

Chapter 2

Examination of portfolios

Broadband, Communications and the Digital Economy portfolio

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

1.2 During its examination, the committee raised a variety of issues which are noted below. The page numbers beside each issue refer to the proof transcript for Monday, 25 May 2009.

Australia Post

1.3 Members of the committee raised newspaper reports of alleged irregularities in the issuing of passports at one Australia Post office.¹ Officials undertook to provide further information to the committee about the review being undertaken into the reported breach.

1.4 In correspondence dated 1 June 2009, Australia Post advised:

Immediately following the arrest of the Australia Post staff member at Fairfield a review into the incident by senior Australia Post staff from the Corporate Security and Commercial Divisions was launched.

The review examined the specifics of the incident, the policies and procedures in place, their effectiveness and any changes required to them.²

1.5 Mr McCloskey further advised that as part of the review there had been numerous discussions with the Department of Foreign Affairs and Trade (DFAT) and the Australian Federal Police (AFP) and concluded that:

At this stage the review has not found any evidence to suggest that the Fairfield case is anything more than an isolated incident and DFAT have expressed confidence in Australia Post's current policies and procedures. Any request to modify these by DFAT or the AFP would be acted on as a matter of priority.³

1.6 Other issues raised included:

- attendance of the Managing Director at estimates hearings (pp 3–5)
- effect of the current economic downturn on volume of mail (pp 6–7)

1 Proof *Committee Hansard*, 25 May 2009, pp 21–25.

2 Correspondence from Mr McCloskey, Corporate Secretary, Australia Post, dated 1 June 2009.

3 Correspondence from Mr McCloskey, Corporate Secretary, Australia Post, dated 1 June 2009.

- removal of GPO designation from Hobart City post office (p. 7)
- the Licensee Advisory Council (pp 7–9)
- new Australia Post headquarters (pp 10–11)
- reduced profit levels (pp 11–12)
- contraction of contact–centre network sites from six to two and arrangements for staff affected by the decision (pp 13–20)
- Australia Post bicentenary celebrations (pp 25–27, 33)
- expenditure on consultancies for current and next financial years (pp 29–30)
- provision of Mercedes vans for collection of mail from roadside post boxes (pp 31–32)
- dividend projections (pp 34–36).

Australian Broadcasting Corporation

- broadcasting of the Hopman Cup (pp 37–39)
- coverage of women's sport (pp 39–41)
- corrections to story broadcast concerning Gaza (pp 42–43)
- allegations of systemic bias (pp 44–46)
- audience selection for *Q&A* program (pp 46–48)
- on–air apologies (pp 49–52)
- current status of Mr Peter Lloyd (pp 52–53)
- increased funding under the current triennial funding (pp 53–60)
- co–production agreements (pp 60–62)
- reintroduction of a staff–elected director (pp 62–63)
- joint efficiency savings with SBS (pp 63–64)
- creation of regional broadband hubs (pp 65–68)
- Quality Assurance Project 8 (pp 69–70)
- use of various registered clubs for live *Play School* concerts (pp 70–71)
- unauthorised loading of ABC footage on YouTube (pp 72–74, 75)
- issues around suspension of Stephen Crittenden (pp 74–75)
- Freeview campaign (p. 76)
- Issues surrounding two *Four Corners* programs: the murder of John Newman and the NRL/Mathew Johns (pp 77–80)
- Commercial partnership with Harper Collins (pp 80–82).

Special Broadcasting Service Corporation

- level of triennial funding (pp 83–87)
- downturn in revenue (pp 87–88)
- in-program breaks for advertising (pp 89–94)
- ratings for *Top Gear Australia* (pp 94–95)
- spot audits and spot checks on SBS Radio (p. 96).

Australian Communications and Media Authority

- registration of a new code dealing with mobile premium services (pp 96–99)
- cybersafety education program (pp 99–101)
- number of URLs currently on the ACMA blacklist (pp 101–102, 105–108)
- investigation into alleged leaking of the blacklist (pp 102–104)
- triple-0 tracking (pp 109–111)
- the Integrated Public Number Database (p. 112)
- extending scope of the Do Not Call register to enable registration of business, fax and emergency numbers (pp 112–116)
- closure of Adelaide and Perth offices (pp 116–117)
- savings under the Gershon review (pp 117–118, 124)
- interference of wind farms with digital TV and mobile phone reception (pp 119–120)
- funding for digital dividend – technical planning and restacking (pp 120–122)
- funding for Digital Television Switchover–regional South Australia, Victoria and Queensland (pp 123–125)
- number of commercial radio licenses affected by trigger events (pp 125–126).

1.7 On Tuesday, 26 May the committee continued its examination of the portfolio commencing with some general questions of the department. The page numbers beside each issue below refer to the proof transcript for Tuesday, 26 May 2009.

1.8 General issues included:

- providers of staff training (p. 4)
- attendance of Minister at community cabinet meetings (p. 4)
- restructure of the department (pp 5–6).

1.9 Questioning commenced in relation to **Program 1.2: Telecommunications, Online and Postal Services:**

- initiatives to improve access to communications services and technologies for people with disabilities (pp 7–8, 9–10)

- formation and role of ACCAN (Australian Communications Consumer Action Network) (pp 8–9, 10–12)
- Australian Broadband Guarantee program – access to metro-comparable broadband services (pp 12–21)
- response to the Glasson report (pp 21–27)
- provisions for internet service provider-level filtering (pp 27–40)
- steps to address cyberbullying; Youth Advisory Group (pp 40–42)
- further funding for National ICT Australia (NICTA) (pp 42–43)
- expansion of the Do Not Call Register (pp 43–46)
- release of draft Digital Economy Future Directions paper (pp 46–47)
- Connect Resolve Campaign run by the Telecommunications Industry Ombudsman (p. 48).

1.10 At the commencement of the examination of officers in relation to **Program 1.1: Broadband and Communications Infrastructure**, the Minister made a statement about the National Broadband Network and progress on the implementation of this policy, noting that:

We have consulted widely with local and state and territory government, telecommunications companies, electricity companies, the building industry, other Commonwealth departments and consumer groups. This consultation occurred around the proposed regulatory changes, options for rolling out new fibre backbone networks and the greenfields policy.⁴

1.11 The Minister set out a number of activities being undertaken to implement the rollout of high-speed broadband infrastructure including:

- the establishment of a company to build and operate the Network, providing a separation between the infrastructure provider of a national telecommunications network and retail service providers';⁵
- the release of a regulatory reform discussion paper canvassing options to improve competition and strengthen consumer safeguards in the period leading up to, and during the deployment of, the national Broadband Network;⁶ and
- commencement of negotiations with the Tasmanian government for the rollout of high-speed broadband in that state.⁷

4 Proof *Committee Hansard*, 26 May 2009, p. 49.

5 Proof *Committee Hansard*, 26 May 2009, p. 49.

6 Proof *Committee Hansard*, 26 May 2009, p. 50.

7 Proof *Committee Hansard*, 26 May 2009, p. 51.

1.12 The Minister concluded that while not as constrained to answer questions with the termination of the RFP process,

... the details of the proposal[s] submitted and the evaluation of these proposals remain confidential. Therefore, we will not be detailing the contents of either the panel's report to government, the proposals themselves or the ACCC's individual and comparative assessment of the proposals. I also ask that you respect the fact that we are in commercial negotiations with the Tasmanian government.⁸

1.13 In later questioning about the Panel's report and a report by the ACCC which included requests for copies of the reports, the Minister indicated that the reports contained 'extensive commercially sensitive information provided by NBN proponents in strict confidence'⁹ and 'that the release of commercially sensitive information would be irresponsible'.¹⁰ There were further interchanges about the release of the reports.

1.14 Upon further questioning about the establishment of a cabinet sub-committee to consider the NBN policy, the Minister undertook to seek advice as to what further information he may be able to provide to the committee.¹¹

1.15 Further questions relating to Program 1.1 included:

- costs of the NBN panel (pp 52–53)
- timeline for the NBN process (pp 64–70)
- establishment of a new government business enterprise to implement the NBN (pp 77–81, 89–90)
- the Regional Backbone Black Spots Program (pp 83–85, 86, 90–92, 105)
- selection of Tasmania for the first NBN roll out (pp 85–88)
- ACCC's view in relation to the proposed regulatory structure on the NBN (pp 97–98)
- commercial viability of the NBN company (pp 98–101)
- release of discussion paper on options and issues for fibre in greenfields estates (pp 107–109)
- sale arrangements of the NBN company (pp 109–110).

1.16 At the conclusion of questioning about Program 1.1, officers were called and examined in relation to **Program 1.3: Broadcasting and Digital Television**. Issues raised included:

8 Proof *Committee Hansard*, 26 May 2009, p. 52.

9 Proof *Committee Hansard*, 26 May 2009, p. 54.

10 Proof *Committee Hansard*, 26 May 2009, p. 54.

11 Proof *Committee Hansard*, 26 May 2009, pp 66–67; Proof *Committee Hansard*, 26 May 2009, pp 69–70.

- review of the antisiphoning list (pp 115–118)
- campaign to raise awareness of the switchover to digital television (pp 118-119)
- role of the Consumer Expert Group in the digital switchover awareness campaign (p. 119)
- assistance packages for pensioners to help with switchover process (pp 120-123)
- rectifying signal-deficiency television black spots (pp 123–127)
- assistance for community broadcasters during the switchover (pp 129–133).

Environment, Water, Heritage and the Arts portfolio

1.17 On Wednesday, 27 May the committee commenced its examination of the Environment, Water, Heritage and the Arts portfolio and welcomed Senator the Hon Jan McLucas, Parliamentary Secretary to the Minister for Health and Ageing, representing the Minister for the Environment, Heritage and the Arts, the Hon Peter Garrett MP, and portfolio officers.

1.18 The committee welcomed Ms Robin Kruk, recently appointed Secretary of the Department of the Environment, Water, Heritage and the Arts, to estimates.

1.19 The committee commenced with general questions of the portfolio including about Arts Indemnity Australia and the Australian government International Exhibitions Insurance Program;¹² the National Collecting Institutions Touring and Outreach program¹³ and funding for art training organisations.¹⁴ It then moved to items as listed on the circulated agenda. The page numbers refer to the proof transcript for 27 May 2009.

1.20 The chair called officers in relation to **Outcome 5: Participation in, and access to Australia's culture and heritage through developing and supporting cultural expression, and protecting and conserving Australia's heritage:**

National Film and Sound Archive

- relocation of offices (p. 9)
- development of business plan (p. 10)
- archiving of material from additional television channels with the introduction of multichannelling (pp 10–11)
- Australian Screen program (p. 11)

12 Proof *Committee Hansard*, 28 May 2009, pp 5–7.

13 Proof *Committee Hansard*, 28 May 2009, pp 7–8.

14 Proof *Committee Hansard*, 28 May 2009, pp 8–9.

National Gallery of Australia

- final report on possible cancer cluster (pp 13–14)
- revenue raised from the Degas exhibition (p. 14)
- joint marketing exercises with the National Portrait Gallery (pp 14–15)

National Library of Australia

- digital archiving proposal (pp 15–16, 19–20)
- Hidden Treasures exhibition and update on progress of the building of the new Treasures Gallery (pp 17–18)
- visitor trends at the Library (pp 18–19)
- continuing program to digitise Australian newspapers (p. 20)

National Museum of Australia

- commissioning of the musical work *Garden of Dreams* (pp 20–22)
- cost of new acquisitions (p. 22, 24)
- proposal to extend the administration wing (pp 23–24)
- opening of the Australian Journeys gallery (p. 25)

Australia Council

- the ArtStart program (pp 25–26)
- funding for the Melba Foundation (pp 26–27)
- residencies for artists (pp 27–29)
- funding for the Books Alive program (pp 29–30)
- funding for orchestras (p. 31)

Screen Australia

- awarding of Camera d'Or for the film *Samson and Delilah* (pp 31, 35)
- role of the Indigenous Unit (p. 32)
- returns on money invested in films (pp 32–33)
- funding for the *Underbelly* programs (p. 33)
- feedback on the producer offset scheme (pp 34–35)
- filling of Board vacancies (p. 35)

Australian Film, Television and Radio School (AFTRS)

- impact of the two per cent efficiency dividend (p. 36)
- relocation of Melbourne premises (pp 36–37)
- student numbers (p. 37)

- courses provided (pp 37–38)
- fees or payments charged to students (pp 39–40)

Australian National Maritime Museum

- Maritime Museums Assistance Program (pp 41–42)
- proposal concerning the *City of Adelaide* clipper ship (pp 42–44)

Program 5.1: Arts and Cultural Development

- establishment of the Creative Australia Advisory Group (pp 44–46)
- opening of the new National Portrait Gallery building (p. 47)
- acquisitions budget for the NPG (p. 47)
- joint promotions with other Canberra institutions (p. 48)

Program 5.2: Conservation and Protection of Australia's Heritage

- update on the Kokoda Track initiatives (p. 49)
- funding for the National Trust Partnerships Program (pp 49–50, 58–59)
- funding for heritage projects in current financial year (pp 50–51, 55–56)
- nomination of Ningaloo for World Heritage listing (pp 51, 70–71)
- listing of 10 new National Heritage places (p. 51)
- core Commonwealth funding for heritage programs (pp 52–53)
- review of National Heritage management plans (p. 57)
- issues surrounding nomination of Port Arthur for World Heritage listing (pp 59–63)
- management plan for the Richmond Bridge (pp 63–64)
- investigation into destruction of rock art in the Burrup (pp 64–67)
- nominating Antarctica for World Heritage listing (pp 68–69)
- possible World Heritage listing of Cape York Peninsula (pp 69–70)
- National Heritage listing of West Kimberley (pp 71–72).

1.21 At the conclusion of the examination of Outcome 5, the Chair called officers in relation to **Outcome 3: Advancement of Australia's strategic, scientific, environmental and economic interests in the Antarctic by protecting, administering and researching the region:**

Program 3.1: Antarctic Science, Policy and Presence

- additional funding for research and scientific activities (pp 72–73)
- impact on Tasmanian economy of the Antarctic Division being based in Hobart (pp 73–74)

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- British Antarctic Survey of sea ice in the Antarctic region (pp 74–75)
 - forward funding for the program (pp 76–77)
 - outcome from the Antarctic Treaty nations conference (pp 77–78).

1.22 At the conclusion of the examination of Outcome 3, the Chair called 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, regulating matters of national environmental significance and managing Commonwealth protected areas:**

Bureau of Meteorology

- appointment of new Director of the Bureau (p. 78)
- increased funding for the Bureau (pp 78–79, 82)
- sites for new strategic radar enhancement project (pp 79–80)
- monitoring of sea water temperatures (pp 81–82)
- information gathered by Autosonde balloons (pp 83–84)

Great Barrier Reef Marine Park Authority

- status of legislation concerning fishing convictions (pp 88–89)
- review of the Great Barrier Reef Structural Adjustment Package (pp 89–90)
- policy options for activities displaced by marine protected areas and zoning (p. 90)
- input of GBRMPA to decisions about the Coral Sea conservation zone (pp 91–94)
- funding for the Reef HQ's aquarium (pp 94–95)
- staffing levels (pp 95–96, 97)

Sydney Harbour Federation Trust

- approval of the MOU with the Department of Defence for the clean-up of the HMAS Platypus site (pp 98–99)
- activities on Cockatoo Island (pp 100–101)
- education program on Cockatoo Island (p. 101)

Office of the Supervising Scientist

- seepage from the Ranger tailings dam (pp 101–104, 108–109)
- proposed new tailings dam (pp 105–106)
- rehabilitation plans to remedy any effects on the surrounding areas (pp 106–107)

- role of the OSS and staffing levels (pp 107–108)

Director of National Parks

- rehabilitation programs on Christmas Island (pp 110–111)
- response to the biodiversity monitoring report (pp 111–112)
- eradication of the yellow crazy ant (pp 112–113)
- control of feral pests (pp 113–114)
- update on the bat captive breeding program (pp 114–115)
- National Landscapes program (p. 117)
- new action to reduce greenhouse gas emissions (p. 118)
- staffing levels (p. 118)
- issues surrounding the hunting of the red-footed booby on Cocos (Keeling) Islands (pp 119–122, 123–124)
- concerns about the dugong population on Cocos (Keeling) Islands (pp 124–125)
- bushfire management in national parks (pp 125–127)

Program 1.1: Sustainable Management of Natural Resources and the Environment

- changes to budget allocations under the various programs in Caring for our Country (pp 127–130).

1.23 The committee continued its examination of Program 1.1 on Thursday and page references below refer to the transcript of hearing for Thursday, 28 May 2009.

1.24 Issues included:

- funding for Caring for our Country programs (pp 3–10)
- assessment process (pp 10–12)
- numbers of people employed by NRM groups (pp 14–15)
- Reef Rescue package (pp 15–16)
- activities permitted within Indigenous protected areas (p. 17)
- types of weeds programs (pp 17–18)

Program 1.2: Environmental Regulation, Information and Research

- Coral Sea Conservation Zone (pp 19–33)
- budget for marine expenditure (p. 35)
- funding for whaling programs (pp 35–36)
- Japanese whaling proposals for the 2009–2010 season (p. 37)

- appointment and role of the whaling envoy (pp 40–43, 45–47)
- progress of reform proposals for the IWC (pp 44–47)
- assessment of contemporary fire regimes (pp 48–50)
- procedures for exporting animal products (pp 50–51)
- mining on Christmas Island proposal (pp 51–52)
- update on proposals to harvest the red-footed booby on the Cocos (Keeling) Islands (pp 52–55)
- logging in the central Murray forest (pp 55–65)
- assessment process for the Traveston Dam proposal (pp 66–68)
- issues surrounding the Gunns proposal (pp 70–79)
- approval process for the Lower Lakes, SA and the proposed Wellington weir (pp 79–80)
- regulators for the Gawler channel (pp 80–81).

1.25 At the conclusion of Program 1.2, officers were called in relation to **Outcome 2: Improved capacity of Australian communities and industry to protect the environment by promoting energy efficiency, reducing carbon emissions, and regulating hazardous substances, wastes, pollutants, ozone depleting substances and synthetic greenhouse gases:**

Program 2.1: Energy Efficiency and Climate Change

- explanation of terminations and repackaging of programs (pp 82–83)
- Green Loans program (pp 84–89)
- The Renewable Remote Power Generation Program (pp 89–90)
- Solar systems programs (p. 91)
- National Solar Schools Program (pp 91–92).

1.26 At the conclusion of Program 2.1, the committee called officers in relation to **Outcome 4: Adaptation to climate change, wise water use, secure water supplies and improved health of rivers, waterways and freshwater ecosystems by supporting research, and reforming the management and use of water resources:**

Murray–Darling Basin Authority

- appointments to the Board (p. 92)
- progress in the development and funding of the basin plan (pp 93–94)
- staffing levels of the Authority (pp 93–94)
- audit of water storage in the basin (pp 95–97)
- proposed Wellington weir (pp 98–99, 103)

- contingency plans in the event of continued drought in the Murray-Goulburn systems (pp 99–100)
- savings from the Living Murray initiative (pp 101–103)
- nature and extent of legal rights in respect of Queensland authorisations or rights in relation to WRP for the Condamine–Balonne (pp 105–107)
- definition of the term 'critical human needs' (pp 107–113)

National Water Commission

- extra funding related to Water for the Future and reform in the Murray-Darling Basin (pp 113–114)
- urban and rural water pricing matters (p. 115)
- review of urban water restrictions (pp 116–117)

Program 4.1: Water Reform

- purchase of water entitlements at Twynam (pp 118–121, 124, 134–136)
- spend on infrastructure investment in New South Wales (pp 121–124, 129)
- expenditure to date on water purchases (pp 127–128)
- Commonwealth contribution to the Adelaide desalination plant (pp 131–132)
- Port Pirie water recycling proposal (p. 133)
- rainwater tanks for surf life saving clubs (pp 133–134)
- Lower Lakes and Coorong region projects (pp 136–137)
- progress on the Menindee Lakes project (p. 137)
- guidelines for the On-Farm Irrigation Efficiency Program (p. 139).

Senator Anne McEwen
Chair