

Additional estimates 2012–13

Introduction

1.1 On 7 February 2013 the Senate referred the following documents to standing committees for examination and report:

- Particulars of proposed expenditure in respect of the year ending on 30 June 2013 [Appropriation Bill (No. 3) 2012–13]; and
- Particulars of certain proposed expenditure in respect of the year ending on 30 June 2013 [Appropriation Bill (No. 4) 2012–13]

together with the final budget outcome 2011–12 and the issues from the advances under the annual Appropriation Acts for 2011–12.¹

1.2 Standing committees were required to report to the Senate on 19 March 2013.²

Hearings

1.3 The committee conducted public hearings with the Broadband, Communications and the Digital Economy portfolio on 11 and 12 February; the Climate Change and Energy Efficiency portfolio on 11 February, and the Sustainability, Environment, Water, Population and Communities portfolio on 11 and 12 February 2013. The committee's public hearings program is at Appendix 1. Documents tabled during the hearings are listed at Appendix 2.

1.4 Written answers and information provided to the committee in response to questions on notice arising from the hearings are tabled in the Senate and posted on the committee's web page.

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

www.aph.gov.au/Parliamentary_Business/Committees/Senate_Committees?url=ec_ctte/estimates/add_1213/index.htm

Questions on notice – date for response

1.6 In accordance with Standing Order 26(9)(a), the committee agreed that the date for the return of written answers or additional information in response to questions placed on notice during the 11–12 February hearings be Friday, 12 April 2013.

1.7 As in previous estimates reports, the committee again expresses its concern about the time taken to receive answers to questions taken on notice.

1 *Journals of the Senate*, No. 132, 7 February 2013, p. 3606.

2 *Journals of the Senate*, No. 121, 1 November 2012, p. 3239.

1.8 The committee notes that it had set Friday, 7 December 2012 as the date for the return of answers to questions taken on notice during the Supplementary Budget Estimates hearings held in October 2012. However, at that date there was a total of 927 answers outstanding to 1177 questions on notice across the three portfolios, as follows:

- Broadband, Communications and the Digital Economy portfolio, 463 of 514;
- Climate Change and Energy Efficiency portfolio, 141 of 340; and
- Sustainability, Environment, Water, Population and Communities portfolio, 323 of 323.

1.9 Many of the late answers were submitted in the days prior to and during the Additional Estimates hearings and there were still answers outstanding at the conclusion of the Additional Estimates hearings.

1.10 Once again the committee reiterates its expectation that answers to questions on notice should be provided to the committee by the due date.

Portfolio specific issues

1.11 On the first day of its examination of the 2012–13 Additional Estimates, the committee called and examined officers from the Australian Broadcasting Corporation (ABC); the Climate Change and Energy Efficiency (CCEE) portfolio; and the Sustainability, Environment, Water, Population and Communities (SEWPaC) portfolio.

1.12 The committee raised a range of matters which are noted below. The page references beside each matter refer to the proof transcript for Monday, 11 February 2013.

Broadband, Communications and the Digital Economy portfolio

1.13 The committee welcomed Senator the Hon Stephen Conroy, Minister for Broadband, Communications and the Digital Economy.

1.14 Officers from the Australian Broadcasting Corporation were called. Mr Scott, Managing Director made an opening statement after which questioning commenced. Matters raised included:

- monitoring of tweets aired during the Q&A program (pp 4–5)
- additional funding of \$10 million for enhanced news services (pp 6–7, 14–15)
- closure of the Hobart production unit (pp 7–8)
- complaints investigation process (p. 8)
- election timing, part 5, section 79A of the ABC Act (pp 9–12, 15–16)
- revenue contribution of ABC Commercial (pp 12–14)

1.15 At the conclusion of its examination of the Australian Broadcasting Corporation, the committee called and examined officers from the Climate Change and Energy Efficiency (CCEE) portfolio.

Climate Change and Energy Efficiency portfolio

1.16 The committee welcomed Senator the Hon Don Farrell, Parliamentary Secretary for Sustainability and Urban Water, representing the Minister for Climate Change and Energy Efficiency, and portfolio officers.

1.17 General questions were asked of the department about:

- grants pause and re-phasing (pp 21–23)
- move of the department to new premises at the Nishi building (pp 23–24).

1.18 At the conclusion of general questions, the committee called departmental officers in relation to Program 1.1: Reducing Australia's greenhouse gas emissions. Matters raised included:

- public information campaigns for the carbon tax (pp 25–28)
- carbon price modelling and updates to emissions projections (pp 28–31)
- development of methodologies for use under the Carbon Farming Initiative (pp 31–34)
- purchase of Henbury Station; carbon credits under the carbon farming initiative (pp 35–40).

1.19 Officers from the Clean Energy Regulator were called and examined in relation to:

- small-scale technology certificates, allegations of fraud (pp 40–42)
- prerequisites for power stations to be eligible for accreditation under the Commonwealth Renewable Energy (Electricity) Act (pp 42–43)
- renewable energy targets (pp 43–45)
- overview of the Jobs and Competitiveness Program providing assistance to emissions-intensive trade-exposed industries (pp 45–48, 52–53).

1.20 Officers from the Climate Change Authority were called and examined. Matters raised included:

- procedures for conducting caps and targets and carbon budgets review (pp 54–55)
- timing of a review of the Carbon Farming Initiative (pp 57–58).

1.21 Officers were called and examined in relation to Program 1.2: Improving Australia's Energy Efficiency. Matters raised included:

- update on progress of the Energy Efficiency Information Grants program (pp 59–61)
- updates on outstanding debts to the department under programs including the National Solar Schools Program, the Insulation Industry Assistance

Package, the Green Loans Program and the Home Insulation Program (pp 61–63, 65–66)

- progress of the white certificate scheme under the National Energy Savings Initiative (pp 63–65)
- ratings for thermal performance of building under the NABERS program (pp 66–67)
- introduction of the Greenhouse and Energy Minimum Standards (GEMS) (pp 67–68).

1.22 Officers were called and examined in relation to Program 1.3: Adapting to Climate Change. Matters raised included:

- research undertaken around farmers' capacity to adapt farming operations (pp 68–69)
- impact of budget cuts program 1.3 (pp 69–70)
- role of the department in the IPCC held in Hobart (pp 70–71)
- funding for the National Climate Change Adaptation Research Facility (pp 71–73)
- impacts of climate change, health effects and priorities for mitigations (pp 74–75).

1.23 Officers were called and examined in relation to Program 1.4: Helping to shape a global climate change solution. Matters raised included:

- outcomes of the Doha conference (pp 75–76, 78–79)
- establishment of the Green Climate Fund (pp 76–77)
- the OECD's *Taxing energy use* report (pp 81–82).

1.24 At the conclusion of the examination of the Climate Change and Energy Efficiency portfolio, the committee called and examined officers from the Sustainability, Environment, Water, Population and Communities portfolio.

Sustainability, Environment, Water, Population and Communities (SEWPaC) portfolio

1.25 The committee welcomed Senator the Hon Don Farrell, Parliamentary Secretary for Sustainability and Urban Water, representing the Minister for Sustainability, Environment, Water, Population and Communities, and portfolio officers.

1.26 The committee raised a range of matters which are noted below. The page references beside each matter refer to the proof transcript for Monday, 11 February 2013.

1.27 General questions were asked of the department about:

- electronic equipment and mobile devices supplied to the minister's office (pp 87–87)

- impact of the grants reallocation on departmental programs (pp 88–89).

1.28 The committee called agencies and departmental officers in relation to Outcome 1: The conservation and protection of Australia's terrestrial and marine biodiversity and ecosystems through supporting research, developing information, supporting natural resource management, and establishing and managing Commonwealth protected areas.

1.29 The Bureau of Meteorology (BoM) was called and examined. Matters raised included:

- number and role of operational meteorologists (p. 90)
- funding reductions in the Queensland BoM office (p. 91)
- forecasting for the recent extreme weather events in Queensland (pp 92–95)
- staffing levels at Tennant Creek and across the north of Australia (p. 95).

1.30 The Great Barrier Reef Marine Park Authority (GBRMPA) was called and examined. Matters raised included:

- implications of recent extreme weather events on the Reef (p. 96)
- funding increase for surveillance and enforcement (pp 96–97)
- funding for the Reef Rescue program (p. 98)
- GBRMPA's input to the state party report to UNESCO (p. 99)
- update on the status of the proposed sea dumping fee system (pp 99–100).

1.31 The Director of National Parks was called and examined. Matters raised included:

- recreational shooting in national parks and reserves (pp 101–103)
- status of the crazy ants eradication program (p. 103)
- funding for the National Reserves System (pp 103–104)
- funding for Henbury Station (pp 104–106).

1.32 Officers were called and examined in relation to Program 1.1: Sustainable Management of Natural Resources and the Environment. Matters raised included:

- establishment of the expert panel into declared fishing activities (pp 106–107)
- marine debris threat abatement plans (pp 107–108)
- grant under the Environmental Stewardship Program (pp 108–111)
- funding under the Caring for our Country program (pp 111–112)
- review of guidelines for NRM groups (pp 112–114)
- consultation on the marine bioregional planning process (p. 114)
- consultation around the adjustment assistance package (pp 114–115)

- conditions for the approval of the demersal gillnet and the demersal longline fisheries (pp 115–116).

1.33 Officers were called and examined in relation to Program 1.2, Environmental Information and Research. Matters raised included:

- monitoring of the Japanese whaling fleet in the Southern Ocean (pp 117–119, 120)
- update on legal action against Japan in the International Court of Justice (pp 119–120)

1.34 Officers were called and examined in relation to Program 1.3, Carbon Pollution Reduction-Land Sector Initiatives and the land Sector Taskforce. Matters raised included:

- progress report on the Biodiversity Fund (pp 122–126)
- number of applications received under the Indigenous Carbon Farming Fund for capacity building and business support (pp126–127).

1.35 On the second day of hearings, the committee continued its examination of the Sustainability, Environment, Water, Population and Communities portfolio, commencing with Outcome 2.

1.36 The page references beside each matter below refer to the proof transcript for Tuesday, 12 February 2013.

1.37 The committee welcomed Senator the Hon Don Farrell, Parliamentary Secretary for Sustainability and Urban Water, representing the Minister for Sustainability, Environment, Water, Population and Communities and portfolio officers.

1.38 Officers were called and examined in relation to Outcome 2, Program 2.1: Management of Hazardous Wastes, Substances and Pollutants. Matters raised included:

- cost recovery for the voluntary productive stewardship program (p. 4)
- revenue from the equivalent carbon price charges on refrigerants (pp 4–6)
- establishment of the Office of Asbestos Safety (p.7)
- update on collections under the National Television and Computer Recycling Scheme (p. 7).

1.39 Questioning of the Sydney Harbour Federation Trust commenced. Matters raised included:

- visitor numbers to Trust sites (pp 8–9)
- number of accommodation facilities operated by the Trust (p. 9)
- progress of the clean up of the HMAS *Platypus* site (pp 9–10)
- festivals held on Cockatoo Island (p. 10).

1.40 Officers were called and examined in relation to Outcome 5, Program 5.1: Conservation of Australia's Heritage and Environment. Matters raised included:

- status of Aboriginal heritage applications at Yindjibarndi and James Price Point (pp 11–13)
- impact of funding reduction of heritage grants (pp 13–14)
- status of heritage assessments for the Canberra Central National Area and Inner Hills and surrounding areas (p. 14)
- recreational shooting in the Blue Mountains National Park and the World Heritage area (pp 14–15)
- ministerial decision on the natural heritage listing of the Tarkine (p. 16).

1.41 Officers were called and examined in relation to Program 5.2: Environmental Regulation. Matters raised included:

- the department's role in the flying fox problem at Charters Towers and Yungaburra, Atherton Tableland (pp 16–18)
- status of the James Price Point assessment (pp 18–19)
- conditional approval of the Whitehaven Coal project (pp 20–23, 24–27, 30)
- establishment of the Gladstone independent panel (p. 24)
- approval applications for the destruction of illegal entry vessels off Christmas Island (pp 27–29)
- progress report on the drafting process of the EPBC amendment bill (p. 30).

1.42 Officers from the Murray-Darling Basin Authority (MDBA) and departmental officers in relation to Program 4.1: Water Reform were called and examined. Matters raised included:

- the Huon Valley Regional Water Scheme (p. 33)
- funding under the Stormwater Grants Program for the Nyrstar project in Hobart (pp 33–34)
- impact on the MDBA of reductions in state government funding (pp 34–36, 44)
- progress of the Menindee Lakes project (p. 36)
- progress of negotiations on the intergovernmental agreement between the states on the implementation of the Basin plan (pp 36–39)
- purchase of water at Nimmie-Caira (pp 39–40, 46–48)
- the Independent Expert Scientific Committee on Coal Seam Gas (pp 40–42)
- funds allocated to projects under the Water Industry Alliance program (pp 42–44)

- update on scoping study for managing Lake Albert water quality and the Narrung Narrows (p. 46).

1.43 Officers were called and examined in relation to Outcome 6, Program 6.1: Protection and restoration of environmental assets and the Commonwealth Environmental Water Office. Matters raised included:

- status of the Water Office (pp 48–50)
- value of the water asset currently held (pp 50–51).

1.44 Officers from the National Water Commission (NWC) were called and examined. Matters raised included:

- position paper on coal seam gas (pp 52–53)
- timing of an audit on the MDBA (p. 53).

1.45 At the conclusion of its examination of the Sustainability, Environment, Water, Population and Communities portfolio, the committee called and continued its examination of officers from the Broadband, Communications and the Digital Economy portfolio.

Broadband, Communications and the Digital Economy portfolio

1.46 The committee welcomed Senator the Hon Stephen Conroy, Minister for Broadband, Communications and the Digital Economy.

1.47 The page references beside each matter refer to the proof transcript for Tuesday, 12 February 2013.

1.48 General questions were asked of the department about:

- departmental advice in relation to the interpretation of the election period definition in the Broadcasting Services Act (pp 56–58)
- international mobile roaming prices (pp 58–59).

1.49 Officers from Australia Post were called and examined at the conclusion of the opening statement made by Mr Fahour, Managing Director. Matters raised included:

- complaints procedures (p. 61)
- support provided to licensees (pp 61–62)
- payments to licensees for handling carded items (pp 63–64)
- closure of post offices (pp 64–66).

1.50 Officers from the department were called and examined in relation to Program 1.2: Digital Economy and Postal Services. Matters raised included:

- effectiveness of the first National Telework Week (pp 66–67)
- update on the Digital Local Government program (p. 67)
- auction for the 700 megahertz spectrum (pp 68–71).

1.51 Officers from the Special Broadcasting Service (SBS) were called and examined. Matters raised included:

- review of language broadcasts and implementation of new radio network schedule (pp 72–74)
- launch of the NITV channel (pp 74–75).

1.52 Officers from the Australian Communications and Media Authority (ACMA) were called and examined. Matters raised included:

- statement released by the ACMA regarding the election period definition in the Broadcasting Services Act (pp 76–80)
- progress of the new online resource Zippep's Astro Circul (p. 80)
- cybersafety programs specifically for Indigenous communities (p. 81)
- designing and commissioning of a new ACMA website (pp 81–82)
- access to digital radio (pp 83–84)
- purpose of the Reconnecting the Customer program (p. 85).

1.53 Officers from the department were called and examined in relation to Program 1.3: Broadcasting and Digital Television. Matters raised included:

- commencement of election under the Broadcasting Services Act (p. 86)
- reception problems around the digital switchover in the Hunter region (pp 86–88)
- progress of switchover in Adelaide and Western Australia (pp 88–90)
- rollout of digital radio services to regional Australia (pp 90–91)
- revenue collected from commercial television licence fees (p. 91)
- implications for the Indigenous Broadcasting Program and Imparja of the introduction of NITV (p. 93).

1.54 Officers from the department were called and examined in relation to Program 1.1: Broadband and Communications Infrastructure. Matters raised included:

- funding for NBN related advertising (pp 93–94)
- payments to Telstra in relation to the Universal Service Obligation (USO) and the Telecommunications Universal Service Management Agency (TUSMA) funding arrangements (pp 97–99).

1.55 The NBN Co was then called and examined. Mr Quigley, Chief Executive Officer, made an opening statement. He also tabled charts showing rollout progress which are at appendix 2. Questioning then commenced. Matters raised included:

- content of answers provided to questions on notice (pp 101–106)
- employment of contractor Syntheo (pp 106–109)
- retail prices for the NBN (pp 110–111)
- progress of rollout in Tasmania (pp 111–113, 114–117)

- provision of answers to questions on notice (pp 117–118)
- compatibility of alarm systems with the NBN system (pp 119–120)
- data on the cost of rollout per premise (pp 120–122)
- service provided by providers other than the NBN (pp 122–125, 126).

Acknowledgements

1.56 The chair noted that the Supervising Scientist, Mr Alan Hughes, would be retiring prior to the next estimates hearings. On behalf of the committee, he thanked Mr Hughes for his contributions over the years and wished him and his family well for the future.³

1.57 The chair also noted that this was Mr Peter Harris's last estimates round as Secretary of the Department of Broadband, Communications and the Digital Economy, as he has been appointed a Productivity Commissioner. On behalf of the committee, the chair expressed its appreciation for his input and the way he has conducted himself before this committee.⁴

1.58 The committee thanks Senator the Hon Don Farrell, Parliamentary Secretary for Sustainability and Urban Water, and Senator the Hon Stephen Conroy, Minister for Broadband, Communications and the Digital Economy, along with officers from the three portfolio departments and agencies, for their assistance during this Additional Estimates process. The committee also thanks Hansard, Broadcasting and the committee secretariat.

Senator Doug Cameron
Chair

3 *Committee Hansard*, 11 February 2013, p. 117.

4 *Committee Hansard*, 12 February 2013, p. 56.