that we will rotate the call very shortly.

Senator HENDERSON: Assistant Minister, what do you make of that letter? This is a desperate plea by women and child safety experts calling on your government to reconsider the recommendation made by the commissioner. Will you reconsider your position, which they believe is presenting an increased safety risk to Australian children?

Senator Carol Brown: The government supports the recommendation in the road map and will seek further information, as I've already said, on options for a pilot at the conclusion of the code process. The code process

must be prioritised by industry because it will produce a comprehensive response across all parts of the digital industry to prevent children from accessing online pornography. The code process will also inform options for a pilot and future policy interventions.

Senator HENDERSON: But you're putting this on hold, and, more than that, Assistant Minister, you are not making any commitment to this trial. This is why there are howls of protests from—

Senator Carol Brown: We are looking at further options for a pilot that—

Senator HENDERSON: Let me finish my question, Assistant Minister. That is why there are howls of protests from eminent persons in the field of child and women's safety. What do you say to that? And will you reconsider this pilot for age verification?

Senator Carol Brown: As I said, we are seeking further information on options for a pilot at the conclusion of the code process. The road map calls out the importance of respectful relationship education, which is integral to addressing the harms associated with online pornography. The government is investing in this area \$83.5 million over six years to support the delivery of evidence-based respectful relationship education aligned to the curriculum and \$39.9 million under the national plan to develop a prevention campaign on consent and respectful relationships.

CHAIR: Senator, we will rotate the call. This will be your last question.

Senator HENDERSON: I want to ask—and maybe we could provide a copy of a letter to you while the call is being rotated—have you read this letter? Do you understand the type of people that have authored this letter? These are very eminent Australians from many eminent organisations, including The Carly Ryan Foundation, White Ribbon Australia, the Queensland Sexual Assault Network, Grace Tame, the Daniel Morcombe Foundation, Safeguarding People Australia, the Queensland University of Technology's Professor Michael Flood and the International Centre for Missing and Exploited Children Australia. This is a cry for urgent action, Assistant Minister. I ask you to address their desperate calls for action. Could you please respond specifically to what they are calling for—

CHAIR: I think, Minister, you've asked for the letter to be provided to you.

Senator HENDERSON: and indicate whether the government is willing to reconsider its position.

Senator Carol Brown: As I've said a couple of times already, the government supports the recommendations of the road map and will seek further information and options for a pilot at the conclusion of the codes process. The codes process will inform options for a pilot and future policy interventions.

CHAIR: We will go to Senator Shoebridge.

Senator SHOEBRIDGE: Part of the reason why the decision was made on age verification was that the technology is immature in this space. Can you—

Ms Inman Grant: Not all of the technologies are immature. There are different levels of, I would say, competency. It depends what they are being tested for, and they're improving all the time. What I did say—and what the independent tester, Enex TestLabs, said—is that it's a nascent and maturing industry. If you compare it even to social media or hardware and software, safety tech and age assurance is new and evolving.

Senator SHOEBRIDGE: In terms of age verification, do you agree, though, that the current self-assertion that many platforms rely upon for age verification, where new users simply assert their age, is a woefully inadequate system?

Ms Inman Grant: I would agree, and there are varying levels of age assurance, of which age verification is the highest. Age gating and self-declaration are probably the lowest. The good news is that there are a number of companies, including Roblox, Instagram, Tinder, Yubo and possibly Snap, that will be testing age verification technology. So, again, we're going to be watching this closely and will be gathering information about how this information might be used towards a pilot in the future.

Senator SHOEBRIDGE: Is there some concern about relying on an individual platform response? The responses taken by some of those platforms may create other significant privacy issues, such as a form of facial recognition and ageing for assessment of someone's face, where those images will be stored. Is there concern about whether or not there are significant privacy and/or other potential issues with that?

Ms Inman Grant: Yes. We examine those issues in close detail. Our background paper is about 500 pages. There are some technologies and interventions that will use real-time selfies, for instance, and they will scan your face at the beginning but they won't store it. Nobody wants a solution that's going to create a honeypot for exploitation. Privacy is a really valuable concern, but 75 per cent of Australian adults did say they want some kind of additional age verification type protections for their children.

Senator SHOEBRIDGE: One of the arguments in favour of a Commonwealth-led age verification system is that that would reduce the honeypots, if you like. There'd be a single source which, done well—and I think that's one of the key challenges—would reduce some of those privacy concerns and prevent that material being held by private corporations, perhaps offshore, as well.

Ms Inman Grant: I think a concern about a government digital ID is that most Australians don't want to think about the spectre of the government knowing what sites, including porn sites, they may or may not be looking at. So, as you say, the implementation of the technology is very important to make sure you get the privacy, safety and security components right.

Senator SHOEBRIDGE: Indeed—though a system could be designed in such a way that the Commonwealth verification service wasn't aware of the site or didn't connect the site to a citizen's personal identity. You could disassociate those two things in a well-designed system.

Ms Inman Grant: That is correct. Did you want to make a comment, Ms King, around the technology implementation?

Ms King: No.

Senator SHOEBRIDGE: In the meantime, is it possible to address some of these in another industry code? What's the approach being taken?

Ms Inman Grant: The phase 2 industry code that we'll be undertaking after we complete the phase 1 process is around protecting children from accessing harmful online content—principally, pornography. It's important to remember that these are the industry's codes; they're not codes that we're developing. Then I have to determine whether or not they meet appropriate community safeguards, and if they don't meet the bar then I can go to standards. But I can—

Senator SHOEBRIDGE: We've had that in real time over the last 18 months.

Ms Inman Grant: Yes, but I want to be clear. Through the codes, we can't mandate the use of age verification across the technology.

Senator SHOEBRIDGE: No, but you could put standards and protections—

Ms Inman Grant: They can put them in place, and we can decide whether they meet the appropriate community safeguards.

Senator SHOEBRIDGE: If they're not there and they don't meet the appropriate community safeguards, you can—

Ms Inman Grant: Move to a standard.

Senator SHOEBRIDGE: Indeed. What is the time frame for phase 2?

Ms Inman Grant: Phase 2 will begin, I would guess, in the first or second quarter of 2024. We're developing the standards for phase 1 presently; we have to consult on that for at least a month, and then we will have to consider public submissions and consultations before registering and putting it into place. Is there anything you would like to add, Mr Dagg?

Mr Dagg: To give you a sense of where the standards time frames are up to, as the commissioner has said, we will look to commence public consultation on the draft standards for the two remaining elements of the codes-and-standards process for phase 1 by the end of the year. Those standards are being drafted now; we have external drafting assistance. Then we'll look to publish the standards in early 2024. As soon as that work is progressed, we will commence—

Senator SHOEBRIDGE: Phase 2?

Mr Dagg: in earnest the phase 2 codes work, yes.

Senator SHOEBRIDGE: Can I ask you about a particularly noxious website called Doxbin? I think you've indicated previously that you've had some complaints about Doxbin. It is said to operate on the dark web. Could you identify what the concerns are about Doxbin and how many complaints you've had in relation to it?

Ms Inman Grant: We're looking at a complaint right now with Doxbin, which is now in the clear web. I will refer that again to Mr Dagg.

Mr Dagg: We've had 10 complaints in relation to Doxbin, centred on matters brought to us under the Adult Cyber Abuse Scheme. As the name suggests, it's a site which specialises in doxxing—revealing people's personal information, normally with an allegation of wrongdoing attached to that publication of personal information which heightens, of course, complainants' fears that they will be targeted on the basis of spurious unsupported allegations which shouldn't be published on that site in the first place.

Senator SHOEBRIDGE: What is being done to prevent Doxbin fulfilling that function of allowing hateful vindictive doxxing?

Mr Dagg: It goes to some of the issues we've spoken about before in relation to there being no option under the Online Safety Act for us to take action against an entire domain. In relation to a complaint made to us under the Adult Cyber Abuse Scheme, we collect the necessary evidence to determine whether the threshold issues under the Online Safety Act are satisfied. The options provided to us under the Online Safety Act, as they relate to cyberabuse, are removal. A removal notice is issued to either the content service, the end user—if we can identify that end user—or the hosting service, or all three if we decide that to be appropriate.

Senator SHOEBRIDGE: In cases like Doxbin, that are normally hosted offsite, it's the online host which is the most likely target for that take-down notice?

Ms Inman Grant: I might also add that if we are unsuccessful in going directly to the content provider and the host we can also send a notice to D-Index about the search engines.

Mr Dagg: Not in relation to adult cyberabuse. We can make that request informally to search engine providers like Google. We've had success with that. In fact, in relation to this current matter, Google has assisted us to suppress at least one of the links related to the complaint as it concerns Doxbin.

Senator SHOEBRIDGE: Have any notices been issued in relation to Doxbin?

Mr Dagg: Not to my knowledge, but I can take that on notice and get back to you, because there have been some contacts with Doxbin over earlier parts of other schemes, so I'm happy to take that on notice.

Senator SHOEBRIDGE: Could I ask you about Twitter? The most recent report of Twitter suggests that some 74 per cent of the misinformation about the current conflict in Israel and Palestine on X, formerly Twitter, has actually come from verified accounts—blue-tick accounts. Are you aware of any of the research that shows the extent of the misinformation being shared on Twitter?

Ms Inman Grant: Misinformation is not within our remit. That's within the remit of the ACMA.

Senator SHOEBRIDGE: What about hate? What about the issuing of hate speech and online hate?

Ms Inman Grant: We issued a regulatory action in June of this year against Twitter/X around online hate. We've asked them a number of questions, ranging from their terms of service to how verified or Twitter blue accounts might be protected or even have their content amplified, and a range of questions about their trust and safety people and operations. We've given them a number of extensions. We just received the last extension, I believe, last week, and we're considering the information they provided us, and when we reach a conclusion then we will put out a report and determine whether any action should be taken.

Senator SHOEBRIDGE: When you say 'received the last extension', do you mean that the last extension expired and the last information was supplied last week?

Ms Inman Grant: Yes.

Senator SHOEBRIDGE: Do you have a time frame for when you expect a response from Twitter? And could you provide, briefly—because I know I've run out of time—the options that would be available to you in response?

Ms Inman Grant: As you know, through the most recent, the second set of notices we've issued at Twitter with a service provider notification and infringement notice—so, we have that present process going. They had 28 days from the time we issued the infringement notice to pay or to not pay, and we have a range of options there. We will have those same options available to us if they don't comply with this particular notice, in addition to a range of other potential courses of action.

Senator SHOEBRIDGE: They're potential fines in the order of hundreds of thousands of dollars?

Ms Inman Grant: Yes, initially. If they decline to pay or we fail to withdraw an infringement notice that they petitioned to do so and it goes to the court, then, depending on what the court finds, they can fine them over \$700,000 a day from the time at which they're out of compliance with the notice.

Senator HENDERSON: Commissioner, I want to raise with you questions that we raised in the last estimates about your budget, where we discussed inappropriate claims made by the minister that she had 'quadrupled' funding for the eSafety Commissioner's office. As we know, she folded all the programs into the base funding amount that was allocated. You certainly don't have to come back and keep on justifying your expenditure, which is good. But I just want to put on record that in 2021-22, in the budget outcome for the year, eSafety received \$53 million in total funding, which is base and program funding, which is basically the same as, if not slightly more

than, the funding you are now receiving. Just in relation to your funding needs, do you have enough funding to do the job that you're now doing, given online safety is becoming a more pervasive and serious issue in this country?

Ms Inman Grant: What I think is good is that we can go back to the department and to the minister's office when there are acute needs or when we have surges in reports or other issues where we need to build capability and uplift. The additional \$6.7 million provided to us over the next several years to deal with the Middle East conflict so that we can have more investigators and be able to take more referrals and engage in a data and technology capability uplift is very much welcomed. Is there anything you'd like to add?

Ms King: Yes—just to state that we have allocated our budget this year accordingly and we have sufficient funds to operate according to our priorities.

Senator HENDERSON: Have you made many submissions to the minister about other funding needs, Commissioner?

Ms Inman Grant: Not since we were made whole. I'd also note that Minister Rishworth and Minister Rowland announced an extension of the Be Connected program last week, which will see us funded for that as well. Again, as particular issues arise where we see threats and trends and may not have funding, I feel that the door is always open. We cut the cloth to fit and do the best we can with the modest funding we have. We think we're punching above our weight and we're utilising that money well and doing quite a bit.

Senator HENDERSON: Commissioner, one of my major concerns is e-safety and online safety in schools. Particularly coming out of the pandemic, with so many children on their devices far too often, the online safety of schoolchildren is, I think, a concern to most Australian parents. What are you doing to protect schoolchildren online, and what more do you need to do? My sense is that you don't have nearly enough resources to ensure that every Australian schoolchild is safe online and that every school has what it needs to keep Australian children safe online.

Ms Inman Grant: It's true we don't have boots on the ground in every state and territory or in every school, but what we've done to try and address that, first, is that through our webinars and our virtual classrooms we've reached more students than ever—45,000, I believe, just recently with the last set of virtual classrooms. We've also set up a National Online Safety Education Council, which involves 27 different departments of education. It's not lost on anybody here that we have a fragmented education system: federal, state, territory, Catholics and independents. So this is a way we can meet periodically, find out what their needs are, brief them on relevant issues and trends that we're seeing, and try to work through all these different education bodies to make sure that that's being distributed out to the schools.

Senator HENDERSON: In what form are you reporting back to the council? Are you doing quarterly reports? What's the frequency of meetings?

Ms Inman Grant: We're having quarterly meetings.

Ms King: Yes. The National Online Safety Education Council meets quarterly. We just had our meeting in September, and the next one is scheduled for December. What we do through the course of those meetings is take the opportunity to provide all of the education representatives with a full summary of all the major issues that we've been dealing with over the quarter and also invite their input into the discussion to learn more about what they're seeing in their school environments. We've recently invited our colleagues from the Australian Federal Police to address the council to describe how the AFP handles child sexual exploitation issues. That was done in particular because members of the council were expressing concerns about the extent to which their students were being targeted by sexual extortion matters. So, in forming the agenda, we're responsive to the concerns being expressed by the members of the council, and it's been a very well subscribed program.

Senator HENDERSON: Are you able to, on notice, provide me with the latest report of the council, including the correspondence to and from the council, between the education—

Mr Dagg: The council doesn't issue a report so much as convene to meet within a forum. We can look at providing you with information about the agenda items that were discussed at the previous—

Senator HENDERSON: Sure, and also any briefing notes or advice in relation to your last meeting and relevant correspondence.

Mr Dagg: We'll consider that on notice, absolutely.

Senator HENDERSON: That would be terrific. Commissioner, is it open to you to independently fund an age assurance trial under your powers?

Ms Inman Grant: No. The government made a determination around the technology trial. We don't have money set aside in the budget to do that.

Senator HENDERSON: How much would it cost to run a trial, in rough terms?

Ms Inman Grant: We've looked at other trials—for instance, the euCONSENT double-blind trial, but that covered a whole range of issues, like alcohol, knives and tobacco, as well as pornography. That was about 1.4 million euros. Again, the agencies involved would have to design a technology trial to make sure that it was appropriate for the Australian context and that we were testing for things that we wanted to test for. Our recommendation would be that you don't just run this on pornography sites but also make sure it's systemic and run it across a range of social media sites and other sites we know that children are accessing porn on, but we're not there yet.

CHAIR: I need to rotate the call, Senator Henderson.

Senator HENDERSON: Sure, Chair. I've got probably about another five minutes of questions.

CHAIR: We'll rotate and come back to you. I will take the opportunity to advise that we will not be seeing the Classification Board, we will not be seeing the Classification Review Board, and we will release the department at outcome 6.1. So we will just be finishing up with the eSafety Commissioner, and then, hopefully, we'll get to NBN Co as well, but everyone else is free to go. Senator Faruqi.

Senator FARUQI: You may be aware, Commissioner, that it was revealed recently that Meta, specifically on Instagram, translated the bios of users who supported Palestine and used the word 'alhamdulillah', written in Arabic, to say 'terrorist' in English. To be precise, the issue affected users with the word 'Palestinian' written in English on their profile, the Palestinian flag emoji and the word 'alhamdulillah' written in Arabic. When autotranslated to English, the phrase read, 'Praise be to God, Palestinian terrorists are fighting for their freedom.' You are aware of this issue; I can see you nodding. Do you think this is an issue of online safety for ordinary Australians who are either Palestinian, Arab or trying to support Palestinian voices on social media, who are then being labelled as terrorists by Meta? Have you communicated with Meta about this?

Ms Inman Grant: I have not communicated with Meta about this. I just read about this yesterday in my clips, and I thought it was very unfortunate. This is a time of heightened sensitivity, and Facebook and Meta have been around since 2004. They do invest in content moderators that speak a range of languages. In fact, that was an online safety issue that we looked at in our latest basic online safety transparency report because there is such a huge variation. Some companies, like Google and TikTok, may have content moderators in-house in more than 70 languages, but there are companies like Twitter that only have 12, which means that they have to outsource and they risk even more precision. For any of us that have a role in dealing with any form of online hate or any propagation of potential terrorism, it needs to be very precise in terms of how it's labelled and discussed. I saw that they gave an apology, but I will commit to you to look further into it to see whether they can provide us, as the regulator, with further information as to why that happened and how they will prevent that from happening again.

Senator FARUQI: Thank you very much for that. There have been other concerns raised by social media users regarding the shadow banning of content that voices support for Palestinians by Meta, which obviously owns Facebook and Instagram. One example I have is of Fatima Bhutto, who is an internationally acclaimed author, and who was shadow-banned by Meta on Instagram for sharing content on Palestine and Israeli bombardment. Her comments were shut off so people could no longer thoroughly engage with the post, and the posts were de-prioritised. I imagine she's not the only one. We have heard from others as well. Is this suppression of marginalised voices by Meta a concern to you?

Ms Inman Grant: Anything that we could verify as a suppression of voices would be of concern. But that would be another thing that we would have to really interrogate because each of the platforms have their own terms of service, in terms of what violates the terms of service. Without being able to validate what was said to have violated their policies that would result in a temporary or permanent suspension—that would be something we would need to ask about and interrogate further.

Senator FARUQI: If you could ask about that and interrogate that, that would be really good, because what I'm hearing is that there is censorship happening, at this point in time, of Palestinian voices, so I'd really appreciate that.

Ms Inman Grant: Sure thing.

CHAIR: Senator Henderson.

Senator HENDERSON: Commissioner, can I ask about the recent action you took against Google and X for noncompliance with transparency notices, in the form of an official warning and a \$610,500 fine, respectively. I want to explore not only whether you think this is enough to ensure their compliance but whether you are seeking additional powers in relation to the conduct of the platforms.

Ms Inman Grant: Of course, we initially gave all of the platforms 35 days to respond to the notices, and we've kept the door wide open in terms of consulting with us so that we can get the specific information we require in the manner or form that was laid out for them. As you know, it took us seven months in total.

We did feel that we had to send a strong deterrent message. We felt that the way that we differentiated the penalties—the formal warning against Google vis-a-vis the much more egregious obfuscation that we saw from Twitter in terms of not answering questions at all and providing us misleading or inaccurate information. I think, yes, it isn't a deterrent. It's not always the fine that determines whether or not a company will change behaviour. They're very sensitive to impacts on their reputation. In fact, one of the company's executives who we hadn't really had access to was interested in speaking to us about it because it appeared in the *New York Times* and on CNN, the BBC and everywhere else. So, to a certain degree, naming and shaming does work. They now know that we're very serious. When we ask questions about transparency, we expect them to be as transparent as they possibly can. We're very reasonable when they raise legitimate issues of commercial-in-confidence information. We're not here to create a weaponisation blueprint, so we make sure that we're engaging with child safety experts and law enforcement to make sure that anything that we put out there is in the public interest.

Senator HENDERSON: Have they paid the fines?

Ms Inman Grant: We only issued an infringement notice to Twitter. They still have, I don't know, at least—

Mr Dagg: They have 28 days from the date of service.

Ms Inman Grant: But that was well over a week ago. So they still have some time to pay that. We'll see if they pay. As I just indicated, we have another, similar BOSE enforcement action pending against X right now, with respect to online hate. I think now they know how serious we are about enforcing these notices, so hopefully we'll see a stepping-up of information that they provide us. But Twitter/X has engaged counsel here in Australia and we've been engaging with counsel as well as—

Senator HENDERSON: Did you say they've got a new general counsel?

Ms Inman Grant: They have retained external counsel here in Australia.

Senator HENDERSON: Sorry, I didn't hear.

Ms Inman Grant: We've been dealing with their external lawyers and representatives both in San Francisco and in Singapore over the past seven months.

Senator HENDERSON: Alright. Thank you.

CHAIR: Commissioner, thank you so much for your time, and we're so sorry for having kept you for so long.

Ms Inman Grant: That's alright.

CHAIR: I'm sorry that you have to continue!

Senator HENDERSON: Thank you very much again, and our apologies for the lateness of the evening.

NBN Co Limited

[22:01]

CHAIR: What more fun could you have than sitting in Canberra for hours on end, waiting to speak to a bunch of senators! Mr Rue, as chief executive officer, would you care to make an opening statement?

Mr Rue: I have an opening statement, but we've sent it to the secretariat.

CHAIR: Do you want to give us the elevator pitch?

Mr Rue: It's not long. Of course.

CHAIR: I think that's great. It's a nice way to give us some context.

Mr Rue: I'm very happy to do so. Again, good evening. It's honestly good to be back with you again and not be on video. I will honestly be brief. Let me start with our fiscal year 2022-23 financial results, which saw a total revenue of \$5.27 billion on total earnings before interest tax depreciation and amortisation of \$3.59 billion. This means we met all the financial targets the company set itself for the year. I want to take a moment also to mention the publication of our 2024 corporate plan, which sets out expected revenue of between \$5.3 billion and \$5.5 billion—which is a modest increase on this year—with a projected EBITDA of between \$3.7 billion and \$3.9 billion. This plan reflects NBN's focus on upgrading and improving the network through investments in new technologies such as XGS-PON over fibre-to-the-premises, which enables equal download and upload capabilities, and distributive access architecture over our cable network, which will enable NBN to continue to meet what we believe will be a strong future demand for data and enable innovation for households and businesses as they access new applications such as smartphones, virtual reality and generative AI. We've also

been very successful in our debt-raising efforts, recently securing \$2 billion in the US markets. This means we are well on track to repay the remaining \$5.5 billion Commonwealth loan by June next year and demonstrates the confidence of debt investors in the company.

Today, there are just under 8.6 million homes and businesses connected to our network and more than 12 million premises ready to connect. Of the 12 million ready to connect, we are on track to achieve our target of having 75 per cent of the fixed-line footprint being close to gigabit capable by the end of 2023. We are seeing positive momentum in the demand for fibre connect orders, which were recently averaging over 5,000 orders a week, with more retailers now offering fibre services and more areas being made ready to order a full fibre upgrade. This growth in orders demonstrates that strong demand for fibre exists when upgrades are actively promoted to customers. With an average network availability of around 99.96 per cent, the customer experience has never been better across the NBN network, with far fewer outages due to faults. We are seeing this translate into a continuing downward trend in complaints to the Telecommunication Industry Ombudsman, or TIO. In the 2022-23 annual report, the TIO noted complaints for services over the NBN network regarding faulty connections were down 35 per cent compared to the same period last year. NBN is always looking to build more capacity and reliability into its network, including in regional Australia. Across fiscal 2023, NBN's fixed wireless and satellite upgrade program lifted the capacity on the fixed wireless network by more than 50 per cent.

We are also well on our way to enabling around 120,000 customers in previously satellite-only areas to access our fixed wireless network for the first time, with 28,000 premises already migrated. This migration has allowed us to offer improved services for our satellite customers, and in June we launched our first Sky Muster Plus plan that offers uncapped data, which is subject to fair use policy and shaping, along with wholesale burst speeds of up to 100 megabytes per second. This new product is hugely popular, with more than 25 per cent of our satellite customers now using it. This has been a fantastic result, with some of NBN's key milestones being achieved months ahead of schedule.

In the case of satellite, we've started exploring options for the future, and in June 2023 we released a request for information to a number of low earth orbit, or, as we would say, LEO, satellite operators. At present we are considering the responses we received to our request. We are planning for the future needs of regional Australia while continuing to deliver improved and affordable services of the NBN Sky Muster satellite network.

On 17 October 2023 we achieve a landmark outcome for the entire industry with the ACCC's acceptance of NBN's special access undertaking, or SAU. The SAU will deliver a new approach to wholesale pricing, supporting faster internet speeds, greater data demand and improve cost certainty and regulatory predictability for retailers and customers. We're on place to have new pricing in place by 1 December this year. Importantly, by the end of this year we will eliminate CVC, or capacity charges, from our higher speed tiers, which offer wholesale download speeds from 100 megabytes per second to close to one gigabyte per second. This will deliver greater cost certainty to retailers and long-term cost savings for customers than would otherwise be the case under our current wholesale price structure given the trend for data growth. The SAU will also support NBN by affording reasonable opportunity for NBN to generate and achieve sufficient revenues to invest in our network so that we can keep delivering for all Australians.

We've also been conducting a parallel industry consultation on the revised wholesale pricing in a new wholesale broadband agreement, called WBA5. Executable agreements were issued to our retail service providers on 9 October with a view to reflecting the SAU variation, with our new products, wholesale prices and non-price terms coming into effect from 1 December 2023, as I stated earlier.

Gavin and I are happy to take your questions, and thank you for taking my statement.

CHAIR: We'll go to Senator Pocock.

Senator DAVID POCOCK: I know we've covered the rollout in the ACT in previous estimates. I'm keen to follow up. My understanding is the nationwide target for gigabit capable premises is 90 per cent, but the target in the ACT is 60 per cent; is that correct?

Mr Rue: Ninety per cent, yes, and our original target for the ACT was 57 or 58 per cent, not quite 60.

Senator DAVID POCOCK: Is it still 57 or 58 per cent?

Mr Rue: The challenge we're having in the ACT, as I think we've explained in previous hearings, is that the cost of building in the ACT is expensive, and the reason is that there is a lot of backyard—sorry, I know you know this—network we've got to build. We've got to use poles that are provided by the energy operator, Evoenergy, in the ACT, and the poles need work for us to be able to put our additional infrastructure on them. When we've looked at the cost of building out in the ACT, unfortunately there are premises elsewhere in the

country that are more cost-effective for us to build to. Unless there's a change in the cost of building that rollout, we're probably more looking now at 50 per cent.

Senator DAVID POCOCK: Fifty per cent. So it's 90 per cent elsewhere and 50 per cent in the ACT because of those issues?

Mr Rue: It will be 90 per cent. Yes, that's correct. The other issue in the ACT is that there was never a Foxtel cable network built in the ACT, so there were more fibre-to-the-node premises built in the ACT as a result. Therefore, there's more to do, if you like, to get to the 90 per cent. We'll certainly get to 50 per cent, but unless those costs, basically, or our costs, of building come down we're now looking at 50 per cent. About 17,000 premises are impacted.

Senator DAVID POCOCK: Wow, 50 per cent. In previous estimates you've talked about Victoria, I think it was, doing a deal with the NBN—

Mr Rue: Yes.

Senator DAVID POCOCK: It was essentially to bridge the gap for premises that aren't viable under your model, or which don't make sense. Evoenergy is partly owned by the ACT government, as—

Mr Rue: Yes, it's 50 per cent ACT and 50 per cent AGL, I believe.

Senator DAVID POCOCK: Yes. Are there discussions about a deal to get more fibre to the premises for Canberrans?

Mr Rue: You've also asked me many times about discussions with the Chief Minister. I did actually meet the Chief Minister in August, I think, and explained to him the challenges in the ACT. I can't talk for Evoenergy, but they would have to invest earlier than they would normally do, I guess, to operate those poles. The question would be whether there would be additional funding coming from the ACT government.

You talked about the Victorian arrangements. In September 2020 we set up a \$300 million investment fund to co-invest with states and territories. What that basically does is enable a state to contribute to the cost of infrastructure build where we would otherwise not have done it because we're borrowing so much money. As a GBE, we've got to have a commercial return. So it is available to the ACT government. I not only discussed this with the Chief Minister, but my office has also followed it up with his office since. They talked about the areas that are impacted and, it's really in their hands if they want to come back to us and discuss co-funding.

Senator DAVID POCOCK: Was that your first meeting with the Chief Minister?

Mr Rue: No, it was my second meeting. You're stretching my memory, but I think I met with him two years earlier—it might have been 18 months, but it was my second meeting with him.

Senator DAVID POCOCK: In talking about the NBN, someone put the question to me—and I'm relaying this to you now—'Has NBN Co ever approached TPG about acquiring their VDSL network, constructed by TransACT?' They believed that this would significantly increase the number of NBN connected dwellings in the ACT, with marginal civil engineering cost. Does that sound right?

Mr Rue: TPG have a business called TransACT. I'm not aware of any discussions with TPG about NBN acquiring TransACT. I doubt that those arrangements would be permitted anyway through the regulator, to be honest with you. Generally, it's actually quite expensive for us to ingest another network into our network. It's quite complicated with IT and so on, but it's not something that's on the agenda. For us, it's about how we upgrade our network and how we continue to provide services. As I said in my opening statement, it's going to continue to grow.

Senator DAVID POCOCK: I'm keen to follow up on an answer to a question on notice, which I'll read it out. The answer is: 'Due to the absence of an existing HFC network and the resulting need to build more fibre to the node, the ACT has a relatively high proportion of fibre to the node of approximately 60 per cent—128,000 premises. Approximately 50,000 of these FTTN premises in the ACT are expected to be upgraded under the full fibre upgrade program.' I'm wondering what will happen to the remaining 78,000? How will they be made gigabit capable?

Mr Rue: We're operating under existing government policy, which is to get to 90-per-cent-gig capable. Any investment beyond that would require effectively funding into NBN, and that becomes a question for the government rather than for me, I'm afraid. My job is to execute the policy rather than to develop the policy. But to get to more than 50 or 57 per cent it would require the company—that is, NBN—to receive funding from a government policy or from the ACT government, which is presumably quite difficult for the ACT government. It would require government policy to say they wanted to get to more gig-capable premises than 90 per cent.

Senator DAVID POCOCK: I've got a few questions I'll put on notice for a bit more detail.

Mr Rue: I'm happy to take those.

Senator PAYMAN: We heard earlier from the Bureau of Meteorology that it looks like the summer will be hot and dry, and we've already seen a number of bushfires. Can you provide an update on how NBN is preparing your network for bushfire season?

Mr Williams: We've talked in Senate hearings before about some of the assets we have in place in terms of redundant network equipment. These are devices that we call 'network on wheels', which we can ship in. The key behind the question is what we're doing differently this year and what we've learned from previous natural disasters. I've characterised our work in terms of what we do for network preparedness, what we do in partnerships with relevant agencies, and what we do in education. As I implied, we always seek to learn from previous disaster seasons and to do a better job the next time.

This is the first season we're fully equipped with our disaster recovery centres under Strengthening Telecommunications Against Natural Disasters. We're fully acquitted on a program to rollout hybrid power cubes to high-value, fixed wireless nodes. These are redundant power systems that have diesel generated solar power and big batteries. In many disaster situations, reliable access to power is the key thing that determines whether the networks are up, as opposed to physical damage to infrastructure. Over the last year, we've deployed those assets and we've taken account of where we see threat risk in terms of some of our mobile assets to stage them ahead of the season.

In relation to the specifics of this season, we're stepping up our activities to clean up environmental protection zones around our physical assets—particularly our fixed wireless towers. We do multiple site visits and work with relevant grading agencies to understand bushfire threat, and take vegetation out on access roads so the fires can get access. We take pictures and share those with the emergency responders as well.

That's all the work on the network.

In terms of partnerships—and you mentioned the bureau—we've stepped up our engagement with the bureau. We now have some access to dedicated resources to channel very specific forecast information to us to really tune our response. Importantly, our relationships with power companies continue to improve as well. In fact, we're taking a leadership role in establishing machine-to-machine interfaces so that power outages can be really well understood on a granular and immediate level, rather than relying on phone calls and such things.

Finally, in terms of education, internally we train up our emergency liaison officers. We've got many emergency liaison officers that work anywhere from the federal agencies through to local response agencies. That education process flows through to local emergency groups. In fact, I recently participated in a group with Telstra and Regional Tech Hub down in south-west Victoria, meeting the local CFAs and emergency response groups, making sure there was a broad understanding of what each of us puts in place for disaster system, and making sure we can tighten up those links with those agencies. That was part of a national program.

Senator PAYMAN: Aside from the assets that you just mentioned, are there any other backup capabilities that you have to support communities and emergency personnel during those natural disasters?

Mr Williams: Yes. We have satellite communication systems in disaster recovery centres. There are over a thousand in place, including in community evacuation centres and, if you like, firey hubs. So they're directly in support of the emergency responders. We have a range of mobile assets from Network on Wheels that can take the place of an exchange if equipment is burnt down. We have used those in the past. If a fixed wireless tower is inoperable, we can wheel in a tower on wheels and pump up the mast and support temporary services. We have muster vehicles crewed by our community engagement professionals that can wheel out and provide communication backup, whether that's through direct communication from the vehicle or from portable fly-away kits. Those have been used very effectively in the past, like in the Lismore floods and in multiple events over the last few years.

Senator PAYMAN: Thank you.

CHAIR: Senator Henderson?

Senator HENDERSON: Thank you very much, Chair. I'd like to begin by asking about the special access undertaking, which was recently approved by the ACCC. I understand that, in your plan, the wholesale price of the 50 megabit plan will rise and there will be a reduction in the 100 megabit plan. Is that correct?

Mr Rue: Yes; that's correct.

Senator HENDERSON: And, on the 25 megabit plan, it's the case that, while you have provided a discount on the flat rate, you've also removed most of the free component of the usage charge and that retailers will now have to pay more for that. Is that correct?

Mr Rue: No. Retailers will pay less on the 25/5 on average.

Senator HENDERSON: That doesn't seem to add up, because, just in the last couple of days, Aussie Broadband has put up its price for the 20-megabit plan by \$6 a month, and, as reported in *CommsDay* just yesterday, it's also increased the price of its 12-megabit and 50-megabit plans by \$6 a month, with the popular 50-megabit plan jumping from \$79 to \$85 month. This doesn't look like good news at all.

Mr Rue: That's a decision that one of our retailers has made on a retail basis. You asked me about the cost to the retailers of our various price plans. You're quite correct, the 100 plan will come down by between one and two per cent on average. For the 50 plan, the cost to retailers will, on average, rise by about two per cent, and, for the 25/5 plan, the cost to retailers will reduce. What any individual retailer will do is up to them in terms of their retail prices.

Senator HENDERSON: It seems that those at the lower end are being hit by increases even before there's been appropriate negotiation of agreements between the NBN and the retail providers.

Mr Rue: Again, if you're asking about retail prices, you need to ask the retailers. In terms of our input costs to retailers, which clearly drive some of their pricing decisions, we were very conscious, during the long discussion with industry and with regulators as to a long-term special access undertaking, around the low-speed end. So what you've seen is a significant reduction in the price of voice-only plans. You'll see a reduction in the average cost to the industry of 12/1 and the average cost to the industry of 25/5; both will reduce. If I could also add—

Senator HENDERSON: Sorry, Mr Rue. I'm going to cut in here to ask you to keep your answers brief.

Mr Rue: Sure.

Senator HENDERSON: I want to go to my point about the retailers and the wholesale price. At the end of the day, the only cost that matters for consumers is what they're charged by their retail provider.

Mr Rue: That's correct.

Senator HENDERSON: Retailers need to make a margin, which is a margin on top of what they pay to the NBN. The minister, in her media release, promised a positive outcome for households and said that this was great news for consumers. How can the government make that sort of commitment when we've just seen prices go up? The ink is barely dry on this announcement.

Mr Rue: Again, I can only talk to the input costs that NBN has into the industry. I know you want my answers short, so I won't talk about other things we're doing to help retailers with input cost. But, specifically on the SAU, the ACCC determined that the SAU was in the best long-term interests of consumers. In terms of the lower end, we not only have a low-income forum and are assisting the government on the School Student Broadband Initiative, but also the average cost to the industry of the 12- and 25-speed plans actually reduces. I talk about average cost to the industry because every retailer has a different structure of users and a different profile of how much data they use, but, on average, the input cost to retailers of both 12 plans and 25/5 plans reduces. What retailers choose to do in the market is a decision for retailers based on their own strategies. What I can say is—

Senator HENDERSON: On that point, the wholesale price is coming down on the 25-meg plan and yet the retail price, at least in the case of Aussie Broadband, is going up. Can I ask you to respond to the commitment by the government that this is good news for consumers, because the outcome is very poor for consumers, to see this sort of increase already.

Mr Rue: Again, I can't—and you can understand I should not—comment about any individual, particularly a listed company's decision—

Senator HENDERSON: Of course you can.

Mr Rue: No, I can't talk about a listed company's decision, but what I can tell you is that it's up to them as to their retail prices. The reason why it's good news for consumers is that this SAU, as I call it, provides cost certainty for retailers. As I said, the ACCC has determined it's in the long-term interests of consumers. It enables us to continue to invest in the network, provide better services over time—which is what people will need—and provide more reliability. It's an absolutely excellent outcome for the industry and for consumers. But what a retailer chooses to do—I'm sorry, but you need to ask them.

Senator HENDERSON: I would put it to you, though, that you do need to care about retail prices.

Mr Rue: I do care about them.

Senator HENDERSON: I understand that you don't have control over them; I totally appreciate that, but the take-up of retail plans is critical to the viability and success of the NBN. For instance, I've asked you about

Starlink before. Starlink is going gangbusters. No-one I know in regional Australia—no farm, no big agribusiness—is signing up to Sky Muster.

Mr Rue: I can ask Mr Williams—

Senator HENDERSON: And I'm saying that in general terms. That's the word on the street—that people generally are flocking to Starlink in droves—so caring about the retail price is really important.

Mr Rue: I do care about the retail price, but you're asking a question about something that I don't control, and it's one specific retailer. If you want Mr Williams to comment on—

Senator HENDERSON: I'd love to talk about that in a minute, but just on the SAU pricing—

Mr Rue: What I'm saying to you is that the average cost to industry for the 12 and the 25 actually falls. In fact, I have been on the public record saying that our average revenue per user, which is another way to say 'average cost to the industry', won't rise this year from the SAU. Effectively, our input cost to the industry is not rising this year.

Senator HENDERSON: I guess what is concerning about what we've seen already, within a very short period of time, is that these cost increases are hitting those with lower incomes, who can least afford this sort of increase at this time.

Mr Rue: My job—I say 'my job', but I mean the company's job; I'm sorry to personalise it. The company's job, as we were discussing with industry and with the ACCC, was to ensure that we were very conscious of that, and we were. That is why, for our voice-only product, our 12/1 product and our 25 product, actually the average cost to the industry reduces. That is why we also championed the chairing that we do of the low-income forum and why we supported the government on both Indigenous communities and the School Student Broadband Initiative. Finally, to repeat myself, the ACCC are satisfied that the pricing and service standards are in the long-term interests of consumers. Again, you need to ask retailers individually what they do. Finally, can I just say—

Senator HENDERSON: How do you then control a retailer from just ratcheting up the cost, then?

Mr Rue: I'll tell you why. It's because the industry is extremely competitive. There are multiple retailers in the industry. There are multiple opportunities for consumers to go and shop around. Again, I've encouraged consumers to do that. It is a very intensely competitive industry. That was one of the reasons NBN was established, actually—to create intensive retail competition. So competition in the marketplace is a way that that gets controlled. My job is to ensure that we provide great services, that we have a great relationship with retailers, that we continue to assist them in taking costs out of their business and the industry and that, again, our pricing structure not only reflects protection at the lower end but also provides incentive for retailers to sell the higher speeds, which is what people are going to want more and more. That's why it's in the long-term interest of consumers and good for consumers.

Senator HENDERSON: So are you concerned that the price increases we've seen with Aussie Broadband are going to ricochet throughout the market?

Mr Rue: I don't think there's collusion in the market. What I think—

Senator HENDERSON: I'm not suggesting that. I'm asking: are you concerned that this is going to be the beginning of price increases across the board, which will leave Australians worse off, particularly those who are really struggling to pay the bills at the moment?

Mr Rue: I think—

CHAIR: Before you answer this question, Mr Rue, can I please make the point that I don't believe that you're responsible for private retailers' pricing policy. Is that correct?

Mr Rue: I am saying that, but—

Senator HENDERSON: I think Mr Rue is big enough and tough enough to—

Mr Rue: No, I'm not—

CHAIR: It's not about that. It's just that we are going on this journey down the rabbit hole—

Senator HENDERSON: He doesn't need direction from you, Chair.

Mr Rue: No, I'm not, and—

Senator HENDERSON: I'm very keen on the rabbit hole, Chair, so I don't need your guidance.

CHAIR: He might want to have a conversation with you, Senator Henderson.

Senator HENDERSON: I have the call, so I ask, Mr Rue, for you to answer the question.

CHAIR: We can change that quite swiftly if you'd like. You're past your 10 minutes. I'm happy to let you go.

Senator HENDERSON: Mr Rue, could I ask you to answer that question.

Mr Rue: I'm not responsible for retail prices, and—

Senator HENDERSON: No, but my question is—

Mr Rue: I'm not willing to comment on individual companies' policies, but what I think you'll see is ongoing competition in the marketplace. As I said, where there is demand for services, I think retailers will find a way to meet that demand, and I think that's what you'll see. At the end of the day, Senator, this SAU discussion was all about balancing lots of things—balancing the need for NBN to be able to continue to invest, balancing the sustainability of the industry and balancing predictability for consumers and retailers—and ensuring that there was an incentive for retailers to sell both at the high speeds and incentive for retailers to continue to sell at the 12 and 25 speeds at an affordable level. Let's see how the market works all that out.

Senator HENDERSON: I'll come back, Chair, because I've got some more questions.

CHAIR: No, everyone else is finished.

Senator HENDERSON: Terrific.

CHAIR: We're just waiting for you. A relevant question would be nice.

Senator HENDERSON: I might hand over to Senator Davey. If you maybe could not reflect on my questions, that would be good.

Senator DAVEY: I have a few questions. One of the problems—and I understand where Senator Henderson's concerns are—is that Aussie Broadband specifically said in their announcement of the price rises that it was due to the SAU. So maybe their messaging is causing—

Mr Rue: All I can tell you is that the input cost to the industry is not rising this financial year. As I said, our average revenue per user won't grow, and that's another way of saying the average cost across the industry won't increase. Not only that, but in future years our price rises will be capped—it's called a weighted average price cap—at no more than CPI. Again, you would have to ask individual retailers the question.

Senator DAVEY: So, potentially, their public statement was slightly taking advantage of your announcement about SAUs and making a link that isn't yet in place.

Mr Rue: I can't comment on that.

Senator DAVEY: No, you can't. You mentioned the school broadband initiative. It's kind of misnamed because it's not for schools—it's for families.

Mr Rue: Sorry, that's my fault. It's called the School Student Broadband Initiative. That's my fault. It is actually about school students. That's my fault; I'm sorry.

Senator DAVEY: That's fine. When I first saw this, I obviously thought it was a very interesting initiative. I've worked with the Isolated Children's Parents' Association, trying to get it out there and get families to take it up. The announcement said there would be 30,000 families who could access it, but it's had a very low uptake—only about 4,000 households to date is my understanding.

Mr Rue: It's just over 4,000. That's correct.

Senator DAVEY: Prior to the announcement by the government, what work did you do with the government and the department to make the cost estimates and the estimates of the number of families who might take it up?

Mr Rue: It was an election commitment, so my team wasn't involved.

Senator DAVEY: This was an announcement made by the government with a number that they reached by themselves of 30,000. It was a commitment that sounded very good—when you read it, you go, 'That's fantastic'—but, in the actual implementation, potentially the demand wasn't as great as—

Mr Rue: Firstly, how it was set I'll have to take on notice, and we'll see, because it was not from me. As I said, there are 4,300 families approximately connected today. We are now working with 54 different organisations, including the Smith Family, Salvation Army, St Vincent de Paul, independent schools, Catholic schools and all state departments, actually, except for New South Wales and Tasmania. I should say that members of both the Senate and the—

Senator DAVEY: House of Reps.

Mr Rue: House—thank you.

Senator DAVEY: That other chamber!

Mr Rue: You always make jokes about it! It's very late; I'm so sorry. Members of the Senate and the House have actually all been talking about it, so thank you for that. I think that's great. Basically, families still have until

24 April to sign up, and it lasts a year. So there are a lot of bodies now organising this. Only last week Minister Rowland announced the National Referral Centre. It was launched last week, and it's operated by Anglicare Victoria. This basically enables people to self-nominate, if you like, and go through a quicker process to actually have access. We have issued a lot of vouchers on this. We really help administer but have no role in nominating families. That's hardly for NBN to do. But, when a voucher is issued to an eligible family, that family can go and contact their retailer with the voucher and essentially get the school student plan for a year. It is building momentum, and I hope that we see many families join the scheme. Where there is a need for school students, there's no better service, in some ways, than NBN. It is building. It is growing.

Senator Carol Brown: The Tasmanian government, through housing, is working to get people connected. I think you said—

Mr Rue: I said otherwise. So, if I'm corrected, I'm wrong. We're working with—maybe it's separate from the Department of Education.

Senator Carol Brown: Yes. It's through housing.

Mr Rue: So it's involving Tasmania as well.

Senator DAVEY: You're working with at least 54 organisations, if not more, and to date you've only connected 4,000. So it's a slow burn.

Mr Rue: We're starting to see—

Senator DAVEY: Do you think it could have been rolled out more efficiently or could have had those relationships in place in the first place, before the announcement was made, so we would have had a much speedier uptake?

Mr Rue: You're asking me a policy question, I'm afraid.

Senator DAVEY: True. That is true.

Mr Rue: What I would say is that there is a lot of effort that has gone into this not only from my team but also from the department to find a way of reaching these families, not only when they're reached but also when they get a voucher, as well as helping them to execute, put that call in and get the service. The fact that we've issued 22,000 vouchers indicates that there is demand out there. It's now a case of turning those vouchers into families on this scheme and giving kids the education they deserve. That's what this is about.

Senator DAVEY: You've got 22,000 vouchers on issue. You've connected 4,000. That's 26,000.

Mr Rue: No, that's in the 22. Don't add them.

Senator DAVEY: Oh, that's inclusive. So you've still got 18,000 to go. Do you think you'll get there before the end of April 2024, by which time they've got to have signed that?

Mr Rue: I don't know the number, but I hope we see a lot more families connect onto this program, because, as I said, it is important. I don't have it here with me, and time is short, but I've seen some really lovely messages from parents who are very grateful for the service that their kids have been able to afford through this scheme.

Senator DAVEY: What happens after a year? When they've had the service for a year and got used to free internet, at the end of the year, bang. They might be families who can't afford Aussie Broadband's price increases.

Mr Rue: That's a question for government, but I do know that they're working that through with the department.

Senator DAVEY: On a different topic—because I'm always interested in the new technologies that are coming out and the offering in regional Australia. As Senator Henderson quite rightly pointed out, there are a lot of farmers who are now switching to low Earth-orbiting satellites, or LEOs, which currently are not offered by NBN. What will that mean for you? Sky Muster Plus is doing great since all these farmers are moving off it! That's my little declaration of interest. But what does it mean for NBN with your figures and your connections? You mentioned in your opening statement that you've put out an expression of interest. Is that maybe to develop partnerships to deliver a service through LEOs?

Mr Rue: It's a whole pile of things. I've got the expert on this sitting beside me, but we are expanding our fixed wireless offering. That enables us to take customers off satellite and onto fixed wireless. We've issued some unlimited plans on Sky Muster, which, as I said in my statement, has had a great take-up since we launched that. Yes, we are exploring options. It is purely exploring options, but we are exploring options with low-orbit satellite providers for a way to, over time for us, potentially be able to utilise low-orbit satellites.

Mr Williams: There was a point that was raised about there being lots of hype about the LEO services that are around now, and I agree that there is a lot of hype, but sometimes I think it drowns out some of the value

proposition of Sky Muster services that have \$0 standard installs. We support the service with \$0 calls if the service goes out, and it's significantly cheaper on a monthly basis. I speak to people in regional Australia all the time who are confused about what some of their options are—and there are plenty of independent sources of options, like Regional Tech Hub, that people can get in touch with and get an objective test of what's available. I've got to say I use Sky Muster. I use the Sky Muster Plus premium service in Victoria as well, and I love it. If you're watching the Rugby World Cup, every blade of grass—

Senator DAVEY: Except we lost!

Mr Williams: Except we lost. You might like watching Taylor Swift videos. In my case, you could spend all day on a video meeting, and it doesn't skip a beat. You mentioned the ICPA. We keep in touch with those thought leaders in this sector, and I joined the ICPA group in Darwin as well. We get lots of positive feedback about the changes we're making.

Think about where we were half a decade ago. We used to talk about data drought. Here we are now, upgrading fixed wireless service with speeds ranging up to or over 300 megabits per second, pushing the geographic coverage of that service from about 200,000 square kilometres to about 350,000 square kilometres, enabling us to deliver the holy grail for our satellite product, that being uncapped data for all internet needs—the holy grail of avoiding data anxiety. I think the fact that there are these options that we didn't have half a decade ago is a marvellous thing. We're doing that upgrade to our fixed wireless network. We're pushing the technology in fixed wireless and satellite for everything it has got. Meanwhile, we're looking at opportunities to embrace these emerging technologies down the track as we retire the constellation that we've got in space right now and that approaches end of life.

Senator DAVEY: Thank you.

Senator HENDERSON: Chair, could I seek the call?

CHAIR: Certainly, Senator Henderson.

Senator HENDERSON: Thank you. Assistant Minister, I want to return to the special access undertaking announcement. The minister announced there would be a positive outcome for families, and yet, as you've heard tonight, families are now paying more. What do you say to that? I refer in particular to the Aussie Broadband price increase, which has, on average, gone up. Plans have gone up by eight per cent. For families on the lowest cost plan, who are likely to feel the impact the most, the increase is more than 10 per cent. Doesn't this make a mockery of the minister's promise?

Senator Carol Brown: The evidence that I've heard here tonight is that those plans, the 12 and 25 megabit plans, have gone down two per cent.

Senator HENDERSON: No, that's the wholesale price.

Senator Carol Brown: I'm talking about—

Senator HENDERSON: I'm asking about the retail price.

Senator Carol Brown: You asked me whether I have heard the evidence tonight—

Senator HENDERSON: No, I'm asking about the retail price.

Senator Carol Brown: and I'm telling you what evidence I heard. As per what has been said here today, the decision made to the SAU has established a long-term regulatory framework which will operate until 2040 and will deliver greater price stability, keeping prices in line with inflation and protecting consumers from unexpected price hikes.

Senator HENDERSON: Could I stop you there because—

Senator Carol Brown: We've also heard that—

Senator HENDERSON: Sorry, I want to redirect you to the question that I asked. I wasn't asking about wholesale prices. The minister promised that this would be a positive outcome for Australians, and, already, within days of the announcement, we've seen Aussie Broadband customers being hit with very big price increases. Doesn't this make a mockery of the minister's promise?

Senator Carol Brown: Let's just have a look at the history of the SAU—

Senator HENDERSON: We're looking, and Australians are very unhappy.

CHAIR: Senator Henderson, let the minister answer the question.

Senator HENDERSON: I am.

CHAIR: Stop speaking over each other, please.

Senator Carol Brown: The current SAU process started in 2021, but the proposal that was endorsed by the former Liberal-National government would have allowed NBN prices to increase up to three per cent plus inflation on some priorities.

Senator HENDERSON: A point of order, Chair—I'm sorry.

Senator Carol Brown: No. It's important.

CHAIR: Hold on a second, Minister. What is your point of order, Senator Henderson?

Senator HENDERSON: I would ask that you direct the minister to be directly relevant to my question, which was about retail prices.

CHAIR: It is up to the minister how she chooses to answer. She is in the broad ballpark of your question. Minister?

Senator Carol Brown: The question was about the SAU and the decision. And—

Senator HENDERSON: No, it was about the retail prices. You clearly don't want to answer it. It's embarrassing for the government.

Senator Carol Brown: No, it's not. What? We've already—

CHAIR: Enough. Thank you.

Senator HENDERSON: I'm sorry. Assistant Minister, could you please—

CHAIR: No, Senator Henderson, please—

Senator Carol Brown: What—

CHAIR: Minister! Come on, people.

Senator HENDERSON: Please don't run interference for the assistant minister.

CHAIR: It's late. There's no need to—

Senator HENDERSON: I know. I just would like my question answered.

CHAIR: Senator Henderson, please. We're not going back to this.

Senator HENDERSON: Please don't run interference for the assistant minister, who's embarrassed by this.

CHAIR: It is my call.

Senator HENDERSON: Assistant Minister, would you answer my question, please?

CHAIR: Senator Henderson, it is my call. We have only got a very short period of time left to go. I would ask that we all try and behave ourselves for these last 10 minutes. It's not a lot to ask. It has been a long day. Going around this issue, I appreciate, Senator Henderson, that you are very concerned about these retail prices—these private provider retail prices. I don't know if Senator Brown has that level of detail on this particular issue or whether she needs to go and find out anything further. I know that the issue came up in the newspapers this morning, but I don't think that everybody talking over each other at this time of night is of any value to any of us.

Senator HENDERSON: Chair, could I take a point of order, please.

CHAIR: So I would say if we could just stay a little calm—

Senator HENDERSON: Chair, I'm asking—

CHAIR: Senator Henderson, you've had the majority of the day asking your questions, and I have let you do that, and I have asked you right now to not take us to the end of the day in this manner.

Senator HENDERSON: I'm making a point of order. I'm entitled to be heard on the point of order.

CHAIR: I have asked you very clearly not to do this at the end of the day. We will resume your questioning—

Senator HENDERSON: Chair, point of order, please.

CHAIR: If you could just stop talking over me.

Senator HENDERSON: No, I'm taking a point of order.

CHAIR: I have said to you before that a point of order does not mean that you can speak over the top of me and I have to stop my sentence.

Senator HENDERSON: No, I'm entitled to be heard.

CHAIR: I will finish what I am saying and then I will take your point of order. If you could just be respectful of everybody else—

Senator HENDERSON: I'm entitled to be heard on the point of order at the time I make the point of order under the standing orders.

CHAIR: You are indeed, yes, but not in the middle of a sentence. I have the right to finish my sentence, Senator Henderson. So please let us not—

Senator HENDERSON: Chair—

CHAIR: If you could stop, we might be able to get to your point of order.

Senator HENDERSON: I'm entitled to make my point of order under the standing orders.

CHAIR: You're obviously not listening to a word I'm saying.

Senator HENDERSON: I'm just taking a point of order. Could I please make a submission on the point of order. On the point of order, Chair: I have the call. It's appropriate for me to ask the minister questions—

CHAIR: No, I'd already said that you did not have the call, Senator Henderson. If you'd like to check the *Hansard* later, I said you did not, because you were busy talking over the minister. I said you did not have the call.

Senator HENDERSON: You were running interference for the minister. Could I have the call so I can finish my questions, please.

CHAIR: Senator Henderson, there are nine minutes left to go.

Senator HENDERSON: Please don't speak to me in that way, Chair.

CHAIR: If we could please try and stay calm and try and be respectful, I'd be very grateful.

Senator HENDERSON: I'm very calm and I'm very respectful. I'm very calm.

CHAIR: Senator Henderson, you may now ask your question.

Senator HENDERSON: Thank you. I would like it if I could just ask my questions to the assistant minister and if the assistant minister could address them. I'm raising questions about the cost-of-living pressures on Australians. There was a commitment by Minister Rowland that this would lead to a positive outcome for consumers, and what we've seen are very significant price increases. What do you say in response to those price increases that have been announced by Aussie Broadband?

Senator Carol Brown: What I can say is it's no wonder that Senator Henderson doesn't want to hear about the current SAU process that started in 2021, because that proposal, which was endorsed by the former Liberal-National government, would have allowed NBN price increases of up to three per cent plus inflation on some products. That proposal was underpinned by unrealistic revenue expectations and a view to privatisation by the coalition. Shortly after forming government, the minister wrote to NBN Co and the ACCC outlining the government's preference for a revised SAU proposal—

Senator HENDERSON: Minister, I'm asking about your announcement.

Senator Carol Brown: to reflect the new government policy, including NBN Co remaining in government ownership. The decision has already been outlined, and there has been plenty of evidence put to this committee by Mr Rue, the NBN CEO, about actual products decreasing.

Senator HENDERSON: Mr Rue, I want to move to the rollout numbers. I know we've only got a couple of minutes left. If I could direct you to what appears to be a decrease in the number of Australians taking on the NBN, it's fallen from 7.22 million to 7.17 million in last week's report—not a big fall, but there is a downward trend—and of course there is also a downward trend in relation to Sky Muster. Can you provide any assurance or direction in relation to those numbers?

Mr Rue: I'm not sure what numbers you are talking to, Senator, but the number of premises connected to the NBN has increased in the last few months, not decreased.

Senator HENDERSON: Apologies. It's fallen from 7.2 million in June 2022—I'm sorry; I misread that—to 7.17 billion in last week's report.

Mr Rue: Again, I'm sorry; I'm not sure what you're looking at. The number of premises connected to NBN is just under 8.6 million. It has increased since 30 June, and it increased over the previous year. It continues to grow, actually. Some of that is due to new developments being built, of course.

Senator HENDERSON: I'm looking at the weekly report, and they're the numbers from the weekly report. They're not including the Sky Muster numbers; they are just from your last week's report.

Mr Rue: Again, without having them in front of me, what I can tell you is that there are just under 8.6 million premises connected to the NBN, as I said in my opening statement, and that has increased this year.

Senator HENDERSON: And Sky Muster?

Mr Rue: The Sky Muster numbers are basically flat this year, from memory. Is that correct?

Mr Williams: They've flattened, yes, in the last—

Mr Rue: What is it?

Mr Williams: It's just shy of 91,000.

Senator HENDERSON: The Sky Muster numbers were 112,000 at the end of quarter 3 of 2021. Is Starlink posing more of a threat to NBN's business, particularly now that Starlink has partnered with Telstra? You have obviously recognised the importance of low-orbit satellite yourselves in looking for that option.

Mr Williams: In the context of 8.6 million-odd services, a decline of 20,000 in Sky Muster is not a material part of NBN's business plan. The drop from that period includes a range of things. For sure, it includes customers that have moved to Starlink, but there are also customers that have moved to NBN's own fixed wireless services as we've expanded the service, and there are other competitive services—

Senator HENDERSON: That's true, as a result of the investment we made when we were in government.

Mr Williams: There are other technologies available for customers in the bush, too. Mobile players are offering bigger plans on their mobile services as well, so we operate in a competitive environment. I'm pleased that, largely as a consequence of the launch of the Sky Muster Plus Premium service in June, we've seen a significant stabilisation in that base. It's been a sticky service. As Mr Rue said in his opening statement, more than 25 per cent of our satellite base is on that Sky Muster Plus Premium plan.

Mr Rue: There hasn't been a significant change in the number of customers on Sky Muster since 30 June.

Senator HENDERSON: Right. Those are all of my questions for this evening. Thank you very much for this evening, and apologies that you were delayed in giving your evidence today.

Mr Rue: That's okay. We weren't going home tonight anyway!

CHAIR: Thank you, Mr Rue. Thank you, Mr Williams. That will be adjournment. Thank you very much, everyone, for your time.

Committee adjourned at 22:57