

Senate Standing Committee on Environment and Communications

Answers to Senate Estimates Questions on Notice

Additional Estimates Hearings February 2014

Communications Portfolio

Department of Communications

Question No: 354

Program No. Corporate

Hansard Ref: In Writing

Topic: Reviews

Senator Ludwig asked:

1. Since the Supplementary Budget Estimates in November 2013, how many new reviews (defined as review, inter-departmental group, inquiry, internal review or similar activity) have been commenced? Please list them including:
 - a. the date they were ordered
 - b. the date they commenced
 - c. the minister responsible
 - d. the Department responsible
 - e. the nature of the review
 - f. their terms of reference
 - g. the scope of the review
 - h. Whom is conducting the review
 - i. the number of officers, and their classification level, involved in conducting the review
 - j. the expected report date
 - k. the budgeted, projected or expected costs
 - l. If the report will be tabled in parliament or made public
2. For any review commenced or ordered since the Supplementary Budget Estimates in November 2013, have any external people, companies or contractors being engaged to assist or conduct the review?
 - a. If so, please list them, including their name and/or trading name/s and any known alias or other trading names
 - b. If so, please list their managing director and the board of directors or equivalent
 - c. If yes, for each is the cost associated with their involvement, including a break down for each cost item
 - d. If yes, for each, what is the nature of their involvement
 - e. If yes, for each, are they on the lobbyist register, provide details.
 - f. If yes, for each, what contact has the Minister or their office had with them
 - g. If yes, for each, who selected them
 - h. If yes, for each, did the minister or their office have any involvement in selecting them,
 - i. If yes, please detail what involvement it was
 - ii. If yes, did they see or provided input to a short list
 - iii. If yes, on what dates did this involvement occur
 - iv. If yes, did this involve any verbal discussions with the Department
 - v. If yes, on what dates did this involvement occur
3. Since the Supplementary Budget Estimates in November 2013, what reviews are on-going?
 - a. Please list them.
 - b. What is the current cost to date expended on the reviews?

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4. Since the Supplementary Budget Estimates in November 2013, have any reviews been stopped, paused or ceased? Please list them.
5. Since the Supplementary Budget Estimates in November 2013, what reviews have concluded? Please list them.
6. Since the Supplementary Budget Estimates in November 2013, how many reviews have been provided to Government? Please list them and the date they were provided.
7. When will the Government be responding to the respective reviews that have been completed?
8. What reviews are planned?
 - a. When will each planned review be commenced?
 - b. When will each of these reviews be concluded?
 - c. When will Government respond to each review?
 - d. Will the Government release each review?
 - i. If so, when?
 - ii. If not, why not?

Answer:

1. Four reviews have commenced since Supplementary Budget Estimates in November 2013 to end January 2014.
Consideration, under sections 8J and 8K of the Telecommunications (Consumer Protection and Service Standards) Act 1998, whether there are satisfactory alternative contractual arrangements in relation to the universal service obligation.
 - a. N/A.
 - b. September 2013.
 - c. Minister for Communications.
 - d. Department of Communications.
 - e. Minister must consider whether there are satisfactory alternative contractual arrangements relating to the standard telephone service and payphones.
 - f. N/A.
 - g. In determining whether there are satisfactory contractual arrangements relating to the standard telephone service and payphones, the Minister must be satisfied that Telstra is likely to substantially comply with the contracts, having regard to Telstra's record of compliance with its obligations under each contract, the nature of Telstra's contractual obligations, Telstra's record of compliance with Parts 2 and 5 of the *Telecommunications (Consumer Protection and Service Standards) Act 1999* and such other matters (if any) as the Minister considers relevant.
 - h. Department of Communications.
 - i. 1 x EL2 officer.
 - j. 31 May 2014.
 - k. The cost of the review will be met from existing Departmental resources.
 - l. No report – Minister must make legislative instruments either to repeal universal service obligation regulation, or to defer a decision on whether or not to repeal the regulation.

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Cost-Benefit Analysis and Review of Regulation of NBN

- a-b. On 12 December 2013, the Government announced the terms of reference for the Cost-Benefit Analysis and Review of Regulation of NBN.
- c. Minister for Communications.
- d. Department of Communications.
- e. The review will analyse the economic and social costs and benefits arising from the availability of broadband of differing properties via various technologies and make recommendations on the role of Government support and a number of other longer-term industry initiatives.
- f. The terms of reference are available on the Department's website at **www.communications.gov.au**
- g. Refer to (f).
- h. The Government appointed a Panel of Experts comprising Dr Michael Vertigan AC, Ms Alison Deans, Professor Henry Ergas and Mr Tony Shaw PSM to conduct the review. Dr Vertigan has been appointed as Chair.
- i. The Department has established a secretariat to support the Panel (1 x SES Band 1 officer, 2 x EL2 officers and 1 x APS3 officer). Various other officers in the Department provided input into the review at various times.
- j. The Panel will provide a report to Government within six months (June 2014).
- k. The cost of the review will be met from existing Departmental resources.
- l. There is no requirement to table the review in Parliament or make it public, this is a matter for Government. The terms of reference, however, include the statutory review of the telecommunication industry access arrangements required under the *Competition and Consumer Act 2010*. The Minister must cause copies of this element of the review to be tabled in each House of the Parliament within 15 sitting days of that House after the completion of the preparation of the report.

Registration Period on the Do Not Call Register.

- a. 28 November 2013.
- b. 6 December 2013.
- c. Minister for Communications.
- d. Department of Communications.
- e. The review sought views on the optimal period of registration for telephone and fax numbers on the Do Not Call Register through a discussion paper. The discussion paper is available on the Department's website.
- f. Please refer to the discussion paper on the Department's website at **www.communications.gov.au**
- g. Refer to (f).
- h. Department of Communications.
- i. Four officers have been assigned part-time to work on the review: 1 x SES Band 1 officer, 1 x EL2 officer, 1 x EL1 officer, and 1 x APS5 officer.
- j. The Department expects to provide advice to the Minister on the matter in the second half of 2014.
- k. The cost of this review will be met from existing Departmental resources.
- l. A decision is yet to be made on whether any report would be tabled or published.

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ABC and SBS Efficiency Study

- a. 31 January 2014.
 - b. 3 February 2014.
 - c. Minister for Communications.
 - d. Department of Communications.
 - e. Refer to (f).
 - f. The terms of reference are available on the Department's website at **www.communications.gov.au**
 - g. Refer to (f).
 - h. Department of Communications.
 - i. Four officers have been assigned full time to work on the review: 1xEL2 officer, 1xEL1 officer, 1xAPS6 officer, 1xAPS5 officer. There is one SES Band 1 officer assigned part time to the review.
 - j. The expected report date is April 2014.
 - k. The cost of this review will be met from existing Departmental resources.
 - l. A decision is yet to be made on whether any report would be tabled or published.
2. To 31 January 2014, two reviews have engaged external assistance to conduct the review: **Cost-Benefit Analysis and Review of Regulation of NBN.**
- a-h. As noted in question 1, the Government appointed a Panel of Experts to conduct the review. The Department provided the Minister advice on panel members. The cost of the panel members are \$1,500 per day for the chair and \$1,400 per day for other members plus covering any travel expenses. The panel members have met with the Minister to discuss their task.

To assist with the Cost-Benefit Analysis and Review of Regulation of NBN, on 28 January 2014, Griffith University was recruited to develop a cost-benefit analysis methodology paper for \$32,889. This is a fixed fee for the element of work. Griffith University was appointed by the Department with no involvement by the Minister or his Office (and to the best of the Department's knowledge the University has not had contact with the Minister or his Office).

Under the *Griffith University Act*, the Griffith University Council is the University's governing body consisting of Chancellor Ms Leneen Forde AC DUniv, Deputy Chancellor Mr Henry Smerdon AM DUniv, Vice-Chancellor and President Professor Ian O'Connor and Council members Mr Ian Alderdice, Dr Robert Anderson OAM DUniv, Ms Sandra Anderson, Mr Craig Bassingthwaite, The Hon Mr Rob Borbidge AO DUniv, Mr Clinton Dines, Mr Mark Gray, Associate Professor Liz Jones, Ms Emma Farley, Ms Siobhan Fitzpatrick, Dr Arthur Poropat, Mr Garry Redlich, Ms Ann Robilotta-Glenister, Ms Rhonda White and Ms Satine Winter.

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In relation to the ABC and SBS Efficiency Study, two external service providers were engaged as follows:

Provider 1:

- a. Universal Still Motion Pty Ltd.
- b. Susan Flynn, Director.
- c. Total cost \$82,500 (GST inclusive).
- d. Mr Peter Lewis was engaged to provide consulting services.
- e. N/A.
- f. Mr Lewis has had contact with the Minister during the course of the review.
- g. Universal Still Motion was engaged following a response to a Request for Quotation.
- h. No.

Provider 2:

- a. Synergy Group Australia.
- b. Mark Pattrick, Partner.
- c. Total cost \$79,200 (GST inclusive).
- d. Two data analysts were engaged.
- e. N/A.
- f. No contact with the Minister's Office.
- g. Synergy Group was engaged following a Request for Quotation process.
- h. No.

3. Ongoing reviews include:

- **Consideration, under sections 8J and 8K of the *Telecommunications (Consumer Protection and Service Standards) Act 1998*.**
At 31 January 2014, the cost of this review has been absorbed within Departmental resourcing.
- **Cost-Benefit Analysis and Review of Regulation of NBN.**
Total expenditure to 31 January 2014 for supplier expenses was \$1,421.38.
- **Broadband Quality Project.**
Current expenditure to 31 January 2014 for supplier expenses was \$20,441.40.
- **Integrated Public Number Database (IPND).**
At 31 January 2014, the cost of this review has been absorbed within the Departmental resourcing.
- **Registration Period on the Do Not Call Register.**
At 31 January 2014, the cost of this review has been absorbed within the Departmental resourcing.
- **Triennial Review of Local Content on Regional Radio.**
At 31 January 2014, the cost of this review has been absorbed within the Departmental resourcing.
- **Digital Radio Reviews - s.215B of the *Broadcasting Services Act 1992* and s.313B of the *Radiocommunications Act 1992*.**
At 31 January 2014, the cost of this review has been absorbed within the Departmental resourcing.
- **ABC and SBS Efficiency Study**
At 31 January 2014, the cost of this review has been absorbed within the Departmental resourcing.

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4. Nil.
5. No reviews have concluded in the period 1 November 2013 to 31 January 2014.
6. No reviews have been provided to Government over the period 1 November 2013 to 31 January 2014.
7. N/A.
8. The following are planned reviews for the Department of Communications:
 - Review of the national Triple Zero (000) operator**
 - a. Expected to commence in April 2014.
 - b. Expected to conclude at the end of 2014.
 - c. 2015.
 - d. Yes – 2015.
 - Review of Spectrum Policy and Regulatory Framework**
 - a. Preparatory work for the review is underway. It is expected the review will be announced in May 2014.
 - b. The review is due to report to the Minister in November 2014 (as the first phase of a longer process of spectrum reform).
 - c-d. Decisions on the release of the Review have yet to be made by Government.
 - Independent Audit into Broadband Policy**
 - a. 7 March 2014.
 - b. The Independent Auditor will report to Government within four months of its commencement.
 - c. Decisions on a Government response to the Independent Audit are yet to be made by Government.
 - d. Decisions on the release of the Independent Audit have yet to be made by Government.
 - Regional Telecommunications Review (RTR)**
 - a. It is expected that the next Regional Telecommunications Independent Review Committee will be appointed in the third quarter of 2014 to conduct the 2014-15 RTR.
 - b. There is a legislative requirement for the next RTR to be completed by 23 August 2015.
 - c. The Government will respond to the review within six months of receiving the report.
 - d. There is a legislative requirement for the Government to release each RTR report within 15 Parliamentary sitting days of receipt.