



COMMONWEALTH OF AUSTRALIA

Proof Committee Hansard

SENATE

ENVIRONMENT AND COMMUNICATIONS LEGISLATION
COMMITTEE

Estimates

(Public)

WEDNESDAY, 27 MAY 2026

CANBERRA

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ENVIRONMENT AND COMMUNICATIONS LEGISLATION COMMITTEE

Wednesday, 27 May 2026

Members in attendance: Senators Ananda-Rajah, Ghosh, Henderson, David Pocock, Roberts, Shoebridge, Dean Smith, Tyrrell and Walker

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

In Attendance

Senator Nita Green, Assistant Minister for Northern Australia, Assistant Minister for Pacific Island Affairs, Assistant Minister for Tourism

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

Mr Jim Betts, Secretary
Ms Ruth Wall, Acting Deputy Secretary and Chief Operating Officer, Corporate Group
Ms Maree Bridger, Deputy Secretary, Enterprise Resource Planning Program
Mr David Mackay, Deputy Secretary, Communications and Media Group
Dr Stephen Arnott PSM, Deputy Secretary, Creative Economy and the Arts Group
Ms Lisa Rauter, Acting Deputy Secretary, Sport, Territories and Regions Group

Enabling Services

Ms Susan Charles, First Assistant Secretary and Chief People Officer
Ms Rosie Ma, Acting Assistant Secretary, Communication Branch
Ms Sonia Bradley, Assistant Secretary, Integrated Services Branch
Ms Susan Cattermole, Assistant Secretary, Government and Business Services Branch
Ms Kylie Donovan, Assistant Secretary, People Branch

Enterprise Resource Planning Program

Mr Anthony Howatson, Assistant Secretary

First Nations Partnerships

Ms Lil Gordon, First Assistant Secretary
Mr David Lindenbaur, Assistant Secretary

Finance, Strategy, Budget and Research

Ms Cha Jordanoski, First Assistant Secretary and Chief Financial Officer
Ms Jodi George, Assistant Secretary, Financial Management Branch
Mr Mike Hogben, Assistant Secretary, Budget Engagement and Strategy Branch
Ms Lulu Ou, Assistant Secretary, Bureau of Infrastructure and Transport Research Economics and Bureau of Communications, Arts and Regional Research
Dr Justin Iu, Assistant Secretary, Strategy, Economic Policy, Performance and Evaluation Branch

Information Technology and Data

Mr Jeff Goedecke, First Assistant Secretary and Chief Information Officer
Mr Andreas Bleich, Assistant Secretary and Chief Data Officer
Mr Rob Doughty, Assistant Secretary and Chief Technical Officer

Legal and Integrity

Ms Christie McClure, First Assistant Secretary
Mr Andrew Burke, Assistant Secretary

Outcome 5

Broadcasting, Media and News Policy

Ms Margaret Lopez, Acting First Assistant Secretary
Mr Andrew Verdon, Acting Assistant Secretary, News and Journalism Branch
Mr James Penprase, Assistant Secretary, Television, Radio and Streaming Branch
Ms Ruvani Panagoda, Acting Assistant Secretary, Broadcasting and Gambling Branch

Communications and Markets

Ms Lisa La Rance, First Assistant Secretary

Dr Jason Ashurst, Assistant Secretary, Digital Inclusion and Deployment Branch

Ms Nicolle Power, Assistant Secretary, Universal Services Branch

Mr Andrew Irwin, Assistant Secretary, Spectrum, International and Markets Branch

Ms Shanyyn Sparreboom, Assistant Secretary, Broadband and Post Branch

Connectivity

Mr Samuel Grunhard, First Assistant Secretary

Ms Kate McMullan, Assistant Secretary, Consumer Safeguards Branch

Ms Karly Pidgeon, Assistant Secretary, Regional Connectivity Branch

Ms Karen Lindsay, Acting Assistant Secretary, Regional Mobile Infrastructure Programs Branch

Online Safety and Classification

Ms Sarah Vandenbroek, First Assistant Secretary

Ms Anthea Fell, Assistant Secretary, Online Safety Branch

Mr Andrew Hyles, Assistant Secretary, Digital Platforms, International and Policy Branch

Mr Mitchell Cole, Assistant Secretary, Classification Branch

Mr Ben Phelps, Assistant Secretary, Group Strategy, Internet Governance and AI Branch

Triple Zero Custodian

Ms Clare Chapple, First Assistant Secretary

Ms Kathleen Silleri, Assistant Secretary and Special Adviser

Dr Jennie Hood, Assistant Secretary, Custodian Implementation Branch

Mr Kevin McGowan, Acting Assistant Secretary, Custodian Operations Branch

Portfolio Agencies

Australian Communications and Media Authority

Ms Nerida O'Loughlin, Chair

Mr Adam Suckling, Deputy Chair

Ms Helen Owens, General Manager, Corporate and Research Division

Ms Autumn Field, General Manager, Content Division

Ms Cathy Rainsford, General Manager, Consumer Division

Mr Michael Brealey, General Manager, Communications and Infrastructure Division

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

Ms Elizabeth Quinn, Executive Manager, Triple Zero Branch

Ms Rebecca Newton, Executive Manager, Telecommunications Safeguards and Numbers Branch

Mr Jeremy Fenton, Executive Manager, Unsolicited Communications and Scams Branch

Ms Alana Fraser, Executive Manager, Content Safeguards Branch

Ms Sam MacCready, Executive Manager, Finance, Reporting and Operations Branch

Mr Chris Worley, Executive Manager, Spectrum Planning and Engineering Branch

Mr Robert Crofts, Executive Manager, Spectrum Allocations Branch

Mr Allan Major, Executive Manager, Licensing and Infrastructure Safeguards Branch

Mr Chris Dale, Executive Manager, Digital and Technology Services Branch

Australia Post

Mr Paul Graham, Group Chief Executive Officer and Managing Director

Ms Jane Anderson, Executive General Manager, Community, Sustainability and Stakeholder Engagement

Mr Nick Macdonald, General Manager, Corporate Secretary and Board

NBN Co Limited

Ms Ellie Sweeney, Chief Executive Officer

Mr Simon Atkinson, Chief Financial Officer

Mr Gavin Williams, Chief Development Officer, Regional and Remote

Mr Dion Ljubanovic, Chief Network Officer

Ms Anna Perrin, Chief Customer Officer

Office of the eSafety Commissioner

Ms Julie Inman Grant, Commissioner

Ms Heidi Snell, General Manager, Regulatory Operations Group

Ms Kathryn King, General Manager, Corporate and Strategy Group

Mr Richard Fleming, General Counsel

Committee met at 09:00

CHAIR (Senator Ghosh): I declare open this hearing of the Environment and Communications Legislation Committee into the 2026-27 budget estimates. I begin by acknowledging the traditional custodians of the land on which we meet and pay our respects to elders past, present and emerging. The committee has fixed Friday 17 July 2026 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 questions of 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 evidence given to a committee, and 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 of questions at estimates hearings: any questions going to the operations or financial positions of the departments and agencies which are seeking funds in estimates are relevant questions for the purposes of estimates hearings. That is a broad test of relevance. 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 a 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. 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: Senators are aware that one of the roles of the committee chair is to ensure that proceedings are conducted in an orderly way. This is intended not to prevent rigorous questioning of witnesses but to help ensure that senators exercise their rights, privileges and responsibilities in a careful, civil and appropriate manner. I remind senators of their obligations under the Behaviour Code for Australian Parliamentarians to treat witnesses with dignity, courtesy, fairness and respect. As chair, I intend to uphold these standards.

These are public proceedings being videostreamed live via the parliament's website, and a *Hansard* transcript is being made. If there are no objections, the committee authorises media recording and photography of the committee's proceedings in accordance with Senate resolution 3. I remind the media that this permission can be revoked at any time, and the media must follow the direction of secretariat staff.

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

[09:03]

CHAIR: I now welcome Senator the Hon. Nita Green, representing the Minister for Communications and the Minister for the Arts. Minister, do you wish to make an opening statement?

Senator Green: No, thank you. It's good to be with you.

CHAIR: Thank you, Minister; it's lovely to have you here. I also welcome Mr Jim Betts, secretary of the department. Mr Betts, do you want to make an opening statement?

Mr Betts: No, thank you.

CHAIR: Before we commence corporate questions, I remind senators that this part of the program relates to matters concerning central departmental administration, such as building services, ICT, staffing levels, media and procurement. Questions relating to individual policies and programs should be addressed to officials when specific programs are considered in subsequent sessions. On that note, I'll go to questions. Senator Henderson.

Senator HENDERSON: Good morning to you. I'll start by asking about travel, both by the minister and by departmental officials. What international travel has been undertaken by the minister or her office since 31 January 2026? For that travel, could you also provide details of the costs borne by the department.

Mr Betts: I'm not aware of the minister having undertaken any international travel, but we will check those facts for you. Nor am I aware of the department having incurred any costs.

Senator HENDERSON: What about officials within the department?

Mr Betts: I can give you some general figures on travel. We may have to come back to you with specific figures in terms of—

Senator HENDERSON: I'm particularly looking at international travel.

Mr Betts: the timeframes. During the financial year 2025-26 up to 31 March, my understanding is that we have spent as a department \$1.5 million on international travel. That is for officials and doesn't cover ministerial expenses. I recognise that that doesn't cover the precise timeframe that you've described, Senator, so we'll try and source that for you during the course of the morning.

Senator HENDERSON: If it's possible, to get a more up-to-date figure—could you describe which overseas trips were taken to what destinations and for what purpose, Mr Betts?

Mr Betts: Yes, I may need to take that on notice, or we may be able to answer it at the table.

Senator HENDERSON: Maybe you could bring that back to the table.

Mr Betts: Sure.

Senator HENDERSON: Do you know any details at all about why officials were travelling internationally?

Mr Betts: I don't, but we can get that information for you. Obviously, we have a range of different portfolios. We have a range of different international bodies in which Australia participates, whether that's in civil aviation, telecommunications, post or maritime, and they involve officials in international travel from time to time. It's fair to say that, in the context of the current fuel situation, we have limited travel to the bare minimum that we can, consistent with our international obligations and the public interest.

Senator HENDERSON: Can you tell me more about that, because Mr Kaiser issued an email on 1 April—we talked about that yesterday—where he requested a limitation on domestic and international travel. There were also a whole range of advices in relation to redundancies, but I'll get to that in a moment. Have you issued a directive in relation to travel, and, if so, could we have a copy of that?

Mr Betts: Yes, we'll see what communications we've put around. I think I've put around communications to all of my senior executives, certainly orally if not in writing, and have had conversations both with deputy secretaries and with heads of agency—you'll be aware that we have over 30 agencies in our broader departmental portfolio, including transport, infrastructure and so on—and re-emphasised to them the general position of the government, which is that, whilst travel, including international travel, should continue where it's strictly necessary, people should use their discretion. They should be very conscious of the additional costs associated with that travel, particularly in the current fuel situation, and limit the size of delegations to the bare minimum necessary to perform the purpose of the trip if indeed the trip is required. We will get you the detailed information that you've asked for there, Senator, including any internal communications or Public Service wide communications. I think the Australian Public Service Commission may have put something out.

Senator HENDERSON: If you could, I'd be grateful, as well as, if you could, bring what you can back to the table, preferably in this block, so we can ask further questions about it. Mr Betts, have there been any cases of inappropriately claimed travel expenses by any official within your department?

Mr Betts: I'm not aware of any. Occasionally, for instance, we require people to provide receipts and so on to back in any claims they make for taxi travel, for instance. I'm not aware of anything in terms of aviation, but we do have compliance regimes where we chase down appropriate documentation to make sure everything is substantiated. In the rare event where that's not possible, we require staff to complete statutory declarations. I might ask the team if they can add anything to that.

Ms Jordanoski: There are significant processes that the department undertakes, and delegates and officials who are required to travel are required to get approval from their supervisor. Over the last three-plus years, we've been enforcing a stringent approach to our expenditure. One of those has required that an officer requiring travel needs to have first assistant secretary approval. In relation to your question about whether there's been misuse, we can take that on notice, but I'm not aware of anyone who has. We will get that back to you if there is, but there are stringent processes that an officer must take in order for them to get approvals for travel.

Senator HENDERSON: Have those processes changed or been updated?

Ms Jordanoski: In terms of the last couple of years? We're always strengthening our processes, but overall, as I mentioned, we've required first assistant secretary approval for almost three years now. International travel also requires approval as well, but I can come back to you to check if there have been any changes.

Senator HENDERSON: There's always an approved spend in advance before travel is incurred, isn't there?

Ms Jordanoski: Yes, you must get in-principle approval from your first assistant secretary to travel, as well as ensure that it's for essential purposes. Then there's the acquittal process after the travel costs have been booked, and that also is required to be acquitted in the system.

Senator HENDERSON: You'll check if there's been any inappropriately claimed travel which has been had to be reimbursed back to the department?

Ms Jordanoski: Yes.

Senator HENDERSON: Can I also ask about any credit card issues? Have there been any inappropriate expenses incurred on credit cards which have had to be repaid?

Ms Jordanoski: Yes, sure. I've got that in front of me. I know that we do have a compliance regime that sits over the top of this.

Mr Betts: We'll try and get it for you right now, Senator. In the worst-case scenario, we'll get it for you during the course of the session.

Ms Jordanoski: Over the period of 1 July 2025 to 31 March 2026, we had 85 instances of unauthorised transactions, which were contrary to the department's policy, to a total value of \$4,691.66, which is GST inclusive. That includes 39 which relate to sort of Uber Eats. The others are where staff have inadvertently used the wrong account. We've got the business account. There are 25 at the value of \$550. They relate to taxis and Ubers. There are 21 on other various categories. All amounts have been repaid or are in the process of being repaid.

Senator HENDERSON: I can understand how Uber can be confused, but don't staff have a proper business account when they incur those work related costs for travel?

Ms Jordanoski: We do. We are part of Uber for Business, but there are instances where staff inadvertently use the wrong account, and they self-report. We have a self-reporting regime as well as a compliance regime that sits over the top of that.

Senator HENDERSON: We're not talking about an enormous amount of money, clearly. This is characterised as people making mistakes like that. They were then identified and picked up. Have you changed your processes as a result, in terms of how they better identify work related expenses?

Ms George: In terms of the way the Uber for Business account works, there is a business and a personal reminder as it relates to the Uber Travel, taxis and things like that. There isn't the same business account for Uber Eats. When you are using your Uber Taxi, for example, it will come up and ask, 'You are currently using your business card; are you sure this is a business transaction?' so staff have that prompt to say yes or reconsider and realise it's the incorrect one. Unfortunately, that doesn't currently exist for Uber Eats. We have increased our compliance work that we do in this space, often having staff communications to remind staff of the requirement to consider very carefully before using their corporate credit card, as well as compliance work that we do on a monthly basis to do some data analytics across our credit card transactions to identify some that may look like they may be inappropriate, where we then reach out to the staff and talk to them about that to ensure that they are correct.

Senator HENDERSON: Could we on notice have those policies and procedures relating to both travel claims and the claiming of these sorts of expenses. You've been able to provide the details in relation to the unauthorised expenses which have been claimed. Can I go back to the travel. Have you been able to find any unauthorised travel claims at all?

Ms Jordanoski: The 85 unauthorised transactions that relate to the credit cards will include unauthorised transactions that have occurred as a part of travel arrangements. Because all of our travel arrangements are paid for via our corporate credit cards, they will be included in those 85, so there won't be any in addition to that.

Senator HENDERSON: So they don't have a designated taxi card that they use only for work?

Ms George: No, they have the Commonwealth corporate credit card—the whole-of-government arrangements.

Senator HENDERSON: Can I just ask what the process is when an unauthorised transaction has been identified.

Ms George: Yes, certainly. When an unauthorised transaction has been identified, the staff are required to complete a declaration to identify that that transaction was unauthorised. That then needs to be approved by their supervisor. That then gets processed through our SAP system, and, through that process, they then receive an invoice to then repay the amount to the department.

Senator HENDERSON: Okay. I also want to ask about the minister's travel. Mr Betts, you don't believe that the minister has undertaken any international travel since the beginning of the year. Are any trips planned?

Mr Betts: I'm not aware of any trips that are planned. If any staff in the room have any information on that, it'd be good if they could come to the table and share it with us. But I'm not aware of any.

Senator HENDERSON: Alright. Has the department paid for any of the minister's travel, including domestic travel, since 1 June 2025?

Mr Betts: I don't think so. I think those are paid for under separate arrangements for ministers. Again, if anybody can help me with that—

Ms George: That's correct, yes.

Ms Jordanoski: Correct.

Mr Betts: We're not part of the approval chain for ministerial travel, and that's the standard position across departments.

Senator HENDERSON: Okay. There was one particular meeting the minister had that was of some controversy, which was a ministerial meeting she had in Adelaide when she attended a birthday party, last year. There's been a full IPEA investigation into that, and there's been a full audit. The minister told IPEA that she had a sideline meeting with a South Australian minister on the evening of 7 June. Have you got any details about that sideline meeting?

Mr Betts: No, I don't. The one thing I would say is that it's often the case that ministers engage with their state and territory counterparts without the need for them to commission, for instance, briefing notes from the department. The fact that the department may not have been involved in that process or may not have provided a briefing note doesn't imply in any way that the meeting was for anything other than official business—but no.

Senator HENDERSON: Do you have any evidence that that meeting was an official ministerial meeting?

Mr Betts: Both ministers, as I understand it, have given accounts of that meeting that confirmed that they were transacting ministerial business entirely appropriately.

Senator HENDERSON: No, that's not the—sorry to correct you. The South Australian minister has said that he met the minister because she was there attending his wife's birthday party, but he did not say that it was an official ministerial meeting in the public statements he made.

Mr Betts: Ministers can speak for themselves. My point is simply that there is no expectation that the department would necessarily be involved in supporting any such meeting. That doesn't mean that it wasn't to do with the official business or the ministers' portfolios.

Senator HENDERSON: Yes. In fact, it was reported by the Adelaide *Advertiser* that it was an informal chat. I'll cut to the chase, Mr Betts. It doesn't look above board or like there was—and I'm saying this—an official ministerial meeting. I'm not reflecting on your department in any way. Were there any notes or briefs or anything relating to that trip to Adelaide? There were a number of different events that the minister attended. She had a so-called official meeting with the Office of the Special Minister of State on that afternoon, but it doesn't look like the Special Minister of State, Mr Farrell, attended that meeting. Do you know anything about that meeting?

Mr Betts: No. The only context I can give you is that—and this is true of all ministers—they interact with their colleagues, both with those within the Commonwealth government and with state and territory colleagues, without the need to involve the department. But that is the way in which a lot of official ministerial portfolio business gets routinely transacted, and this looks to be consistent with that.

Senator HENDERSON: Do you have any record of those meetings—any notes, messages or briefs, any follow-up or any correspondence?

Mr Betts: Not that I'm aware of, but I wouldn't necessarily expect to have that. This is the normal transaction of business between the Commonwealth and the states and territories.

Senator HENDERSON: Could I ask, on notice, whether you could provide us a copy of all relevant correspondence in relation to the minister's trip to Adelaide that weekend?

Mr Betts: Sure. Yes.

Senator HENDERSON: There was also another event with the member for Sturt; there was a sporting presentation at a school on the Saturday morning. Did the department have any interaction at all with the minister in relation to that event?

Mr Betts: I can check that, or we can deal with it under outcome 7 for our department tomorrow. I'll see what information I can source. If that's about sport, that's obviously outside the mandate of this.

Senator HENDERSON: Alright. So, just going back, on notice, could you provide a copy of all correspondence, meeting notes, diary notes and any other briefings or any other correspondence in relation—

Mr Betts: Yes. I doubt there'll be much material, but we'll take that on board.

Senator HENDERSON: I appreciate that. Minister, are you able to shine any light on the minister's meetings on that weekend?

Senator Green: You'll have to ask me a question, Senator. I can confirm—I've just checked with the office—there was no international travel since 1 June 2025. You asked that question of the department; I'm just confirming that for you.

Senator HENDERSON: Okay. Thank you. Is there any international travel planned by the minister going forward?

Senator Green: I can't answer that question.

Senator HENDERSON: Alright. If you could check that, I'd appreciate that. Are you able to give us any further information in relation to the meetings on that Adelaide weekend? I'm cutting to the chase here. It doesn't look like it passes the pub test when you have an official ministerial meeting with a minister at a birthday party of the minister's wife. I'm just wondering if you can provide any further details, because the minister was asked about this during question time and declined to give specific details about that sideline meeting.

Senator Green: I think the minister's been very upfront with the information she's provided to IPEA. There was a comprehensive independent audit undertaken by IPEA of almost three years' worth of travel. All of the information that the minister provided to IPEA is available in that report. As you know, they appeared last night in estimates, so, if you've got some questions for them about their audit process, they were for last night.

Senator HENDERSON: No. I'm actually asking questions about the minister's meeting. That's why I'm addressing them to you.

Senator Green: There's no information, beyond what was given through the audit process, that I can give you.

Senator HENDERSON: Okay. The problem with the audit is that there was information that there was a meeting at an event. That's how the minister described this. Then, of course, we found out that the event was the birthday party. As I say, it doesn't pass the pub test that the minister is having an official ministerial meeting at a birthday party with the South Australian minister when it's the South Australian minister's wife's birthday. I'm wondering whether the sideline meeting was next to the bar or next to the pinball machine. It just seems pretty odd, and I would put to you, Minister, that I don't think Minister Wells was being fully transparent with IPEA, because it wasn't actually clear in the information she gave IPEA that it was actually a birthday party where this so-called ministerial meeting occurred. Are you able to find out any more information about the nature of that sideline meeting?

Senator Green: I reject that assertion that the minister wasn't being fully transparent with the Independent Parliamentary Expenses Authority, as she's required to be. She was fully transparent with the audit process. As you have indicated on record today, there were other events that occurred that day, and all of that information has been provided through the audit process.

Senator HENDERSON: No. What I'm saying is that she didn't give full information to IPEA. She didn't say that it was actually a birthday party.

Senator Green: And I'm rejecting that assertion that you're making.

Senator HENDERSON: It's not a matter of rejection; it's just a matter of fact.

Senator Green: Okay.

Senator HENDERSON: I'm just looking to the actual report, and the report makes clear that she said she was attending an event later that evening, but she didn't say it was the birthday party. I'm not directing my criticism at you, of course, Minister. I realise you're here in a representative capacity. If you could seek more information in relation to where that sideline meeting was held, I would be most grateful. It doesn't look credible. Most of the minister's colleagues know it doesn't look credible. Most Australians know it doesn't look credible. If there's anything that substantiates the fact that this was an official ministerial meeting, I welcome further information. Otherwise, as I say, it doesn't pass the pub test in my view. If you could go back to the minister's office and ask for any further information, I'd be grateful.

Senator Green: As I said, there is no additional information other than what has been given to the IPEA audit process. The minister was required to give all of the information to that audit process, and she's followed that process to the letter. It's a process that I know many other politicians from both sides of parliament have undergone in the past, and she's taken full responsibility for the outcome of that audit.

Senator HENDERSON: Mr Betts, has there been any opportunity to come back on any further travel related issues?

Mr Betts: We're still following up. We'll come back to you as soon as we can.

Senator HENDERSON: Do you have any details, since the last estimates, about meetings undertaken by departmental officials, including any costs of any meetings that were held?

Mr Betts: All meetings by all department officials? Can you narrow that down?

Senator HENDERSON: Any meetings where there were costs incurred. We had the situation, obviously, where meetings were being held in restaurants—not within your department; it was another department. I'm just asking if you could provide information in terms of the various groups, panels and other parts of your department where there are separate advisory groups and the like. I'm happy for you to take that on notice.

Mr Betts: Sure. That would cover external venue hire, any catering et cetera?

Senator HENDERSON: That's right—external venue hire, any other travel costs, any meeting costs, whether there were just cups of tea being consumed or whether there were five-star restaurants involved.

Mr Betts: I'm more at the cup of tea end of the spectrum, but we'll follow up.

Senator HENDERSON: Thank you. I want to ask about the First Nations Digital Inclusion Advisory Group.

Mr Betts: That is under outcome 5.

Senator HENDERSON: Just about their meetings.

Mr Betts: Sure. I'll ask the relevant officials to come to the table.

Senator HENDERSON: I'm referring to QON SQ25-002346. In that response, the advisory group estimated that each meeting cost would be between \$10,000 and \$40,000, and the breakdown of those costs has been provided. I believe there are seven or eight members of that group, so we're looking at a total cost of \$191,000. Could you perhaps take me through the costs that you have provided to us in a bit more detail. There was one in-person meeting and then there was also an online meeting. There was almost \$200,000 spent on in-person meetings as well. Could you just take me through the costs involved for these meetings?

Mr Mackay: Certainly. There have been, through to the end of 2025, 11 meetings of the group, including the two that you mentioned. And then, this year, the group met on 26 February and 12 May. I have in my notes a breakdown of costs for meetings 1 through 11, but I'll ask Mr Ashurst to take you through the breakdown of those figures.

Dr Ashurst: There were, as Mr Mackay indicated, 11 meetings. One of those meetings was held online. That was the second meeting. But otherwise the meetings were held in a number of different locations across Australia, including Adelaide, Darwin, Sydney, Darwin again, Sydney again, Alice Springs, Adelaide, Melbourne, Sydney and Brisbane. The 12 May meeting, the most recent one, was held online. This is in terms of those sets of meetings.

Senator HENDERSON: Sorry. There were 10 in-person meetings?

Dr Ashurst: Correct.

Senator HENDERSON: The cost was \$191,000. Could you just take me through each meeting and give me a breakdown of those costs?

Dr Ashurst: Certainly. For example, for the first meeting in Adelaide, the venue and IT hire was \$2,886.60. The flights and travel for that meeting were \$8,402.59. The accommodation was \$2,688.76. Hospitality for that meeting was \$292.

Senator HENDERSON: Take me through the total cost of each meeting, please.

Dr Ashurst: The total cost? Yes.

Senator HENDERSON: Yes, for the 10 meetings.

Dr Ashurst: The meeting 1 total cost was \$14,296.95.

Senator HENDERSON: How much was incurred in travel?

Dr Ashurst: For that meeting, the flights and travel were \$8,402.59.

Senator HENDERSON: Could you go through each of the 10 meetings, please?

Dr Ashurst: I think this information has been provided as part of the response.

Senator HENDERSON: I'm just trying to understand why these costs are so high.

Dr Ashurst: They do require flights and accommodation for, as you indicated, eight advisory group members as well as some departmental staff to attend with those members, and there's also the accommodation for those members in different locations. Those advisory members can come from a number of different areas across Australia, and they fly into those meetings.

Senator HENDERSON: Is it necessary to meet in person for all of these meetings?

Dr Ashurst: In general, the advisory group is keen to meet in person to facilitate discussion, conversation and yarning for First Nations Australians. But there have been decisions with some meetings—for example, the second meeting and the most recent meeting—to hold them online.

Senator HENDERSON: Why was that decision made? Has this just been a change in practice?

Dr Ashurst: For the most recent meeting, it was, in part, motivated by the fuel situation, as the secretary indicated earlier, but also some practical considerations about where some of the members were located.

Senator HENDERSON: Am I able to get the minutes of each of these meetings?

Dr Ashurst: Certainly. The communiques for each meeting are published online.

Senator HENDERSON: I appreciate that, but could I have the minutes of each meeting and any associated briefs. Is there a departmental official who attends these meetings?

Dr Ashurst: That's right.

Senator HENDERSON: Who attends?

Dr Ashurst: It depends upon each meeting, but it can be a senior executive service officer like me, Lisa Lrance or David Mackay, as well as junior officers to support the secretariat work for those meetings.

Senator HENDERSON: It does look like there obviously may well be a need to meet in person, but to have so many meetings where everyone is flying around the country—every taxpayer dollar is precious. How long do these meetings go for?

Dr Ashurst: They normally go for the full day, and there are often additional meetings around that day with stakeholders and other groups.

Senator HENDERSON: I think we're going to come to this, but, in terms of digital inclusion, here is the great irony that all of the connectivity funding's been stripped out of the budget. Have there been any issues raised about the fact that, when it comes to investing in regional communities and connectivity, we've got this First Nations Digital Inclusion Advisory Group, but there's this huge black hole in the budget in relation to investing in regional communications and connectivity. Have any issues been raised in relation to those matters?

Mr Betts: I'll point out that, as we go through the expenses that we've talked about line by line, we see that they are quite reasonable expenses, given that it is highly desirable that meetings take place not just in Canberra but in other locations around the country. The commitment to digital inclusion for First Nations people is a socioeconomic target under the National Agreement on Closing the Gap, which was signed and has been supported by three tiers of government and is supported across the political spectrum. I don't accept the proposition that it's unreasonable expenditure. In the context of investments in digital inclusion and other investments in regional connectivity, this is a very, very small proportion of that expenditure.

Senator HENDERSON: My point was that this has all been cut out of the budget. I know we will come to that in the next outcome.

Mr Betts: Which you will no doubt come to. But to suggest that the First Nations Digital Inclusion Group's travel expenses is a material component of that would be—

Senator HENDERSON: I'm not questioning the need to travel; I'm questioning the quantum. It is a large amount of money and I'm questioning it. Now, clearly, there's been a decision that a number of those meetings would go online or be attended remotely. Has there been—

Mr Mackay: Over the 13 meetings of the group, two have been held online, including, as you noted, the second meeting. That's not a recent change.

Senator HENDERSON: Is there going to be a change? Have you got a schedule of meetings for this year?

Mr Mackay: Not to my knowledge.

Mr Betts: My judgement as an accountable authority is that these meetings are more productive and more valuable when people are able to meet in person. When we put it in the context of the government's travel policy, I would say that this is towards the more important end of the spectrum and is the kind of travel that should be regarded as a priority, unlike some other activities which we've reduced or ceased.

CHAIR: Senator Roberts.

Senator ROBERTS: I have very simple questions and they're very short too. In the last Senate estimates session, ACMA suggested I should ask these questions here. Your review into modernising Australia's classification scheme has moved on slowly to this draft proposal. I note the need for something in printed publications rated between G and R is still accepted. I thank the department and ACMA for that. The new

classification applying to all content, including publications, is MA 16+. This harmonises with the under-16 social media ban and other measures of maturity, so I agree with making the ages consistent. My question is: can you confirm that the MA 16+ classification is intended to ensure that no child under 16 can access this material in a retail environment, in a library or through an online purchase?

Mr Betts: Chair, for your benefit, this is not a corporate question. But I understand that Senator Roberts has many commitments during the course of the day, so we will answer this question, noting that it is probably part of outcome 5.

CHAIR: It may not be to do with Senator Roberts' commitments. From what he said in the preamble, it may be that ACMA suggested it be asked somewhere else. But if we are able to answer it now, that would be wonderful.

Senator Green: Yes. It's under the next outcome, but we can answer it.

Mr Mackay: It is a question for the department, but it does come under outcome 5.

Senator ROBERTS: We were both right.

Senator Green: Column A, column B.

Senator ROBERTS: Or both wrong.

Mr Mackay: Would you mind repeating the last part of the question?

Senator ROBERTS: Can you please confirm that the MA 16+ classification is intended to ensure that no child under 16 can access this material in a retail environment, in a library or through an online purchase?

Mr Cole: No, we're consulting on that at the moment. We are open for consultation on the update to the guidelines and they will close this Friday 29 May. There have been recommendations by our external provider we had come in to do some work on that. They've made recommendations with regard to MA 16+, as you talked about before, but they're open for classification. Sorry for consultation at the moment to work through whether we should introduce those. So it's a consultation period.

Senator ROBERTS: Thank you. Let me clarify. The intent behind the proposal as it stands now, subject to consultation, is that no child under 16 can access this material in a retail environment, library or online purchase if it's accepted?

Mr Cole: Can you repeat the question?

Senator ROBERTS: What you're saying is that you cannot confirm it at the moment, because it's still a proposal and you're seeking consultation?

Mr Cole: That is with regard to the introduction of 16.

Senator ROBERTS: Is the driver behind the introduction to make it so that no child under 16 can access the material in a retail environment, library or online purchase?

Mr Cole: That's not what's being proposed at the moment.

Senator ROBERTS: What is being proposed?

Mr Cole: Some recommendations have been proposed that are outlined in the report that you talked about there. There has been discussion around the MA 15+ changing to MA 16+. That would include not just publications but films, games—what's actually there now. That's what's being proposed through the consultation process. But what would be taken from there would be a decision of government.

Senator ROBERTS: Okay. Is the intent that a child under 16 cannot access this material in a retail environment?

Mr Cole: Not at this stage. Again, it's a public consultation process.

Senator ROBERTS: No, I understand that. Given that it's subject to public consultation, I accept that. That's beneficial. Is the aim of this at the moment that, if it goes through as is, no child under 16 can access this material in a retail environment, a library or online purchase?

Mr Cole: No, that's not what's being proposed.

Senator ROBERTS: What is the intent?

Mr Cole: The intent with regard to changing from MA 15+ to MA 16+ is changing the age limits of the way people can access that material, whether it be games, publications or films.

Senator ROBERTS: Under this proposal, if it survives public scrutiny—consultation—could a child legally get their hands on a copy of books like *Welcome to Sex*?

Mr Cole: I can't answer questions for the way that libraries, state governments et cetera provide publications. That's not a federal government decision, so I'm unable to answer that.

Ms Vandenbroek: At the moment, for example, for films that are rated MA 15+, people under the age of 15—correct me if I'm wrong—are able to view those films with their parents' consent. So it's not that they can't legally see it, but they do need their parents' agreement. That would be what would happen for films.

Senator ROBERTS: What about libraries? How do we protect kids?

Ms Vandenbroek: Very few publications are actually classified. It's only if they're called in for classification. Because of the volume, it's not feasible to classify all written publications. If a book were to be classified currently as MA 15+, it would then be a matter for the library or the bookstore to deal with how that is displayed and how access is restricted.

Senator ROBERTS: So children could still get access to this material?

Mr Mackay: As my colleague indicated, that really is a question for state and territory governments. Following the consultation that is underway at present, any changes to the scheme would require unanimous state and territory agreement, given the issues we've been discussing for any changes to the guidelines or to the national code, and that's a step that would follow from the consultation process that's on foot at present.

Senator ROBERTS: You proposed a PG 13 classification? Is that correct?

Mr Cole: A PG 13 classification has been consulted on. That's correct.

Senator ROBERTS: So you've gone back out for further consultation, as we've discussed?

Mr Cole: Yes.

Senator ROBERTS: When will this legislation come before parliament? The process is taking too long. We're not saying don't have consultation—we believe in that—but it's taken such a long time. When will it come before parliament?

Mr Cole: There hasn't been a commitment by government to introduce legislation. At the moment, we're going through the consultation process for the update to the guidelines. That concludes at the end of this week. Then the findings will be considered and provided to government, and how that's taken forward will be a decision of government. As Mr Mackay mentioned, any changes have to be unanimously agreed by states and territories, so any changes that are proposed would still then need to go through that process agreed by states and territories before anything could progress.

Senator ROBERTS: Thank you.

CHAIR: Senator Henderson.

Senator HENDERSON: Mr Betts, I want to turn to the special antisemitism envoy's report and the recommendations that she made in relation to arts funding.

Mr Betts: That's outcome 6.

Senator HENDERSON: I just want to ask about your departmental procedures. In relation to the *Special envoy's plan to combat antisemitism*, she says on page 11:

... funding provided by Australian taxpayers should not be used to promote division or spread false/ distorted narratives.

Funding agreements or enabling legislation should be drafted to ensure that public funding can be readily terminated where organisations or individuals engage in or facilitate antisemitism.

Can you give me any information in relation to how you are overseeing funding agreements relevant to the department and whether you've made any changes to deal with these obviously very serious concerns?

Mr Betts: Yes. The officials who are able to give you the detail on that will be available under outcome 6 tomorrow. I can give you a preliminary read on that. We are engaging extensively with the special envoy and her team to understand the intent of her recommendations and to work out practical ways in which we could present options to government as to how we could comply with that. We are looking at the provisions within other types of agreement—for instance, in relation to social cohesion in the context of multicultural grants—to see whether there are things which could be transferred into our funding agreements. The challenge that we face is that, for instance, for an entity like Creative Australia, the statutory obligations, as Creative Australia themselves have explained in previous senate estimates hearings, require them to promote a diversity of voices and to promote freedom of artistic expression, and sometimes that sits at odds with the need to avoid providing funding to entities or individuals who are clearly intent on promoting racial vilification.

Senator HENDERSON: And that's the very point. This is just so wrong. We have talked to Creative Australia about their lack of moral compass in relation to—

Mr Betts: Well, I think it's more a lack of statutory compass in the sense that the parliament was unable to agree the terms of racial vilification laws. Therefore, we risk putting relatively junior officials in a situation where they are asked to arbitrate on what's acceptable and what's not in a way that the parliament itself was unable to do. That's the challenge we're facing. But I want to give you an assurance that we're working—

Senator HENDERSON: Sorry, but can I cut in for a moment on that? The government has adopted the IHRA definition of antisemitism. That has been adopted by the government across all departments, so that should be the guiding light in terms of determining what activities would either facilitate antisemitism or are just blatant examples of antisemitism. In that context, have you drafted any changes to funding agreements? Where are you at in that process?

Mr Betts: Where we're at is engaging with the special envoy and her team. We are exploring options as to how to give effect to the intent of her recommendations, recognising that the elimination of antisemitism and ensuring that public funds are not directed towards the promotion of hatred against Jewish people sits within a framework where we also need to protect freedom of speech and freedom of artistic expression. That is a difficult balance to strike, but we are working constructively with the special envoy and her team to see what pathways we could recommend to government in the context of her recommendations.

Senator HENDERSON: I'm not sure that I accept the proposition that it's a difficult balance to strike. The obligation for an artist not to prosecute views which are anti-Jewish or anti-Israel or blatantly antisemitic is not inconsistent with artistic freedom, with editorial independence. I'll just put that on the record. Do you have a standard clause for funding agreements relating to terminating funding in the case where someone might engage in hatred such as antisemitism?

Mr Betts: Where it's illegal, yes.

Senator HENDERSON: Where it's unlawful? Right.

Mr Betts: If somebody breaks a law, whether that's a commonwealth law or a state law, then that funding agreement can and will be terminated. The difficulty is that there are some kinds of behaviour and commentary which you and I would both regard as completely unacceptable that are not currently prohibited by law. The parliament was unable to agree the terms on which they could be prohibited. So that creates a grey area in which we are working with the antisemitism special envoy to understand what the options would be, and we can present those to ministers for decision-making in due course. That is a good, constructive and regular dialogue that we're having with the special envoy. We haven't arrived at an end point on that yet.

Senator HENDERSON: Could I ask, on notice, for any correspondence between the department or the minister's office and the special envoy in relation to these matters. Have you prepared or looked at any possible draft changes? Has there been any work done at all in terms of how your funding agreements might address this?

Mr Betts: We are at the kind of exploratory discussion stage at the moment with the special envoy, looking at examples of practice across government and across different entities and how those sit alongside existing statutory obligations. So it's at a relatively early stage of development, but we can take that on notice and share with you relevant documentation where it exists.

Senator HENDERSON: If you could, share with us the correspondence and any other relevant briefs or emails in relation to this matter, because it's a huge issue, Mr Betts. It really is.

Mr Betts: It is not just for antisemitism but for other forms of racial vilification as well. That adds to the complexity of it; making sure that we're protecting all groups in a way which is equitable and reasonable. Clearly, with the horrific events at Bondi and the royal commission ongoing at the moment, there is a major focus on antisemitism, and rightly so.

Senator HENDERSON: How many times have you had meetings with Ms Segal?

Mr Betts: I've had about half a dozen meetings with her. That includes extensive phone calls but also meetings with other secretaries. Ms Segal presented to the secretaries board. I've had meetings with Minister Burke and Ms Segal. I've had at least two meetings with Ms Siegel's chief of staff. So I would say I've had probably between half a dozen and 10 interactions with her over the last few months.

Senator HENDERSON: If we could have any meeting notes in relation to those meetings—

Mr Betts: I will need to be respectful of the privacy and sensitivity of the work that she's undertaken, but I'll give you all the information that I can.

Senator HENDERSON: That's fine. Thank you very much. When will this work be finalised, do you believe?

Mr Betts: That's a question for government. There is a whole-of-government process underway and a dialogue ongoing with the special envoy. There are many departments involved in this—obviously, Home Affairs

and Education. And there is the work of the royal commission, which will take place, as you know, during the course of this year. So I suspect that we won't arrive at a definitive end point where we have spoken the last word on the measures we're going to take to combat antisemitism and racial vilification, but I'm hopeful that, in the coming few weeks and months, we'll be able to put some advice to government on the back of our engagement with the special envoy.

Senator HENDERSON: Have you provided any advice to the minister or to government at all in relation to these matters?

Mr Betts: Yes, we have, including in the context of a meeting that Minister Burke had in Sydney a few weeks ago with not just Ms Segal but other senior representatives of the Jewish community, including Jewish creatives. So we've provided regular update advice. I provide advice orally to Minister Burke when we meet on a weekly or fortnightly basis as to how the discussions are going, and we will ensure that he continues to be briefed. I'm happy to share that.

Senator HENDERSON: What's the nature of that advice, Mr Betts?

Mr Betts: For instance, the special envoy provided some advice to government on the implementation of her recommendations in more detail in January. I engaged with the special envoy, and she shared that documentation with me. I've explained to Minister Burke in writing and orally the work which is taking place between our department and the special envoy and her team to explore exactly the points that you've raised around how measures could be taken to ensure that we are not inadvertently or consciously providing any funding which might end up in the hands of people who are promoting hatred against Jewish people.

Senator HENDERSON: If we could have copies of that correspondence between your department and Mr Burke as well, all correspondence in relation to those matters—

Mr Betts: Yes, we'll provide that on notice.

Senator Green: And we're due to talk about this, I imagine, in more detail tomorrow.

Senator HENDERSON: We are.

Mr Betts: And I will have my team with me who—

Senator Green: To be fair, we've—

Senator HENDERSON: We certainly are, and we will, obviously, be looking into these matters in much more detail. I am—as many, many people are—so deeply concerned about the way that Australian government funding is being used to promote anti-Jewish hatred. It is next level, Mr Betts; some of the stuff that is happening is so frightening.

Mr Betts: That point is not lost on me, and, whilst I'm not here to provide any commentary on the evidence that's been given at the royal commission, I think you will get a sense from the response that I've given to you, including the levels of engagement that I have personally had with the special envoy—and I think this is a message to Jewish staff in my department—that we do take this extremely seriously.

Senator HENDERSON: What's upset me about all of this, as it's upset many Jewish Australians, is that I've been raising these matters in estimates for a number of years now—how these grant programs are being used by certain people to promote hatred. As I say, it is next level. Some of it is so vile. I did raise the issue—and I will, obviously, be exploring this in more detail tomorrow—of Mr Chun, a writer and recipient of a Creative Australia grant who wrote the most vile essay after Bondi, entitled 'We don't mourn fascists'. I've tackled Adrian Collette in relation to that. It is that sort of stuff which is just so deeply distressing—blatant antisemitism being supported through Australian government grants. So I am pleased to hear that this is being taken seriously now by the government. You should not have to wait for the outcome of the royal commission to take immediate action through your funding agreements.

Mr Betts: I wasn't suggesting for a moment that we would.

Senator HENDERSON: No, I know you weren't. If we could also get a bit more detail of when—if you've got a schedule of meetings planned with Ms Segal and if you could provide any other detail in relation to those meetings, I'd be really grateful. Chair, this might be an appropriate time to share the call. I have got a range of other issues that could either be—this section is being cast as general questions, as well as corporate questions.

Senator Green: Corporate questions.

CHAIR: You've got to keep it corporate, yes. If you want to move to outcome 1 and deal with them there, depending on what they are—

Senator HENDERSON: There are a range of questions. For instance, I have questions on the digital duty of care.

Mr Betts: That's outcome—

Senator Green: That's the next outcome.

Senator HENDERSON: I just want to make sure that we don't—

CHAIR: No, we're not going to preclude you from asking the questions in the appropriate outcome. That, from my understanding, from what was just said at the table, is actually probably outcome 5.

Mr Betts: I did hear Senator Henderson say you had questions about voluntary redundancies?

Senator HENDERSON: Yes, thank you, Mr Betts. Could you please update the committee on voluntary redundancies, particularly in light of the email that came to light from Mr Kaiser yesterday about voluntary redundancies, compulsory redundancies and general staffing levels, please.

Mr Betts: Yes, certainly. We are not in a position where we need to undertake generalised voluntary redundancy processes. In accordance with our enterprise agreement, we do, from time to time, have localised voluntary redundancies, where a limited, localised restructure coincides with an indication from a staff member that they are prepared to leave the department and would like to be made voluntarily redundant, in which case we occasionally offer people packages. There were only, I believe, seven of those during the financial year through to the end of March, and we don't expect that to be a common feature in future either. So we have avoided the need for voluntary redundancy rounds of the kind that we're seeing in other departments. We can talk you through the average staffing levels for our department as reported in the budget papers, but the headline is that, whilst some measures terminated or some funding arrangements taper over the course of the forward estimates period, a number of measures were funded for the first time in the budget, and our net position is that, whilst we carry a few budgetary pressures which are fairly standard, we are in no position where we are required to undertake widespread voluntary redundancies of the kind that, for instance, Mr Kaiser might have been discussing with you over the last couple of days.

Senator HENDERSON: I'm happy to move on to outcome 5 if there are no other questions from anyone else.
[10:00]

CHAIR: Wonderful. We'll now move off corporate matters and we will move to outcome 5. Could the relevant officials please come to the table.

Mr Betts: Senator, we know what will be useful material on the back of that discussion, so we will come back to you. Even if it's corporate, we'll come back to you during the course of this session if we have the answer.

Senator HENDERSON: Thank you. There are a couple of crossover issues, so if I could have a little bit of flexibility, that would be great. I wanted to ask about the social media ban, Mr Betts, if you could bring the appropriate people to the table. Mr Mackay, you're the senior deputy secretary in the department. The government told Australian parents that the minimum age ban would get children off social media, yet we now discover that there's a noncompliance rate or a failure rate, if you like, of some 70 per cent of children or teenagers under 16 who are still using social media. That's been fleshed out, of course, in the eSafety Commissioner's compliance report. What steps is the government taking to remedy the obvious defects with the ban? Because clearly, on the government's own evidence, it's not working as it should.

Mr Mackay: Questions on the enforcement of the legislation passed by the parliament are properly questions for the regulator. The eSafety Commissioner's most recent compliance report—

Senator HENDERSON: Sorry, Mr Mackay, I disagree with you on that. This is the government's scheme passed by the parliament.

Mr Mackay: It's enforced by the regulator.

Senator HENDERSON: If you're suggesting to me that you're not prepared to answer questions—

Mr Mackay: No, I understood your question was going to enforcement and compliance, which is the role of the regulator.

Senator HENDERSON: I understand how the legislation works, but what I'm addressing is that the social media ban is not working. There's massive noncompliance. What I'm asking is: what is the government doing about that?

Mr Mackay: Where there are instances of noncompliance, the eSafety Commissioner is working with platforms. The eSafety Commissioner's most recent compliance report, in March of this year, showed that major

age restricted social media platforms had removed or restricted access for more than five million accounts. But we are limited in what we can say on compliance activity because that is properly the responsibility of the regulator.

Senator HENDERSON: I'm pretty surprised by your answer, Mr Mackay. What advice has the department provided to the minister in relation to the social media ban since it was implemented?

Ms Vandenbroek: We have worked with the minister on ways to further target the definition, so there has been an additional rule introduced which calls out the most harmful features and requires that, for a platform to be an age restricted platform, it must have one of those features in a logged-in state. That has helped to make sure that the less risky smaller platforms aren't inadvertently captured and that the efforts of the regular can be focused on the biggest and the most harmful platforms.

Senator HENDERSON: The minister made claims that 4.7 million accounts were cancelled, disabled and the like back in January in a joint press release with the Prime Minister. She's now updated that number to five million. The eSafety Commissioner has not backed in that number; the eSafety Commissioner has simply said, 'It's a significant number of—'

Mr Mackay: I don't think that's right. The compliance report from the eSafety Commissioner did indicate—I think I said a moment ago—that the number of accounts that have been either removed or had access restricted is more than five million.

Senator HENDERSON: Can you point me to where the eSafety Commissioner made that statement in her compliance report?

Ms Fell: That's on page 12 of the eSafety Commissioner's compliance update.

Senator HENDERSON: I'm just finding that now. Is it on page 12?

Ms Fell: That's right, under the section:

At the start of March 2026, over 300,000 additional age-restricted accounts were prevented from accessing age-restricted social media platforms

Senator HENDERSON: Where's the reference to the five million?

Mr Mackay: It's 4.7 million from the earlier compliance update plus more than 300,000.

Senator HENDERSON: No, but what I'm saying is, Mr Mackay, in the latest compliance report. Could you point me to where that is in the latest compliance report?

Ms Fell: I'll have to double check if there is a reference to the five million, but, as Mr Mackay said, it's the 4.7 and then the reference to the—

Senator HENDERSON: I realised there was an earlier statement, but, in the latest compliance report, Mr Mackay, as I said, the eSafety Commissioner did not back in the suggestion that there were five million accounts disabled. I would ask again, if that's not correct, if you could point me to where that is the case in the report.

Mr Betts: As far as I know, it's a fifty-fifty proposition. For us, it's a simple question of arithmetic—adding 4.7 million to 300,000 to get to the five million. If you think that that's not an accurate representation of the eSafety Commissioner's position—we do—you can ask her when she gives evidence later on today.

Senator HENDERSON: Yes, so she said that it was a 'significant number'. Can you give me a breakdown of that five million—

Mr Mackay: No. The breakdown of that number is held by the eSafety Commissioner. My recollection is that they have given evidence previously about the reasons that they are not providing a breakdown in relation to the investigative processes that they have on foot. They have indicated that they're actively investigating potential noncompliance in relation to five platforms, but we do not hold a breakdown of that figure.

Senator HENDERSON: The problem with that figure is that it's contradicted by the platforms themselves. Meta has said they've disabled about 550,000 accounts, Snapchat says they've disabled about 450,000, and so the total number, taking publicly available information, of accounts disabled is probably over a million but certainly nothing like five million. There's a massive discrepancy between what the platforms are saying and what the Prime Minister and the minister said publicly in January. Then in the eSafety Commissioner's latest report, she just referred to a 'significant number', so she didn't restate that number in her latest compliance report. If I were the minister, I would be concerned that, if I were given a number which wasn't accurate, I would want to know and want to verify those numbers.

Mr Mackay: As you have said, some platforms have provided numbers, not all. I reiterate my earlier evidence that the breakdown of that number is not held by the department.

Senator HENDERSON: As I say, I think it's very enlightening that the minister has not sought that information. So 550,000 accounts closed—

Mr Betts: But she has, from the independent regulator established by the parliament, which is the appropriate place to go for that information—not to platforms, frankly.

Senator HENDERSON: But here's the problem, Mr Betts. The Prime Minister and the minister, in a press release in January, went out publicly and said 4.7 million accounts have been closed down.

Mr Betts: On the advice of the independent regulator established by the parliament.

Senator HENDERSON: And what I'm saying is that 4.7 million or five million accounts does not stack up when you actually look at what the platforms are saying.

Senator Green: That's the problem we went through at the last estimates. We have advice from an independent regulator that's given us those numbers, and the numbers you're quoting have come from the platforms, and not all of the platforms have publicly reported. I understand that, when you do the maths that you've got in front of you, you don't think that the regulator's numbers add up. But we trust the independent regulator, not the platforms. You can choose to believe the platforms if you want, but we are going to take the advice of the independent regulator, which at the moment, because of the way the scheme was created, is currently in a compliance phase of understanding, where there's been noncompliance, what action can be taken.

Senator HENDERSON: Minister, with the greatest of respect, I'm interested in the truth and the facts. If the eSafety Commissioner has made an error or has received wrong information, then it's incumbent on the government to share that information with Australians. My understanding is that, included in that five million number, there is a number attributed to the closure of Google accounts. Because you don't take out a YouTube account, if you want to watch YouTube in a logged-in state, you need a Google account. Are you able to shed any light on the fact that included in that number were Google account holders? Of course that includes anyone who's got a Gmail account.

Mr Mackay: No, I can't add to my earlier evidence that the breakdown of this figure is not held by the department. But the entity that does hold it is on the stand after us and will be able to answer your questions.

Senator HENDERSON: I appreciate that. Do you have any concerns or have you received any advice or given any advice in relation to the enforceability of the social media ban?

Ms Vandenbroek: I would say only to the extent that we did the technology trial last year, which we've talked about previously, where a number of different technologies were tested, and obviously we have shared that information. The report is public. We've spoken with the regulator about that. We've spoken with the minister about that. We know that the technology exists to be able to age-assure account holders with a reasonable level of accuracy. We've also provided advice that that's best done in a waterfall or a layered approach, where there are multiple different approaches taken. That might be an age-assurance method upfront when an account is created, followed by an age-inference process after the account is active. Once somebody starts using an account, there are a lot of methods that the platforms can use to track behaviour—photos, posts or whatever that might be—to infer somebody's age, which would then result in that person being referred off for further age-assurance checks. So our advice has been with regard to the fact that it can be done; it just requires the platforms to deploy the right technology.

Senator HENDERSON: What I was actually asking about is the enforceability of the law.

Ms Vandenbroek: Sorry, Senator.

Senator HENDERSON: Have you given any advice or sought any advice in relation to the enforceability of the social media ban? A platform may say, 'We're not going to submit to Australia's jurisdiction'—which has happened in the Andrew Forrest Meta case, and he is now prosecuting that case in California for that very reason. Has the department received any advice or sought any advice in relation to the enforceability of the social media ban?

Mr Mackay: The reason for my hesitation in answering is that, as you'd be aware, there's a High Court case on foot at present and I think that questions of enforceability go to legal advice that we may have received and which we may be drawing upon in the response to the case that's been brought on this law in the High Court. We are very limited in what we can say that might risk prejudicing the Commonwealth's legal position, particularly while there is a court matter on foot.

Senator HENDERSON: That goes to the constitutionality of the law. I'm not talking about the constitutionality of the law.

Mr Mackay: I understand.

Senator HENDERSON: And I don't believe the enforceability of the legislation is at issue in the High Court case.

Mr Mackay: I understand.

Senator HENDERSON: What I'm asking is: have you sought advice in relation to the enforceability of the law? You can pass laws, but if you have, say, X or Meta saying to the Australian government, 'We appreciate these laws are in place, but we don't submit to your jurisdiction,' that's a massive issue.

Mr Mackay: Beyond the more specific matter we were just discussing in relation to the High Court, I think the answer is no.

Senator HENDERSON: So you have not sought any advice in relation to the enforceability of the law?

Mr Mackay: No.

Ms Vandenbroek: Not specifically on the enforceability, no.

Senator HENDERSON: Have you received any advice at all?

Ms Vandenbroek: No. The eSafety Commissioner may have, but the department hasn't.

Senator HENDERSON: Okay. What can you tell me about the High Court case?

Ms Vandenbroek: We are working through our internal legal team in the department and the Australian Government Solicitor to prepare the case for the court. It's in the process. I think it's back with us for review at the moment. I'm not sure how much more I can say.

Senator HENDERSON: It's not a criminal trial. There are different issues at play here.

Senator Green: No, but it's a High Court case where the government's interests are at stake, so we don't want to do anything or say anything that would prejudice not only the case itself or what proceedings are being undertaken but these world-leading laws that are so important to Australian families. We've got someone at the table who might be able to answer some of those questions for you.

Senator HENDERSON: Yes, there's a lot on the public record, but, for the sake of this committee, I would appreciate an update on where the litigation is at and what the Commonwealth is asserting.

Senator Green: Yes, we can answer process.

Senator HENDERSON: Obviously, one of the claims is that this is a breach of the implied right to free political speech in the Constitution. I assume that that's being opposed by the Commonwealth. Could you give us an update on where the litigation is at, the timeline and when this might be resolved? That would be very much appreciated.

Mr Mackay: I'll ask our chief counsel to assist.

Ms McClure: I can speak to the current orders that have been made in the case. These are the upcoming dates. By Wednesday 10 June 2026, the defendants are to serve on the plaintiffs a revised draft special case and the materials proposed to be annexed to it. The next one is that by Wednesday 24 June 2026 the plaintiffs will file and serve any agreed special case, and the matter will be listed for further directions on or after 25 June 2026.

Senator HENDERSON: Is there any indication when this might be heard?

Ms McClure: No. It will be a matter for the court to set a date for that.

Senator HENDERSON: Is it likely it will be heard this year?

Ms McClure: It's a matter for the court to set the date.

Senator HENDERSON: What's the essence of the Commonwealth's position on the litigation?

Ms McClure: That's not something I can provide any information on at this point in time, apart from to say that it's defending the matter.

Senator HENDERSON: But, obviously, there's a whole range of material on the public record in terms of the Commonwealth's response.

Ms McClure: I can't provide any further information on the matter at this point in time. Do you have a specific question?

Senator HENDERSON: For the benefit of this committee, I'm just trying to understand the essence of the Commonwealth's defence.

Ms McClure: Yes. I think that matter would be subject to privilege, and there isn't any further information I can provide.

Senator HENDERSON: Well, you've got a privileged committee here.

Mr Betts: We can talk about the general policy case.

Senator HENDERSON: Yes. I'm just looking for a general overview. There's a lot of material on the public record, so just a bit of a summation would be really helpful.

Mr Betts: Clearly, we are defending our position. We're happy to talk about the rationale for the legislation, as in the underlying policy case, but we can't comment in any more detail than that on matters which are currently before the court. If you have specific questions about the rationale for the legislation that the parliament enacted last year, I'm happy to talk about that.

Senator HENDERSON: I was more interested in getting a general update on the Commonwealth's position.

Mr Betts: We can give you that process update, which we've given you. We're defending our position. I don't think it's appropriate for us to say any more than that.

Senator HENDERSON: I might put any further specific questions on notice. I'm happy to do that.

Mr Betts: Sure.

CHAIR: Senator Pocock.

Senator DAVID POCOCK: Thank you very much for your time this morning. You'll probably be shocked to know that I have questions about the response to the Murphy report. Thank you very much for your work in this area. Were any of the recommendations of *You win some, you lose more* accepted in full?

Ms Lopez: The government response noted all the recommendations from the Murphy review.

Senator DAVID POCOCK: Yes. I saw that. Were any of the recommendations accepted in full?

Ms Lopez: No. I think, overall, the government noted the recommendations.

Senator DAVID POCOCK: Were any recommendations rejected?

Ms Lopez: No. The government noted all recommendations.

Senator DAVID POCOCK: Why was the decision to just note all 31 recommendations, rather than—as usually seems to be the case—to accept, reject or note?

Mr Betts: I'm not sure that officials can answer that, given that that was a decision of cabinet.

Senator DAVID POCOCK: So the government says to the department: 'Draft this. We don't want to accept any; we just want to note them all.' That's the process?

Mr Mackay: It is the government's response, not the department's response. I would say the announcement that the government has made sets out very clearly how it is taking this matter forward, but the technical development of a response, ultimately, as the secretary has said, is a decision for the government.

Senator DAVID POCOCK: Maybe we can just go to some of the individual recommendations, then. Banning inducements and inducement advertising—that's something that the Murphy report said was urgent and should be done 'without delay'. In fact, the Murphy report said inducements had 'no place in Australia'. That was recommendation 15. Was that accepted or rejected by the government?

Mr Mackay: As Ms Lopez has said, that recommendation was noted in the response. We can take you to the work that we are doing to implement the decisions the government has made around advertising, if that's helpful.

Senator DAVID POCOCK: Is there any work on banning inducements?

Mr Mackay: There's work on restricting and banning various types of advertisement, which we can take you to.

Senator DAVID POCOCK: That's not the same as an inducement. I guess this is what I'm trying to understand. The government just noted them all, so I'm trying to understand what work is happening. On banning inducements and inducement advertising—there's currently no work underway on that? It's okay if there isn't, because it's the government's decision, not yours.

Mr Mackay: It's a tricky one to answer, because we are doing work on implementing decisions about restricting advertising on—

Senator DAVID POCOCK: That's totally different to banning inducements.

Mr Mackay: They're a type of advertisement.

Senator DAVID POCOCK: I'm sorry? Inducements are free bets, bonus bets; advertisements are advertisements—surely.

Ms Lopez: I think the government has outlined quite a comprehensive package in terms of what it will be doing, and, as Mr Mackay has said, that includes restrictions to wagering advertising. It also includes boosting

enforcement action against illegal gambling services; strengthening the operation of BetStop - the National Self-Exclusion Register; addressing harmful and emerging online lottery products; and other measures relating to financial counselling, support for gambling and increasing public awareness of online gambling harms.

Senator DAVID POCOCK: So there's no work happening on banning inducements and inducement advertising?

Ms Lopez: Our work on wagering advertising doesn't extend to inducements.

Senator DAVID POCOCK: So there's none. That seems like an easy answer. I know you're in an awkward spot, but this isn't your decision. I'm just trying to make clear what is happening. What about providing ongoing funding to research so that we can finally understand best-practice interventions, treatment and supports? Is there any work happening in that space?

Ms Lopez: In terms of further research, that might be a question that's better directed to the Department of Social Services and that portfolio. They do have the Australian Institute of Family Studies, which has the Australian Gambling Research Centre, as part of that portfolio. They might be better placed to talk about the research in the gambling harm space.

Senator DAVID POCOCK: What about establishing a national gambling regulator? Is there any work underway, or was that just noted, with no further work?

Mr Mackay: That's not part of what we are implementing at present.

Senator DAVID POCOCK: So nothing there. What about developing a national strategy on online gambling harm reduction?

Ms Lopez: As part of the government response, the government has discussed that this is a collaborative effort that needs to happen across all jurisdictions, noting that it is a multijurisdictional framework that looks after online gambling regulation.

Senator DAVID POCOCK: In terms of you sending me to a different department, what about recommendation 1: to have a single minister responsible for gambling reform? Is there any work underway on that?

Mr Mackay: Ministerial responsibilities are not something that the department would work on in any context.

Senator DAVID POCOCK: The PM's press release says that celebrities and sports players will be banned from appearing in gambling ads and in odds-style ads targeting sports fans. Will 'celebrity' be defined in legislation?

Ms Lopez: Yes, it will.

Senator DAVID POCOCK: Research with 12- to 17-year-olds from Deakin University shows that influencers have a stronger impact on young persons' gambling attitudes than traditional celebrities; they are seen as far more relatable and trustworthy. In an interview on the ABC's *Afternoon Briefing* on 2 April, Minister Wells seemed to suggest that influencers would be banned as well. I'll read from the transcript. Patricia Karvelas asked: Will it also be a rule for influencers online? Because they're very busy influencing us.

And Minister Wells said:

Well, that's right. And if they are advertising gambling, they will be subject to these laws.

Will social media influencers also be banned?

Ms Lopez: The definition for 'celebrity' that we're currently looking at will be broad. The ban is intended to include notable people, including celebrities, sports stars and social media influencers.

Senator DAVID POCOCK: How does someone know if they're an influencer? Are you going to have a blue tick? What's the threshold?

Ms Lopez: We're working through what that definition will look like, as part of the legislative drafting process.

Mr Betts: The government's intention, as you know, just for the context, is to enact legislation by 1 January 2027, and it will release an exposure draft in the near future. Many of the issues that you're raising, which are legitimate things to raise, obviously—we are in the process of framing the legislation and the exposure draft of that legislation. It's work in progress, so it will all have to be caveated accordingly. I'm sure you understand that.

Senator DAVID POCOCK: Will they be banned from advertising gambling in content that they create, or is it just that they can't star in a gambling ad?

Ms Lopez: The definition of 'wagering promotional content' is quite broad, so it would extend to things like sponsorship as well as advertising. If someone was being paid to promote a gambling company, that would likely fall within the definition as well.

Senator DAVID POCOCK: Thank you. I'll move to the proposed ban on ads during sport, and the 8.30 cut-off. Can I confirm that gambling ads will still be allowed to be played during a scheduled half-time break in sport if that scheduled break occurs after 8.30 pm?

Ms Lopez: Yes, I think that's correct.

Senator DAVID POCOCK: Are you aware of how many half-time breaks occur after 8.30? Most prime-time games have an eight o'clock kick-off.

Ms Lopez: I don't know if we have specific data on how many breaks or what the average may be for breaks during a game after 8.30. I don't think we've got that data with us.

Senator DAVID POCOCK: So how will this stop people seeing gambling ads during sport if games kick off at 8 pm, which many, many do? At half-time we'll still see gambling ads.

Ms Lopez: As the government has outlined, these advertising reforms are designed to minimise the danger of exposing children and vulnerable people to gambling advertising, including breaking the link between wagering and sports. This is a decision of government, in terms of the timing around when the live sports restrictions will apply.

Senator DAVID POCOCK: Do you know how many children watch, say, the 8 pm Friday night NRL game?

Ms Lopez: I don't think we've got that data with us. We do know that children are mainly watching ahead of those times, but I'm not sure about whether that changes for sporting programming or whether that's more on average, in terms of it dropping off. Children watching television does drop off in the later hours.

Senator DAVID POCOCK: I think you'll find that there are many, many Australian children watching their favourite sports teams on a Friday and Saturday night. Minister, how does this break the link between gambling and sport if it's so patchy that, if your half-time occurs after 8.30 pm, it's just 'game on' for gambling ads?

Senator Green: It's not patchy; it's a comprehensive response to gambling reform. We're restricting gambling advertising to no more than three ads each hour between 6 am and 8.30 pm, with a complete ban during live sport within those hours. We're also banning ads during radio times and banning—

Senator DAVID POCOCK: Just on the sport—

Senator Green: I just reject your assertion that it's patchy, because there are wide-ranging reforms, which include online platforms and, as you say, celebrities and sports players, venues, players, officials, uniforms. I don't think that that is patchy.

Senator DAVID POCOCK: Sure. But it's in no way at all comprehensive. We've just heard from department officials that there's nothing on inducements; they just 'note' recommendations. Even the recommendation for collecting harm and suicide data was just 'noted'—regulator, 'noted'; single minister, 'noted'. But I want to go on to some more details. About a year ago, I had a complaint from a constituent, a parent, who was hearing Sportsbet ads play between Disney songs on their Spotify account while his children were listening. Will these reforms mean that people can opt out of ads on streaming services like Spotify?

Ms Lopez: For online platforms, it is a default ban on gambling advertising unless people are logged in, are over 18 and have the option to opt out. 'Online platforms' extends to podcasts.

Senator DAVID POCOCK: I assume most people are logged in on a streaming platform like Spotify. So they will have to opt out of gambling ads?

Ms Lopez: As I said, it's a default ban online—

Senator DAVID POCOCK: You said, 'Unless logged in'?

Ms Lopez: unless you can meet those requirements. Correct.

Senator DAVID POCOCK: But, if I'm logged into my Spotify account, I'm playing music and kids are around—

Mr Mackay: There are three elements to the reform that Ms Lopez has described. Being logged in is one of them, being over 18 is the second, and then there is having been given the option to opt out of gambling advertising. All three of those things must be true.

Senator DAVID POCOCK: So it's on me to opt out. What about on podcasts, where it's not actually an ad per se? Spotify is obviously playing ads in and around podcasts, but then there are a whole bunch of podcasts

where the host actually says, 'Today we're sponsored by "this betting company", and how good are they?' What does it mean for that?

Ms Lopez: That's part of what we're looking at as part of implementation and legislative drafting. However, in that context, a host promoting a wagering company would be considered sponsorship. So it would be captured by these restrictions as well.

Senator DAVID POCOCK: So under your proposed changes, there would be no sponsoring of podcasts by gambling companies.

Ms Lopez: Sorry. It's more that, to hear that sponsorship, the person would need to be logged in, be over 18 and have the option to opt out. But if you've opted out, you shouldn't be hearing it.

Senator DAVID POCOCK: I hear what you're saying, but there's a difference. Say I'm opted out of gambling ads, Spotify or the streamer can't place gambling ads before and after a podcast. But what if an actual podcast is sponsored by a gambling company and at the start, in their intro, they say, 'I'd like to thank our sponsors, "this gambling company"'?

Ms Lopez: Sorry, I may not have been clear. That would be considered advertising as well. If you have opted out, you shouldn't be hearing a host.

Senator DAVID POCOCK: So then you can't hear an entire episode?

Mr Mackay: It's a matter for the platform that is hosting that content as to how they would handle that.

Senator DAVID POCOCK: I guess this leads directly to the impact assessment, because that is a totally unworkable system. It is bonkers that you would be saying that a podcast can be sponsored by a gambling company and you can have it in the intro, but you can't play that to someone if they've opted out. So podcast hosts will now have to have two different versions of their podcast that they upload, and Spotify is somehow going to decide which one they're going to play to which person. Going to your impact assessment, the department commissioned the Australian Gambling Research Centre to estimate the potential socioeconomic benefit of options considered for wagering reform. Is that correct?

Ms Lopez: The research that you're referring to was one input into that impact analysis.

Senator DAVID POCOCK: What was the product that the AGRC delivered to the department?

Ms Lopez: They delivered a report which looked at a number of options and provided some estimates around the social impact of those options.

Senator DAVID POCOCK: Are you able to provide that to the committee?

Ms Lopez: I think I need to take that on notice in terms of that research, because it wasn't input into decisions from government.

Mr Mackay: We'll take it on notice.

Senator DAVID POCOCK: Did the actual research go to cabinet?

Mr Mackay: That is what we would need to check. We'll take it on notice.

Senator DAVID POCOCK: Surely, you'd know if it was sent up or not.

Mr Mackay: I will need to confirm on notice.

Senator DAVID POCOCK: Was there underlying modelling attached to that as well?

Ms Lopez: Yes, I believe there was.

Senator DAVID POCOCK: I'd also love that modelling if you can provide that.

Mr Mackay: We'll add that to what we've taken on notice.

CHAIR: Senator Pocock, I'm just giving you a two-minute warning.

Senator DAVID POCOCK: Sure. I'll try to just wrap up this specific section. Coming to the enforcement, am I right in reading that the department assessed that the full ad ban, as recommended by the Murphy report, resulted in higher socioeconomic benefits to Australians?

Ms Lopez: I don't have the impact analysis in front of me, but I think it's worth pointing out that the estimated benefit of the wagering advertising reforms is only one part of what the government has announced.

Senator DAVID POCOCK: But I guess I'm asking exactly about that, though. Maybe someone can get that information to you. My reading of the report, and I am keen to confirm it, is that the full ad ban as recommended would result in a higher socioeconomic benefit to the Australian people. That includes less relationship harm, psychological harm, work harm, financial harm and health harm. You probably don't have this either, but my

reading of the department's assessment is that the full ad ban would actually be cheaper to enforce. So it would be cheaper for Australians, cheaper for the taxpayer and of more benefit. Yet the government's gone for something that is more expensive to enforce and of less socioeconomic benefit. I find this so tragic. How many new staff were funded in this budget for ACMA to actually enforce this, given it's not the option that will be cheapest to enforce?

Ms Lopez: As part of the most recent budget, the government's providing \$112.7 million over five years from 2025-26 and \$18.1 million per year, ongoing, to address online gambling harms through improved consumer protections, expanded support services and targeted public awareness and education campaigns. That funding includes \$39 million over four years from 2026-27 and \$10 million per year, ongoing, to expand financial counselling support, to maximise availability and reach of services for individuals and families impacted by gambling harms. Government is also providing \$28.7 million over four years from 2026-27 and \$3.2 million per year, ongoing, to improve BetStop by raising community awareness, strengthening data-matching systems and enhancing usability to optimise client safety outcomes. There's a further \$22.6 million over five years from 2025-26 and \$4.9 million per year, ongoing, to implement wagering advertising reform. That includes boosting compliance and enforcement actions against illegal gambling services and enhancing consumer protections from harmful online lottery products. And there's a further \$22.4 million over three years from 2026-27 to develop and implement a national online-gambling public awareness and education campaign.

CHAIR: I'm just going to—

Senator DAVID POCOCK: Thank you very much.

CHAIR: Thank you, Senator Pocock. I'm—

Senator DAVID POCOCK: My question was: how many more staff?

Ms Lopez: I don't have details on—I don't know if Ms Panagoda's got details on staffing levels.

Ms Panagoda: I don't know.

Senator DAVID POCOCK: No. Okay.

CHAIR: Senator Ananda-Rajah.

Senator ANANDA-RAJAH: For the benefit of clarity and for the people watching, can you outline again what measures the government has announced to restrict gambling advertising—in some detail, please.

Mr Mackay: Certainly. They include restricting gambling advertising on broadcast television to no more than three ads each hour between 6 am and 8.30 pm, with a complete ban during live sport broadcasts within those hours, and banning gambling ads on radio during school drop-off and pick-up times, defined as 8 am to 9 am and 3 pm to 4 pm. As we were discussing a moment ago with Senator Pocock, they also include banning gambling ads through online platforms—a default ban—unless all three elements of the triple lock are present: the user is logged into an account, is over 18 and has the option to opt out of gambling advertising. There is also the banning of the use of celebrities and sports players in gambling ads—we talked a moment ago about the work we're doing on the definition of that in the legislation that we're drafting—along with odds-style ads targeting sport fans and gambling ads in sport venues and on players' and officials' uniforms. I'll see if Ms Lopez wants to add to any of those with any more detail. I think that covers it.

Ms Lopez: Yes.

Mr Mackay: Yes. Thanks, Senator.

Senator ANANDA-RAJAH: What has been the reaction from wagering companies and wagering peak bodies to this suite of measures?

Ms Panagoda: A number of wagering providers are on the record with their views, and stakeholders, through our consultation to date, have raised some technical issues and questions around how the measures will work in practice. We're working through those as part of our drafting process.

Senator ANANDA-RAJAH: What has been their reaction overall?

Ms Panagoda: It's been, I think, a mixed reaction—in terms of the impact on those industries. I think the government has stated its intentions clearly around wanting to break the nexus between sport and gambling, and I think there are some issues that we are working through, as I said, with industry.

Senator ANANDA-RAJAH: If a company can't implement the triple-lock rule, what happens?

Mr Mackay: The absence of the triple lock means we return to what we described a moment ago, which is a default ban, and then that would be a matter of enforcement of the law.

Senator ANANDA-RAJAH: Okay. Just quickly, with regard to online Keno, could you explain what online Keno is and what the government is doing to avoid harm in this space.

Ms Panagoda: I'm happy to speak to that. Online Keno is a game of chance, and it's drawn every three minutes. It offers players the opportunity to win prizes by selecting numbers and matching them with drawn numbers. Traditionally, it's been available as an in-venue game in clubs, pubs, hotels and casinos, and it's licensed and regulated by the states and territories as an activity. But, more recently, it's been made available to online customers. I think the government has, as part of its announcement, indicated that it is looking to ban online Keno. The context for that, I think, is that the rapid-play and high-spend nature of online Keno is a cause for concern. Consumers are able to spend up to a thousand dollars every three minutes.

Senator ANANDA-RAJAH: Wow! Okay, that's good. Thank you.

CHAIR: We're going to take a break at this point.

Proceedings suspended from 10:46 to 11:02

Senator ANANDA-RAJAH: I have some questions regarding regional telecommunications, particularly with reference to the Longwood fire in Victoria. As you know, the Longwood fire was one of the largest fires in Victoria's history. Victoria, being a state that is fire-prone, actually has the most severe fires for a number of reasons: terrain—rugged country—a lot of fuel and it's a windy state. But this Longwood fire in particular stretched to over 144,000 hectares, burned for a month and, although the loss of life was small relative to other fires, one person died. His name was Max Hobson. The loss to property was massive. We had nearly 200 houses destroyed, nearly 8,000 stock lost, including 1,500 cattle, nearly 6,000 sheep, 486 beehives. Around 5,000 kilometres of fencing was destroyed, and a lot of productive farms were also lost—apples, cherries, nuts, olives, grapes and so on.

Four months on, the community is still reeling from this fire. I've spoken to a number of farmers about it. The testimony's harrowing. During the peak of this hot period, telecommunications went down and were down for days, which not only compounded the distress but also compounded the after-fire activities—the clean-up, the rebuild and so on and so forth. This is not the first time this area has been impacted. It is prone to disasters. This community has experienced compounding impacts from floods in 2022-23 and fire. Now, of course, they're dealing with the fuel and fertiliser crisis, so it's almost too much to bear.

My questions relate to the issue of temporary disaster roaming. Can you talk to us a little bit about how the telcos are progressing this issue of temporary disaster roaming, please?

Mr Mackay: Yes, we certainly can. We just need a couple of different people given the specific question about temporary disaster roaming.

Senator ANANDA-RAJAH: Please be aware that this testimony will be going to that community. They'll be listening to it.

Mr Mackay: Of course.

Ms Chapple: I am happy to update you on industry's progress towards enabling temporary disaster roaming. It's an industry led initiative. They have been through two stages of testing. The first stage of testing was looking at TDR in a controlled environment, not a live environment. The second stage of testing, which occurred through to March this year, was testing the technology in a live environment. We understand from meetings with telcos that that was successful testing. The next step will be that they will provide us with a report and that is due to us in June this year. They have committed to and have indicated they are on track to have TDR operational for this high-risk weather season, which is in October this year—or commences in October this year.

Senator ANANDA-RAJAH: That is actually really, really good news. Thank you so much for that. What's the latest on the mobile network hardening program? I guess this speaks to resilience. How many solutions have been delivered recently and what kinds of solutions are being delivered? This is particularly pertinent for these areas which are disaster prone and with really rugged terrain. It's incredibly difficult to fight these fires when they come.

Mr Grunhard: The Mobile Network Hardening Program has been running for some years and has rolled out many hundreds of projects, and, indeed, many are still contracted to be delivered. I might ask Ms Lindsay to give us the exact numbers that have been delivered and that are still in progress to be delivered to communities.

Ms Lindsay: Over three rounds of the Mobile Network Hardening Program, we funded 1,690 projects. Of those, 1,888 have been delivered and 465 are in progress; 37 have been withdrawn for reasons due to the projects previously being completed or lack of access to the site. The sorts of projects that the program has funded are

battery upgrades, physical site hardening, backhaul or transmission upgrades, and portable and permanent generators.

Senator ANANDA-RAJAH: Okay, that's good. Could you give us a state-by-state breakdown and, on notice, particularly for the Murrindindi Shire, what has been delivered in that region?

Mr Grunhard: Sure, no problem.

Senator ANANDA-RAJAH: On notice, that would be useful.

Mr Grunhard: We will do so.

Senator ANANDA-RAJAH: What would be the role of UOMO in these acute emergency circumstances?

Mr Mackay: While the relevant officials are coming to the table, there's a couple of things I'd say in respect of the Universal Outdoor Mobile Obligation. The first is that it will provide baseline services for both voice and text wherever you can see the sky. It is important to distinguish that from the full 5G data streaming service that terrestrial mobile can provide, but it will provide baseline voice and text everywhere.

The other thing the bill will do, because it is technology agnostic, is provide government with the ability to set rules and standards for mobile networks in a way that doesn't currently exist. I think it's important to understand that the first part of what I described relies on low earth orbit satellites, but the rules and standards provisions in the legislation apply to any type of mobile connection, be that terrestrial, mobile or satellite delivered. But I'll just ask my colleagues to see if there's anything they'd like to add to that.

Ms Power: A key element of the universal outdoor mobile obligation is expanding coverage into areas that have no terrestrial coverage. That includes ensuring that all operators need to provide that service on a national basis. Whereas there may be instances where certain communities have some coverage via Telstra or another provider, effectively, the universal outdoor mobile obligation will ensure that communities, no matter where they are, have access from a range of providers. That also is focused on ensuring that people are able to connect in times of need, noting that currently in areas outside terrestrial mobile coverage there is no capacity to access triple zero or make contact with loved ones other than via the current limited D2D SMS that Telstra is operating. That will clearly have a benefit during times of emergency. As Mr Mackay said in relation to the standards power under the bill, it is a pretty broad power that could go to a range of things, which includes steps that industry may need to take to prepare better to ensure that coverage remains available as much as possible.

Senator ANANDA-RAJAH: Do you want to comment about what kinds of devices people would need to make this work?

Ms Power: Currently, the service that's in operation from Telstra is available to a certain set of devices. That is being provided by Telstra on a no-cost basis to customers on a range of plans. There is work happening at a broader scale, both within industry and internationally, in regard to mobile phone standards to expand that range of phones that will be available. So we expect that to increase over time.

Mr Mackay: But it is certainly true that, in order to access services provided direct to device by satellite, hardware that is compatible with that operation is required. It won't be infinitely backwards compatible.

Senator ANANDA-RAJAH: Correct—so there'll be a bit of education required.

Mr Mackay: That's correct.

Ms Power: Of course, the universal outdoor mobile obligation, whilst the extension comes from direct to device, leverages the very extensive terrestrial mobile systems, too, and there's no change required for people who currently have terrestrial mobile to access that service.

Senator ANANDA-RAJAH: Can you tell us a little bit about the Strengthening Telecommunications Against Natural Disasters, otherwise known as STAND, program.

Ms Chapple: For the Strengthening Telecommunications Against Natural Disasters Program, the STAND program, \$14 million was announced by the government in March 2025 to extend the operation of NBN Co Sky Muster satellite community wi-fi services at evacuation centres and emergency coordination points through to December 2027. In August of 2025 NBN Co was awarded a \$9.01 million grant to extend the operation of 1,068 existing sites and commission up to 500 new sites. States and territories were given the opportunity to nominate for those 500 sites, and as a result 412 nominations were received. Those installations are currently underway.

Senator ANANDA-RAJAH: Can we get a breakdown of which states those are in?

Ms Chapple: Certainly. I'm happy to provide that.

Senator ANANDA-RAJAH: That would be helpful. I'm sorry; I wish I'd done this earlier. I want to go back to the backups that we talked about with regard to the hardening program. You might be able to answer it. I'm

interested in the role of battery backup, particularly for some of these towers which are in hard-to-reach places. The community of Murrindindi have requested that they have 72-hour backup. I recall an adjacent inquiry I was on, a climate misinformation inquiry, where we heard from the EV Council some really interesting testimony that electric vehicles are being driven to these places and are being used to power dialysis machines, for example, for days on end. I'm wondering what kinds of technology or innovations are being considered to provide this prolonged support when crews are coming in to get power back online.

Mr Mackay: I will see if my colleagues are able to provide anything on that question. The Mobile Network Hardening Program funding that we were discussing a moment ago includes funding to increase battery backup, but my sense is that will relate to specific battery installation, which is slightly different from ability to power a site from, for example, an EV.

Mr Grunhard: We've talked about the Mobile Network Hardening Program, which is, as you've noted, about extending battery backups. The other thing I'd note is the Telecommunications Disaster Resilience Innovation Program, which the government has funded. There were 29 projects on foot, 27 of which I think are still in progress. What that's funding is exactly the sorts of things you're talking about: innovative projects with telcos, infrastructure companies and researchers to look at new ways to enable power to be extended for longer, to make it easier for the community—for example, to switch out services to make sure that the tower continues to broadcast in the case of emergency. There are a whole range of different projects, and they're listed on our website. Most of those are to complete soon, and we're hoping that there will be some really interesting new innovations that have been funded there by the government, in partnership with industry and academia, to come up with new solutions for communities in those sorts of situations.

Senator ANANDA-RAJAH: What are your timelines on delivering? That sounds really interesting and very pertinent.

Mr Grunhard: The current end date for the rounds is 30 June 2027. We have contracts in place with various proponents, and they are completing those projects out to 30 June 2027.

Senator ANANDA-RAJAH: That's wonderful. If you could, at the next meeting or next estimates, provide us with an update on that, that would be very helpful. Thank you very much.

CHAIR: I'm going to give the call to Senator Henderson, but, Secretary Betts, I understand that you have some information, as well, to add.

Mr Betts: Yes—relevant to questions asked by Senator Henderson during earlier sessions. The senator asked about procedures on credit cards and expenses claims. We're going to table the financial noncompliance procedure for the department insofar as it relates to credit cards, an extract from accountable authority instructions in relation to official travel, and our official travel policy guide and our official travel practical guide. All of those will be tabled.

Senator HENDERSON: Thank you very much, Mr Betts.

Mr Betts: Also, in terms of international travel, I'll table some information which will tell you—there is more to come, which we will either provide later on today or take on notice—about international travel by departmental staff between 1 January this year and 15 May, across all of the department rather than simply for communications and media. That will take you through details on 53 business related international flights across, I think, 13 different destinations with a total cost of around \$566,000, GST exclusive. There's a bit more to come on that.

Finally, the senator asked questions around communications within the department more generally and within the APS around the need for restraint in terms of travel approvals. I can tell you that on 6 March our chief operating officer at the time circulated a bulletin which said that if staff were undertaking overseas travel in the near future they should give her a call to discuss that, particularly if they were unsure as to whether it was essential travel or not, and noting that the department was taking a cautious/prudent approach and only essential overseas travel was currently being approved.

There was a communication from our executive leadership team—this took place on 1 May, and the communication came out on 8 May—noting the advice provided to the Secretaries Board on work related travel and stating that travel should continue and business requirements should continue to be met but noting that judgment, prudence and fiscal discipline should always continue to be applied when considering travel for work purposes. Finally, there is APS guidance which was issued to me on 29 April around ensuring that the APS responded proportionately, coherently and at pace to ongoing challenges and that agencies exercise careful judgement about official travel: 'With rising travel costs and fuel demand, staff in agencies should carefully consider all travel arrangements and ensure that they demonstrate strong value for money.'

Senator HENDERSON: I do really appreciate that comprehensive overview regarding those questions I asked earlier. Could we have, on notice, a copy of the 6 March bulletin, the 8 May advice and the APS guidance to which you referred?

Mr Betts: Yes.

Senator HENDERSON: In relation to the 53 flights to the 13 destinations at a cost of \$566,00, can you give me those destinations and the purpose of each trip?

Mr Betts: I'll give you the destinations. I will have to take on notice or provide later the purposes of the trips. Do you still want the destinations?

Senator HENDERSON: That would be great.

Mr Betts: Okay. Bangkok, Brussels, Geneva, London, Montreal, Mumbai, Port Moresby, Riga, Seoul, Shanghai, Singapore, Toronto and Wellington.

Senator HENDERSON: Okay. But you are chasing further details on the purpose. Are any of those trips within the communications—

Mr Betts: They will be, yes. They'll be things like the Universal Postal Union or the International Telecommunications Union.

Senator HENDERSON: Okay. And perhaps we could get a breakdown as to the costs of travel, accommodation, any incidentals—

Mr Betts: Yes. And I think those costs I cited include travel as well as accommodation and other expenses.

Senator HENDERSON: And other expenses—and how many officials were travelling on each trip? The minister didn't accompany—

Mr Betts: No.

Senator HENDERSON: No other minister?

Mr Betts: No. Well, it covers the whole department, including seven ministerial portfolios, but I don't think any ministers were involved in any of those—

Senator HENDERSON: That's right. That's why I wanted to check that. Thank you very much for that. I'll look forward to that further information, but I do very much appreciate that comprehensive update.

I want to ask a couple of quick questions about the Prime Minister's announcement on gambling reforms. This is more by way of clarification. Mr Mackay, I noticed that you were reading out the Prime Minister's statement about what was announced—which is very reasonable—on 2 April. There's one thing of concern that I want to raise. The Prime Minister announced that there'd be a ban on gambling ads during live sport. Now, you would be aware, Mr Mackay, that there's been a ban on gambling ads during live sport for a very long period of time. So I'm keen for you to clarify that position. In fact, the ban was strengthened by the former coalition government back in about 2018. So it seems that the Prime Minister was announcing something that is already in place and was strengthened by the former coalition government. Can you provide any more information in that respect?

Mr Mackay: I think we're talking about the first item I covered, which is the restriction of gambling advertising on broadcast television to no more than three each hour between six o'clock and 8.30, with a complete ban during live sport broadcasts within those hours.

Senator HENDERSON: Yes. So, that's the part that I'm raising concerns about—'with a complete ban during live sport broadcasts within those hours'. Even Free TV came out and said, 'Well, hang on a minute. That ban has been in place for many years.' There have been various iterations, which, as I said, were strengthened. But I would put to you that this media release is misleading in that the ban is already in place. I'm not attributing that to you. But did you give any advice to either the minister's or the Prime Minister's office in relation to this media release?

Ms Lopez: I don't have the media release with me but I would think that the Prime Minister was just outlining the comprehensive suite of measures that they're undertaking, and it's to outline the complete set of rules that we'll be applying in—

Senator HENDERSON: Yes. I'm not attributing this to you, just to be very clear. But this was a release, including from the Minister for Communications, Ms Wells, which made an announcement that the reforms would include a complete ban during live sport broadcasts within those hours. In fact, the hours have been truncated, reduced, because the earlier ban was from 5 am. Do you know the rationale for limiting the ban, now starting at 6 am?

Ms Lopez: That's a decision from government.

Senator HENDERSON: And what's the reason for that decision? Do you know?

Mr Mackay: I think we covered with Senator Pocock before that these were decisions taken through a cabinet process, and we can't comment on the deliberations that led to the decision.

Senator HENDERSON: Could I have a copy of the advice that was provided to government in relation to the gambling reforms?

Mr Mackay: I think that will be challenging because, as I said, it's a decision taken through a cabinet process—

Senator HENDERSON: That's not relevant to this committee—

Mr Mackay: We will take on notice what we're able to—

Senator HENDERSON: unless it's a cabinet document. I'm asking for the advice that was given to the minister, please.

Mr Mackay: I understand that; we will take it on notice.

Senator HENDERSON: If you could please provide us with a copy of all advices given to the minister—

Mr Mackay: I will take it on notice.

Senator HENDERSON: on the gambling reforms. I know you did touch on this before, but can I ask what the position is in relation to live gambling ads post 8.30 pm, because there are already restrictions on gambling ads during live sport after 8.30 pm. But that was absent; there was no reference to that in the Prime Minister and minister's announcement. Can you clarify: what is the position after 8.30 pm?

Ms Lopez: The rules that the government have put in place are between the hours of 6 am and 8.30 pm for broadcast content on television. As Mr Mackay said earlier, that includes a ban during live sports, so five minutes before—

Senator HENDERSON: No, sorry Miss Lopez, I'm not asking about that time period. I'm asking: what is the position post 8.30 pm?

Ms Lopez: There are existing rules after 8.30 that are currently in the broadcasting codes—

Senator HENDERSON: That's right.

Ms Lopez: Those would likely continue to apply post 8.30.

Senator HENDERSON: So the existing restrictions are likely to continue to apply? There's some uncertainty about that?

Ms Lopez: No, sorry, they will apply after 8.30.

Senator HENDERSON: They will apply. For the benefit of this committee, can you share what those restrictions are?

Ms Lopez: There's a range of rules that apply to content. There's a co-regulatory regime relating to the amount, scheduling and placement of advertising under the Broadcasting Services Act. This includes restrictions around children's programs as well as the live sporting—

Senator HENDERSON: No. I'm asking what are the rules which currently apply post 8.30. There are different rules that apply post 8.30. Gambling ads are not permitted during live sport, but there are different rules that apply in breaks.

Ms Lopez: I may take on notice the exact rules that are applying after 8.30, but it is outlined in the Free TV code.

Senator HENDERSON: Just to be very clear, you said it's likely they will apply—

Ms Lopez: I clarified that those rules continue past 8.30.

Senator HENDERSON: They will continue to apply.

Ms Lopez: The reason I said 'likely' was that there will be consequential amendments that need to happen following the government's legislation. It's just a question about how those rules come through, whether it's through the codes or through some other mechanism.

Senator HENDERSON: So there'll be some mechanics as to how they're implemented, whether they sit within the legislation or whether they just continue to sit within the codes. Is that right?

Ms Lopez: Correct.

Senator HENDERSON: I may come back to that, but I just want to move now back to the social media ban. I want to refer to an FOI document that is on the department's log. It relates to a series of emails in relation to the

announcement of the 4.7 million accounts that were shut down for the social media ban. Mr Betts, are you across this FOI document?

Mr Betts: No.

Senator HENDERSON: It starts with an email on 15 January sent—and I'm happy to give you the—

Ms Fell: Senator, could we just—

Senator HENDERSON: The FOI is 26-226.

Mr Mackay: That was the number we were going to ask for. Thank you.

Senator HENDERSON: What I'm asking for is an unredacted copy of this document please.

Ms Fell: I was the FOI decision-maker on this document. We can take that on notice, but I'd note that redactions were applied for a number of reasons, the predominant one being the ongoing investigation that eSafety is undertaking regarding social media minimum age.

Senator HENDERSON: It just worries me that you were the officer that made the FOI decisions, because you're in the Online Safety Branch.

Ms Fell: That's right.

Senator HENDERSON: It says that data has been provided by platforms on a confidential basis. Can I just confirm, Mr Mackay: was data provided to the department on a confidential basis?

Mr Mackay: Which data are you referring to?

Senator HENDERSON: It's in the FOI document. It says:

Note: data has been provided by platforms on a confidential basis.

And then we've got very large sections of the next number of pages—there's a brief that was prepared for the minister—that has all been redacted. This looks like the government has not wanted to be transparent about how many accounts were closed down. The Prime Minister and the minister then went out and announced it was 4.7 million accounts. My very deep suspicion is that that included perhaps more than a million or more, maybe two million—I don't know because I can't verify it—Google accounts. They of course include people who use YouTube, but Google accounts are also used for many other purposes. So my proposition to you is that the government have botched this number and now they're trying to cover it up. And there's the fact that all of this is redacted. I mean, this is a matter of enormous public interest.

Mr Mackay: We'll take on notice the question that you've asked.

Senator HENDERSON: Well, it is not appropriate to be redacting this, for a start, but under these rules—

Mr Betts: I think that's a judgement to be made in accordance with the FOI Act by the relevant delegates, and in accordance with the statutory framework established by the parliament.

Senator HENDERSON: Well, it's my view that it's not appropriate under the FOI Act—

Mr Betts: How would you know?

Senator HENDERSON: but, putting that to one side, the FOI Act does not apply in relation to documents we're seeking in estimates—

Mr Betts: I understand. We'll take that on notice.

Senator HENDERSON: so could I please have an unredacted copy of this document. What this document also reveals is that there was a draft media release, and that was subsequently released a couple of days later. It's pretty much word for word the media release that was released by the Prime Minister and Minister Wells on 16 January, but there's one very curious redaction. It relates, we think, to the number of accounts. Why was that redacted?

Ms Fell: That was redacted under the exemption for deliberative material, so I'd suggest it was reflecting not the final wording of the media release.

Senator HENDERSON: Are you able to tell me what that line was that was redacted in the draft media release?

Ms Fell: We don't have the unredacted version.

Mr Betts: We don't have the unredacted copy, Senator. We'll take that on notice.

Senator HENDERSON: Is it possible to call that document up?

Mr Betts: We're taking it on notice.

Senator HENDERSON: Well, I would suggest to you that these are matters of public interest, and to hide behind these numbers on the basis that this is a so-called investigation by eSafety—

Senator Green: There's nothing 'so-called' about it. The eSafety Commissioner will appear today, and she'll step you through the investigation that she's undertaken. There's nothing 'so-called' about it.

Senator HENDERSON: They're my words, Minister.

Senator Green: I know the law is new, but it passed through the parliament and it set up a regime that is being enacted right now, which includes the investigation that's being undertaken.

Senator HENDERSON: My concern is that Australians are being misled, because the numbers don't stack up. The government's claim as to how many accounts were shut down doesn't stack up when you actually go to the individual platforms, and the fact that the government is going to such lengths—and Senator Smith is about to raise another issue in relation to this—to keep this number secret is, I think, very telling.

Senator Green: We've stepped you through the reasons why. The eSafety Commissioner is in an investigative period at the moment. She can speak to that when she's here. I reject the assertion that it's an attempt to keep anything secret. There is certainly a process that we are going through, but we have taken on notice to provide you with more details.

Senator HENDERSON: I think it's very evident that the government and the eSafety Commissioner are trying to keep this secret because they've botched the numbers. You've botched the numbers, Minister.

Senator Green: That's not true.

Senator HENDERSON: You're the representing minister, so, when I say 'you', I'm talking through you to the minister.

Senator Green: I understand what you're saying and I reject the assertion.

Senator HENDERSON: But I think it's very clear you've botched the numbers. Look at this—pages and pages of redactions in the brief. This is a matter of great public interest.

Mr Betts: Senator David Pocock will recall an exchange that we had earlier this week about the way in which freedom-of-information requests are handled. They are handled by officials. There are notifications that go to ministers' offices, but they are handled by officials who are subject to code of conduct and who are applying the legislation established by the parliament. If you don't like the outcome of that, then there are recourses of appeal, including to the information commissioner. But I can assure you that these processes have been done by the book. There is no political interference in these processes, but there are legitimate reasons under the FOI Act why things get redacted from time.

Senator HENDERSON: Mr Betts, I actually wasn't referring directly to the—

Mr Betts: But, by implication, if you're suggesting that the redactions in that FOI were part of a cover-up which was inappropriate or politically motivated, I just need to put on the record that that was not the case and my officials are not involved in any activity of that kind.

Senator HENDERSON: As I said, I probably am a bit concerned that someone in the online safety branch is the decision-maker. I think it should have been someone outside the branch, but, anyway, that is an internal matter. I can take that up with you on notice. It says in this document:

Data has been provided by platforms on a confidential basis.

Mr Mackay, you're probably the best person to address this. Did you receive that data?

Mr Mackay: No.

Senator HENDERSON: Was that an advice from eSafety? The eSafety Commissioner is holding that data?

Mr Mackay: I don't have the document in front of me, and so I don't want to speculate too much, but that would be my judgement on the discussion that we've had and your reading of the document that refers to information that's been provided to the eSafety Commissioner in the context of their investigation.

Senator HENDERSON: Mr Betts, to the extent that it's possible, I'd really appreciate it if this document could be provided to us today. I think the longer this goes on—if there's been a genuine inconsistency with the numbers, as clearly there has been, then the government just needs to say so and we'll all move on. But the longer this drags on with this secrecy, the more problematic the whole issue looks. If we could possibly resolve this—and it would really help if we had a copy of those documents.

Mr Betts: We've taken it on notice. As you've seen, we've tried to be as helpful as we can in terms of coming back to you with information as soon as we've got it. But, in this case, I think having gone through our formal

process under FOI, it would be appropriate for us to do appropriate due diligence while we process the request that you've made.

Senator HENDERSON: Before I hand over to Senator Smith, if that's alright, Chair—

CHAIR: You've got about five minutes left in this block.

Senator HENDERSON: I might actually hand over to Senator Smith now because it's on the same issue.

CHAIR: Sure.

Senator DEAN SMITH: Thank you for your participation this afternoon. I just want to go to the matters of OPDs 383, 431 and 470.

Ms Fell: Sorry, could you repeat those numbers?

Senator DEAN SMITH: They are OPD 383, OPD 431 and OPD 470. OPD 383, order for the production of documents 383, was agreed to by the Senate, meaning 39 senators or more agreed that information should be provided to it, asked for documents to be provided to the Senate concerning the eSafety Commissioner's claim that 4.7 million social media accounts of those under 16 have been deactivated, removed or restricted under the social media minimum-age law within the first week of the law coming into effect on 10 December 2024. Can you step me through the process that the department went through in order to provide a response. The Senate subsequently decided that the government didn't comply. Can you just step me through the departmental process in terms of providing a response to 383.

Ms Fell: That OPD is in relation to documents held by the eSafety Commissioner. In terms of the process, we would have engaged with the eSafety Commissioner. Consistent with the response, a public interest immunity claim was provided, given, as I said before, the documents in scope, if they were released, would or might reasonably be expected to prejudice eSafety's ongoing investigations.

Senator DEAN SMITH: As I've said previously, I'm very comfortable in the granularity of these things, so I'm keen for you to step me through the process. What steps did you take prior to engaging with the eSafety Commissioner? The Senate agreed to OPD 383, and that was communicated to the department. What were the steps?

Mr Mackay: That comes to our parliamentary area by default.

Senator DEAN SMITH: Are they here?

Mr Mackay: No. They would have been here under the corporate outcome earlier on. Their role is a workflow role. The text of the OPD, or of any OPD, is then provided to the relevant line area—in this case, the Communications and Media Group. As Ms Fell said, this one relates to information held by the eSafety Commissioner. I will ask Ms Fell to see if there's anything more that we can add other than communication with the eSafety Commissioner.

Ms Fell: We did communicate with the eSafety Commissioner in terms of documents that were relevant. They would have then undertaken a search for relevant documentation and then a process regarding relevant public interest immunity claims.

Mr Mackay: Those elements are questions that would be better put to eSafety in terms of the processes within their organisation.

Senator DEAN SMITH: Who or which classification of official or officials engaged with the eSafety Commissioner once it came to the Communications and Media Group?

Mr Mackay: We may need to take that on notice.

Ms Fell: It was in my branch. It would have been a director in my branch.

Senator DEAN SMITH: Just to be clear, what is your branch?

Ms Fell: The Online Safety Branch.

Senator DEAN SMITH: Who at eSafety would you have engaged with?

Mr Mackay: It wasn't Ms Fell personally, so I think we will need to take that part on notice.

Ms Fell: I'd have to check with the relevant colleague who engaged with eSafety.

Senator DEAN SMITH: But you're familiar with the engagement?

Ms Fell: As described in the process, given the request was to eSafety and the documents were held by eSafety, we would have consulted eSafety.

Senator DEAN SMITH: Would eSafety have provided information and advice back to you?

Ms Vandenbroek: We'll need to check and provide that on notice.

Senator DEAN SMITH: It's quite a sensible and reasonable question. When OPDs are returned to the Senate, they are signed by ministers of the government, meaning that there is a workflow and a process back through the government before, in this case, Senator Farrell, a senior member of the government, signs off on the OPD and makes it available to the Senate and to senators like me. So I'm keen to understand that departmental flow. I will ask the eSafety Commissioner about its information flow.

Mr Mackay: A response would have come to Ms Fell's team from eSafety.

Ms Vandenbroek: We don't have the details with us of what that response was. We'd need to check that on notice.

Senator DEAN SMITH: You oversee the workflow to the eSafety Commissioner. You're telling me you can't tell me what eSafety did inside its workflow.

Mr Mackay: That's correct.

Senator DEAN SMITH: I accept that. So eSafety, in the final form, makes via the department a public interest immunity claim.

Mr Mackay: Only ministers may make public interest immunity claims. I am speculating—we have said we will need to take on notice what they provided back—but I imagine eSafety provided a rationale on which the minister may wish to make a public interest immunity claim. It is not for officials to make those claims.

Senator DEAN SMITH: So when eSafety, in this case, makes a rationale for a public interest immunity claim, that comes back through the department?

Mr Mackay: It may have. This is one of the things that I want to satisfy myself on notice about.

Senator DEAN SMITH: No, Mr Mackay, it must have.

Mr Mackay: The eSafety Commissioner has a direct reporting relationship to the minister as well. What I want to check on notice is whether eSafety itself provided that information directly to the minister's office or whether it did come back through the department. I don't know the answer to that question.

Senator DEAN SMITH: I think this is actually a fundamental point. When we were examining, with the department and the eSafety Commissioner, some estimates ago, where the 4.7 million figure comes from, what was revealed to us—I'm paraphrasing now—was that the department was completely bypassed.

Mr Mackay: The eSafety Commissioner is a statutory officer with her own reporting relationship to the minister. In respect of the specific question that you're asking about workflow on this OPD, I would like to satisfy myself on notice because I don't know the answer. I don't believe my colleagues have this information to this level of detail. Whether in this instance the response came back through the department to the minister's office or whether it went directly from eSafety to the minister's office—I could imagine either being possible. Neither would be, in my view, inappropriate, given the separate reporting relationship that the eSafety Commissioner has to the minister. That is part of what we would like to answer for you on notice.

Senator DEAN SMITH: I find it a bit unreasonable. Perhaps this is how the government works. I don't know. I just find it a bit strange that an OPD would find its way into the department and then sit there unresolved in abeyance, effectively. Information has gone to eSafety, and then you've not thought to close the loop, even if the eSafety Commissioner themselves has sent it through to the minister's office. Your branch, indeed the director of the Online Safety Branch, had carriage of this to a point.

Mr Mackay: And either they may have transferred carriage of it to the eSafety Commissioner or they may have asked for information to come back through the department. Again, I would regard either of those as an appropriate way to handle the process.

Senator DEAN SMITH: Is the official that oversaw this, the official that sits beneath Ms Fell, in the room?

Ms Fell: No.

Senator DEAN SMITH: In the anteroom?

Ms Fell: No, I don't think so.

Mr Betts: We have the relevant executive here.

Senator DEAN SMITH: The rationale for the PII claim may or may not have come back through the department.

Mr Mackay: That's what I'd like to check on notice.

Senator DEAN SMITH: I understand. If the rationale for the PII claim did come back through the department, would the department have done its own assessment on the rationale and the suitability of the rationale?

Mr Mackay: No. The eSafety Commissioner is a statutory regulatory officer. I don't think the department would seek to second-guess or influence a decision made by a regulator.

Senator DEAN SMITH: We'll come back to this.

CHAIR: Senator Shoebridge.

Senator SHOEBRIDGE: Nice to see you, Minister and officials. I have some questions about AI data centres and the extent to which your department is working with Industry, Science and Resources or otherwise in relation to water, power et cetera. Did you have a role working with the Department of Industry, Science and Resources on their published expectations for data centres, and, if so, what was it?

Mr Betts: Just to frame it while officials come to the table—the government released the National AI Plan in December 2025. Within that AI plan, there are three pillars, as you'd be aware, Senator. We have engagement with colleagues across government with varying degrees of intensity across those three pillars. Pillar 1 is 'Capture the opportunities'. Realising the opportunities of AI requires reliable and extensive digital and computing infrastructure, including data centres. That's where the role of telecommunications comes in. My colleagues may be able to give you more detail on that.

Senator SHOEBRIDGE: Everything in government now has pillars. With pillar 1, what was your involvement in terms of that reliable and consistent infrastructure? You can't keep looking behind you, Mr Phelps. Sometimes it's going to land with you!

Mr Phelps: I'm looking around because this is a responsibility shared across all of government. As Mr Betts has advised, the National AI Plan is being led by the Department of Industry, Science and Research. It's a whole of government initiative involving all departments, including this department. Data centres fall within the remit of multiple departments. Our engagement has been in relation to the NBN's role. Data centres involve deep cabling, which is unusual and requires more infrastructure and development and involves consultation across multiple stakeholders, such as regional areas, heritage zones and so on. That has been the role of our department regarding data centres.

Senator SHOEBRIDGE: So it's about what the digital connectivity between data centres is. What about the development of data centres themselves, in terms of how they're developed?

Mr Mackay: We are part of working groups of officials. As Mr Phelps mentioned, this covers many, many departments. The question of investment decisions in individual data centres is not one that we are directly involved in.

Senator SHOEBRIDGE: Were you part of the conversation about this discussion of expectations rather than actual obligations?

Mr Mackay: I'll check with Ms Vandebroek whether that came to the IDC or the working group that we're part of.

Ms Vandebroek: It was not to the group that I'm a part of. It wasn't discussed there.

Senator SHOEBRIDGE: You don't know why the government settled on this concept of expectations rather than binding obligations?

Mr Mackay: No, Senator. I don't think that's one we can assist you with.

Senator SHOEBRIDGE: When it was announced, the government said that it would not support projects not in line with the guidelines. Do you know what 'not support' means? Does it mean you won't actively fund it? Does it mean you'll try and prevent them? What does 'not support' mean? Does this mean you're neutral? You sit in the corner and read your book?

Mr Mackay: In relation to these expectations, that's really a question for officials in Industry, Science and Resources.

Senator SHOEBRIDGE: The AMC was asked to report back in July with options to require data centres to fully offset their power consumption with new renewables. Do you know where that's up to? Are you part of any of that?

Mr Mackay: No, Senator. That would be a question again for officials in Industry.

Senator SHOEBRIDGE: In terms of your role of ensuring Australians can realise the full potential of digital technologies and communication services, are you tracking the way in which state and territory governments are fast-tracking data centres?

Mr Mackay: Again, that's probably a question best answered by DISR, the Department of Industry, Science and Resources. We are involved in the sense that, as we have responsibility for the governance of the NBN, a government business enterprise, there is awareness as to the connectivity of data centres to ensure they're most effective across the country.

Senator SHOEBRIDGE: If you're going to make sure that they're connected, you need to know where they are. You need to know where the approvals are happening. You need to know if that's going to fit into the NBN network and others. What role do you have when, for example, New South Wales, as it has done, has fast-tracked 15 data centre projects earlier this year? What's your role in that?

Mr Mackay: I'll have to take that question on notice unless my colleagues can speak to that, but that's not within my remit. We can, either now or on notice, describe the role that we play in deployment.

Ms La Rance: We work closely with state and territory colleagues on deployment of infrastructure, including in relation to data centres. Dr Ashurst can expand on what that looks like in practice, if that's useful.

Senator SHOEBRIDGE: That would be useful. I, a parochial New South Wales senator, asked about the 15 fast-tracked in New South Wales, but we've also seen the Victorian government announcing its policy to fast-track data centres. They have a rather mysterious gloss on it. They're going to fast-track data centres with Victorian characteristics, and I'm not quite sure what that means. The two biggest states population wise are aggressively fast-tracking data centres. Dr Ashurst, what's your involvement with that?

Dr Ashurst: Thank you very much, Senator. We have a state and territory working group called the Mobile Telecommunications Working Group, which, while it's focused on mobile telecommunications, has started to touch on issues around broader connectivity, including connecting data centres. We are engaging states and territories on some of the barriers and opportunities around that connectivity in that forum. Broadly, though, connectivity between data centres is a commercial decision by cablers. Some of the larger cablers in this space are organisations like Telstra and Vocus, but some of the other top providers are also rolling out cables between data centres. The focus there is, as Mr Phelps alluded to earlier, working through state and territory planning processes and environmental requirements, where those data centre cables are being rolled out, to connect them.

Senator SHOEBRIDGE: One of the reasons we're asking questions here is that we'll bounce to another committee and ask questions there, and we'll go to another committee and ask questions there. Where's the coordination happening at a national level for this massive investment, overwhelmingly for foreign multinational companies, in data centres across the country, in terms of the impact it's going to have on our data sovereignty, the impact it's going to have on our energy supplies and the impact it's going to have on our water supplies? It's an unfair question to put to you, Dr Ashurst, because you're looking at the connectivity point. I'll put the question more broadly to the department. Where is that?

Mr Mackay: The department of industry has the lead on the National AI Plan. They have the coordination role across the things that you've described within the Commonwealth.

Mr Betts: That's supporting Minister Charlton.

Senator SHOEBRIDGE: Are you aware, for example, if any of these hyperscale data centres have something as simple as a requirement for closed-loop cooling systems so that they don't drain the Murray-Darling Basin?

Mr Mackay: I don't think we would have knowledge of that.

Senator SHOEBRIDGE: There's no visibility over any of that?

Mr Betts: We're responsible for the regulatory frameworks within which telecommunications infrastructure would be provided, but it's provided on a commercial basis to support those data centres. Then, to the extent that cabling is being laid, that's dealt with through the statutory planning processes of the states and territories.

Senator SHOEBRIDGE: In your space, largely foreign multinationals are working out where on a commercial basis they want to construct data centres, and that's really a matter for them on a commercial basis. In your space, that's how it works?

Mr Mackay: It's a matter for others, not for this department.

Ms La Rance: We're working with states and territories in terms of local-planning laws. It's not happening in isolation of that.

Senator SHOEBRIDGE: Are you engaging with state and territories? State and territories are largely removing their planning controls to allow for the fast-tracking of these multinational data centres.

Ms La Rance: As Dr Ashurst said, we're engaging through things like the Mobile Telecommunications Working Group, where that does come up as an issue, and then engaging with other whole-of-government committees led by DISR to have a joined-up approach.

Senator SHOEBRIDGE: While I've got you here, on the mobile telecommunications data work, I can't give up the opportunity to ask, on behalf of 300,000 people who live in the Illawarra of New South Wales, when on earth there will be mobile phone connection for the train line that links the Illawarra and Sydney and for the Princes Highway, which links the Illawarra and Sydney. Is there a plan so that, when you travel between the Illawarra and Sydney, you don't keep constantly dropping out on both the train and in the car?

Dr Ashurst: There are colleagues working on programs along those lines. I don't know whether they're best placed to answer questions about that issue.

Senator Green: I know that train line well, while our officials come to the table.

Senator SHOEBRIDGE: It's a beautiful train line, and it's quite peaceful because you're never troubled by mobile phone calls! Maybe that's a nice thing, but I know that residents would like the option of remaining in contact with the world while that journey occurs. But I agree with you, Minister; it is a beautiful journey and peaceful.

Senator Green: It's one of the reasons I decided to go to University of Wollongong.

Senator SHOEBRIDGE: Yes, which also has a beautiful campus. But, Mr Grunhard, when will it work?

Mr Grunhard: I'm sorry; the wait may have led you to think you were going to get more concrete detail than this. I don't have detail in front of me about every coastline and every rail line. The government has a range of programs in place. I'm happy to take on notice for you any information I can get about activity in that area.

Senator SHOEBRIDGE: It's the two principal corridors—the road and the rail corridor.

Mr Grunhard: We'll get you some information on notice.

Senator SHOEBRIDGE: I appreciate that. I have some questions about the Online Safety Act and the digital duty of care. This is a very predictable question: firstly, what's the timeline for the introduction of the digital duty of care, and—perhaps whilst you're considering that answer, but if you're telling me next week that'll be great—are they going to repeal the basic online safety expectations as well? Is that going to be part of the package?

Ms Vandenbroek: We can't control the timing but we are working towards an indicative timeline, which would be to have a draft bill that can be consulted on by August. Ideally, we'd like to see introduction in October. The minister has said it will be introduced before the end of the year, but that is subject to OPC drafting resources and parliamentary processes. In relation to the basic online safety expectations, yes, we would expect that they'll be repealed. The principles in those expectations will be subsumed into the duty of care, strengthened and made more enforceable.

Senator SHOEBRIDGE: Who are you working with? Is there a translation process for the basic online safety expectations? Are they going to be fully consumed in the digital duty of care?

Ms Vandenbroek: That is our expectation, yes. None of the principles in the expectations will be lost. They'll all transfer through.

Senator SHOEBRIDGE: The political commitment is 'sometime this year', and, from a department perspective, you're working to that timetable to make sure that's achievable; is that how I'm meant to understand it?

Ms Vandenbroek: That's correct, yes.

Senator SHOEBRIDGE: On the Online Safety Act: it was drafted in 2020 but so much has changed even since 2020, in terms of the material in the Online Safety Act. It's got eight key sections of the online industry, but if you look at industry classification it's locked in what are already pretty dated concepts about products, business models and what a messaging service is today. Is there a review of those eight key sections of the online industry? Is it a live piece of work?

Ms Vandenbroek: It's something we're considering. For the duty of care, the expectation is that it won't be done under those eight sections; it will apply broadly across all online services and all levels of the tech stack. We will go through a process. We're working through, in detail now, whether the codes and standards that are structured against those industry segments will be repealed and replaced by rules made under the duty of care. As

part of that, we would need to consider those industry segments. We recognise that in some cases one platform might fall under two different segments, with the way they're currently structured, which is not ideal.

Senator SHOEBRIDGE: Indeed, messaging services might fit under three. So there's a recognition, at least at a department level, that those classifications need some urgent review.

Mr Betts: There's a general recognition of exactly the point you've made—that this is such a rapidly evolving environment. The Online Safety Act hit the statute book in 2021. The former minister, Minister Rowland, accelerated the timeframe for a review of that legislation. This is an area in which there will be a constant regulatory renovation, but the adoption of a duty-of-care approach—which is one of the key recommendations in that accelerated review of the OSA—is designed in part to set us up for a rapidly evolving environment by putting generalised duties on platforms. The work we're undertaking at the moment is to make sure that those are sufficiently defined that they can cope with scenarios we can't currently anticipate.

Senator SHOEBRIDGE: Principles based regulations, looking at harms and risks as much as—

Mr Betts: Requiring risk assessments, and so on.

Senator SHOEBRIDGE: Is it expected that part of that work will revise the classifications and expand their coverage, or is it still an open question about whether or not that's revisiting the industry segments and redefining them—or is it changing the regulatory model more fundamentally? How is it being looked at?

Ms Vandenbroek: For the duty of care, we're looking at having it very broadly applied. We are working through the detail in terms of, if we have rules under the duty of care that replace the current codes and standards, how they would be broken up. We haven't gone through that in detail. We have consulted on it and we've heard a range of views. There's not a consistent view on the best way to segment the industry.

Senator SHOEBRIDGE: Just in terms of my understanding about what the legislative timetable is like, the duty of care is the priority. As part of that, there may be some small amendments to those definitions in the Online Safety Act, but that's a separate body of work that will postdate the duty of care—or are they part of the same legislative package?

Ms Vandenbroek: We haven't got that far into the drafting to determine that yet. It's something we're considering. If it makes sense to revise them as part of this drafting process, we will do that.

Senator SHOEBRIDGE: Can I go on to the National AI Plan; I think you referenced it earlier, Secretary. It says that safety is going to be enhanced in part by ensuring that existing legislation—the Online Safety Act, Australian Consumer Law—addresses the risks posed by AI. This conversation has shown how the Online Safety Act, which is monitored by your department, at best touches on bits of AI. It by no means comprehensively covers AI. No-one could suggest that Australian Consumer Law is comprehensively covering AI; I don't think anyone could seriously suggest it comprehensively covers AI. What's the plan for filling the legislative gap for AI, and has that been driven out of your department?

Mr Mackay: Insofar as we're talking about the harms captured by the Online Safety Act, like serious psychosocial harm, the duty-of-care work is our part of that part of the plan—pillar 3.

Senator SHOEBRIDGE: It's always good to have a pillar.

Mr Mackay: There are other aspects of AI safety that won't be part of the Online Safety Act work—

Senator SHOEBRIDGE: Replacing a species—that part of it?

Mr Mackay: For example, risks associated with autonomous vehicles; that's not a type of harm. A collision involving an autonomous vehicle, you would say, is related to AI but is not something that would be part of the Online Safety Act.

Senator SHOEBRIDGE: But the basic principles of who's responsible when AI causes harm—

Mr Mackay: The department of industry has the role of establishing the AI Safety Institute. As we were discussing in respect of pillar 1, the AI Safety Institute will support the whole-of-government work on the plan. We can speak to you about our part, which relates to the digital duty of care and the Online Safety Act.

Senator SHOEBRIDGE: As I understand it, the intent is for the AI Safety Institute, when it's up and running, to be the linchpin of this or just one small part of AI regulation. Is it going to be split across—

Mr Mackay: The questions of the scope of the institute properly should be put to the department of industry. We are engaged in conversations with colleagues in Industry to understand how we will be able to best work with the institute in respect of the duty-of-care work we've been describing. The questions of its scope and operations should be put to the department of industry.

Mr Betts: The philosophical position the government has adopted, which I think you're familiar with, is that, rather than having a centralised single view on AI, it will touch so many domains of public policy and legislation that it cannot be centralised effectively. Therefore, if you're talking about issues of online safety those should be addressed. We're talking about things like nonconsensual intimate images, child cyberbullying, adult cyberabuse, illegal or age restricted material—all of which can be supercharged by AI. The Online Safety Act is the vehicle through which they will be regulated in an AI world, just as connected automated vehicles will require their own legislative framework to deal with AI related harms.

Senator SHOEBRIDGE: I'll just quickly deal with two bits on the social media ban. The government amended the legislative rules in March to narrow the scope of the ban. What was the rationale for that? Was it in order to limit the target for the constitutional challenge?

Mr Mackay: We covered this a little earlier. I'll ask Ms Vandenbroek for a recap.

Ms Vandenbroek: Yes, it was to—

Senator SHOEBRIDGE: Sorry, I was absent.

Mr Mackay: Not at all.

Ms Vandenbroek: No. Through the implementation, it became clear that further targeting the definition of an age-restricted social media platform would be helpful to make sure that some of the smaller and lower risk platforms weren't inadvertently captured by the age restrictions.

Senator SHOEBRIDGE: Was it part of a government response to the constitutional challenge and to the legal challenge in order to limit legal exposure in that and legal risk?

Ms Vandenbroek: No, it was to target the definition of an age-restricted social media platform from learnings through the implementation phase.

Senator SHOEBRIDGE: Do you remember the age-assurance technology trial?

Unidentified speaker: Yes.

Senator SHOEBRIDGE: I think it was \$6.5 million. That's my memory.

Ms Vandenbroek: The budget allocated was \$6.5 million. It wasn't fully spent.

Senator SHOEBRIDGE: One of the concerns that have been raised with my office is that the lead author of that report sat on the executive committee of the AVPA, which is the peak body—the lobby body—representing the age verification sector. Was the department aware of that potential conflict of interest when they were recruited to the position?

Ms Vandenbroek: I would have to take the specifics on notice. There was certainly a conflict-of-interest declaration process where the key people involved in that technology trial were required to complete conflict-of-interest declarations. I don't remember the details of what was declared.

Senator SHOEBRIDGE: But that's a pretty extraordinarily large one, if you're on the body representing the age verification sector and also—

Mr Betts: If you're seeking input and advice from people who are expert in this field, then they are likely to have affiliations within the sector for which they are providing policy advice. We went through a conflict-of-interest process. We can maybe look at providing details on how we satisfied ourselves that any conflict of interest was appropriately managed.

Senator SHOEBRIDGE: The AVPA CEO was also involved in the trial. That is the industry that has had huge financial benefits from the implementation of the social media ban—huge financial benefits. Reflecting on that, do you think it's right to have the lead author basically for the lobby group of the industry that, as a result now, has had huge financial benefits from that government policy? I understand that you want some industry expertise, Mr Betts, but the lead author?

Mr Betts: We want industry expertise. We have processes for managing any conflicts of interest. We'll take on notice further details on that because we—

Senator SHOEBRIDGE: Could you provide whatever declaration on conflict of interest was given and how that was assessed and whether or not that included the disclosure of the work with the AVPA.

Mr Mackay: We'll take that on notice, yes.

Senator SHOEBRIDGE: Thanks.

CHAIR: Senator Smith.

Senator DEAN SMITH: Thank you very much. That comes as a surprise. I have some high-level queries—you might want to take them on notice—before I defer to Senator Henderson. Does the department provide guidance or advice on the fulfilment of OPD matters to agencies or statutory bodies within the portfolio?

Mr Mackay: We'll take that on notice. That will be a question for our corporate colleagues.

Senator DEAN SMITH: Did your area of the department provide any advice or guidance to the eSafety Commission on the fulfilment of the OPD 383, 431 or 470?

Ms Fell: No. As I described, we engage with them. We've taken on notice the finalisation of that process, but I don't believe we provided any advice.

Senator DEAN SMITH: Did you engage with them at all?

Mr Mackay: We covered before that we did, and we've taken on notice the detail of that engagement.

Senator DEAN SMITH: Was the department involved in any way in preparing correspondence that the minister signed on 23 April 2026—that correspondence number is MS26-000681—and correspondence MS26-000681?

Mr Mackay: They're the letters that relate to the—

Senator DEAN SMITH: They were signed by the minister—two letters.

Mr Mackay: I'm very happy to take that question on notice. That will partly go to the question of whether this process was finalised directly between the eSafety Commission and the minister's office or through the department—if through the department, then I imagine the answer to your question is yes.

Senator DEAN SMITH: Mr Mackay, I would prefer if you took a question on notice or you answered a question.

Mr Mackay: I will take it on notice.

Senator DEAN SMITH: I would avoid dealing in vagaries on this matter, because it just encourages me to encourage you to deal in vagaries.

Mr Mackay: I'm only saying that our common practice is that items of ministerial correspondence are drafted within the department. I have taken the specifics of this one on notice.

Senator DEAN SMITH: So I should have a high level of expectation that the letter signed by the minister on 23 April 2026, MS26-000681, was drafted in the department?

Mr Mackay: That's what I've taken on notice—whether that was through the department or through the eSafety commission.

Senator DEAN SMITH: And I should also take from your evidence thus far a high level of confidence that correspondence MS26-000517 was drafted in the department as well?

Mr Mackay: I don't know that a high level of confidence that it was the department is right. What I've taken on notice is whether it was handled by the department or the eSafety commission.

Senator DEAN SMITH: Explain to me: when a letter is drafted for the minister's signature, what is that drafting process?

Mr Mackay: It will depend on the—

Senator DEAN SMITH: As it relates to your area of responsibilities.

Mr Mackay: It will depend on the nature of the correspondence. There will generally be a discussion between the relevant official and the minister's office as to the type of response that is sought.

Senator DEAN SMITH: And how would the department satisfy itself that information in the letter was accurate?

Mr Mackay: In the case of a letter that's drafted by officials, that goes to our responsibilities as officials. There are occasions where correspondence is drafted within a minister's office. Sometimes—

Senator DEAN SMITH: If it's drafted in the minister's office, would it have a reference number like MS26-000681?

Mr Mackay: That's a reference number for a parliamentary workflow system that covers—

Senator DEAN SMITH: So you have taken on notice whether this letter was drafted by the department.

Mr Mackay: That's right.

Senator DEAN SMITH: I'm adding to that. Would you take on notice that, if it wasn't drafted by the department and it was drafted by the minister's office, you'll let me know.

Mr Mackay: That's right.

Senator DEAN SMITH: That's in regard to two pieces: MS26-000517 and MS26-000681.

Mr Mackay: Yes. Just to complete the answer I was going to give you, there are occasions where correspondence is drafted entirely within a minister's office, and then there are also occasions where correspondence is drafted in a minister's office and the department is asked to fact-check relevant parts of correspondence.

Senator DEAN SMITH: If a minister's office were drafting correspondence wholly in their own office on policy matters and matters in the public sphere relevant to your particular area of the department, Mr Mackay, would you expect to see a copy of that letter, either in draft form or after it's been signed by the minister and distributed?

Mr Mackay: I think that's entirely a matter for the minister.

Senator DEAN SMITH: So you wake up every morning and go to work expecting that you might get a copy of a piece of correspondence on a policy matter related to your area in the department, signed by the minister, that you would never have seen before or never have been asked to provide any advice on?

Mr Mackay: I don't think that's what I said.

Senator DEAN SMITH: That's what I heard.

Mr Mackay: It is at the discretion of ministers as to what they provide to officials. If it's correspondence that's been drafted within a minister's office for a minister's signature—

Mr Betts: Just as they may not ask for a briefing note if they're having a meeting with another minister, that's entirely at their discretion and quite routine and normal.

Senator DEAN SMITH: Secretary, just help me to understand. What does the classification MS26 actually mean?

Mr Betts: You're asking the wrong person.

Mr Mackay: It's a ministerial submission created in the calendar year 2026.

Senator DEAN SMITH: And then the 000517 relates to—

Mr Mackay: It's a number—we might call it a serial number. It's a unique number that identifies a piece of correspondence in our workflow system.

Senator DEAN SMITH: Ms Fell, were you involved in drafting the two items of ministerial correspondence that I've just cited?

Ms Fell: I don't have those documents. I'm not sure. I'd have to check; I'm sorry.

Senator DEAN SMITH: Have you drafted correspondence for the minister on matters related to the social media ban and the 4.7 million claim?

Ms Fell: Yes.

Ms Vandenbroek: We have a lot of correspondence that both Ms Fell and I clear in relation to the social media ban. There would be a lot of different unique identifier numbers that one or both of us would have cleared over the last year or so, so we wouldn't remember all those numbers.

Senator DEAN SMITH: Ms Fell, could you take on notice whether or not you had any involvement in the drafting of MS26-000517 and MS26-000681.

Ms Fell: Yes.

Senator DEAN SMITH: That would be appreciated. This is my final question. I was pleased to hear this in previous questioning around the department's compliance with OPD matters. The department works to an OPD guidance note; is that correct?

Ms Vandenbroek: I believe we have internal guidance on OPDs, yes.

Senator DEAN SMITH: Secretary, if that could be made available to me on notice as well, that would be much appreciated. Thanks very much.

CHAIR: Senator Henderson.

Senator HENDERSON: I want to return to the social media ban and the FOI documents that we discussed before. Mr Mackay, was the draft media release that's in these FOI documents different to the final media release?

Mr Mackay: I don't know.

Senator HENDERSON: Can someone answer that question?

Ms Vandenbroek: As we said before, we don't have the unredacted version with us.

Senator HENDERSON: Have you got the draft media release with you?

Ms Vandenbroek: No.

Senator HENDERSON: That one line—and of course this is the line in the final version, which was released publicly. The minister is quoted as saying:

More than 4.7 million under-16 social media accounts being deactivated because of our world-first social media minimum age law is a huge achievement.

It appears that line has been redacted. Did the department ever receive a number other than the 4.7 million?

Ms Vandenbroek: I don't remember. It could be that it was over time. Not all the responses from the different platforms were received at the same time by the commissioner, so they may have been giving us rolling updates as they got the 10 responses in. So the number may have accumulated. I haven't seen anything to that effect—whether there were different numbers at different points.

Senator HENDERSON: No, but the question is: did the department ever receive a number different to the 4.7 million number?

Ms Vandenbroek: I'd need to take that on notice.

Senator HENDERSON: Ms Fell?

Ms Fell: We'd need to check that.

Senator HENDERSON: Do you know the answer to that question?

Ms Fell: No. All I know is what I said earlier, which is that the basis for that redaction in the FOI is that it was a deliberative process, which suggests to me that it's different to what was published, final. I'm not sure if that's specifically the number.

Senator HENDERSON: It does suggest that there was a difference in the number that was published a couple of days later.

Mr Mackay: It suggests there was a difference of some kind. Without the unredacted document in front of us, I don't think it's right to say that that is necessarily a difference in the number.

Senator HENDERSON: Okay. Mr Betts, I want to raise some integrity concerns about this FOI process. Ms Fell was the decision-maker. Ms Fell is actually named. She was a recipient of these documents. She was copied into the documents, and she's obviously in the Online Safety Branch as an assistant secretary. A person making an FOI decision must act independently and impartially. Being named in documents does not automatically prevent someone from deciding a request, but, if the documents concern their own conduct, decisions or approvals or could affect their personal interests, there may be an actual or perceived conflict of interest. Were any of these matters drawn to your attention? Do you know why Ms Fell was the decision-maker in this matter when she is named in the documents?

Mr Betts: No, I don't, but I'm happy to look into it for you, Senator.

Senator HENDERSON: I would really appreciate that because that does not look like best practice.

Mr Betts: I will look into that, offline, on its merits. I'll take it on notice.

Senator HENDERSON: Ms Fell is named on page 1 as being copied into an email on 15 January. She was also copied into the ministerial submission that was sent to the minister. You were copied in as well, Mr Betts, along with Mr Mackay and Mr Cole, and this was a submission from the eSafety Commissioner. There are very large parts of that document that have been redacted. I would put it to you that it does not look good that the decision-maker in this matter is someone who's deeply enmeshed in these matters.

Mr Betts: We have a statutory framework with an FOI. I'm not guided by what looks good. I'm guided by what the highest standards of probity would require us to do. I understand the reason for your question, and I've said that I will look into it.

Senator HENDERSON: I am using the words 'look good' for the very reason that the Information Commissioner guidelines say:

An authorised FOI decision-maker should exercise care in making decisions about material or documents they have been personally involved with, or had oversight of.

Mr Betts: That implicitly contemplates that they will be involved in those processes and that they need to exercise care if that's the case, so that's why it's worth—

Senator HENDERSON: Let me just finish the guidance:

In some situations it may be more appropriate that another authorised FOI decision maker decide the FOI request.

Mr Betts: Correct. That channel is available. That wasn't taken in this case, and that may be a reflection of the fact that most of the material was held by another agency for which Ms Fell has oversight responsibility in terms of regulatory frameworks. But these things should be looked at fairly and on their merits and in the light of the facts—

Senator HENDERSON: They need to be looked at.

Mr Betts: not least so that there's no implication that Ms Fell has done anything inappropriate, and I'm sure she hasn't.

Senator HENDERSON: There was a brief sent up to the minister with the draft media release, and there was a cover page. The contact officer was the media manager, but the person's name has been redacted. Can I ask who the clearance officer was?

Mr Betts: That's been redacted, and it's been redacted for a reason, so we'll take that on notice.

Senator HENDERSON: That's not a reason not to answer the question.

Mr Betts: I don't know. As we've said, we don't know.

Senator HENDERSON: Ms Fell, do you know? Were you the clearance officer in that?

Ms Fell: If it's redacted, it won't be me, because executives' names are retained. So I don't know who it is; I'm sorry.

Senator HENDERSON: The name of the initiator was also redacted.

Mr Betts: That may be quite junior staff within our communications function, but we're taking it on notice.

Senator HENDERSON: That would not be you, Ms Fell?

Ms Fell: No, that's right.

Senator HENDERSON: You're not the clearance officer. Okay. I do appreciate that—if there's any way that you could come back to us. This is really concerning me, Mr Betts. This does not look good. But, if there's anything that you could do to come back after lunch so we could clear this up, I would be most grateful.

I just want to check one thing. Ms Fell, you said the reason that the line in the media release was redacted was that it was deliberative. Can you just explain how that line in the media release was deliberative? The email was sent up, I think, on 15 January, and the media release was published on the 16th.

Mr Mackay: I think it's a little hard for us to answer that question without the unredacted version to hand—as in, what it was in the unredacted version that caused that line to be redacted.

Mr Betts: Let's see what we can come back—

Senator HENDERSON: But Ms Fell has given evidence that this was deliberative, so I'm wanting to understand—

Mr Mackay: Her evidence is that that is the exemption that was applied.

Senator HENDERSON: I'm wanting to understand how this was deliberative, because you said, 'We may not have got all the numbers in from the various platforms,' but this was the day before.

Mr Betts: We'll see if we can provide further contextual information for you, consistent with the relevant legislation.

Senator HENDERSON: What I would really appreciate is if you could provide us with the full documents, obviously, as soon as possible so we can clear this up. As I say, I have some pretty deep concerns—including your processes, Mr Betts. Can you come back to us as soon as possible on those conflict-of-interest issues in relation to delegated decision-makers. Thank you, Chair. I'll leave it at that.

CHAIR: We will now break for lunch.

Proceedings suspended from 12:29 to 13:31

CHAIR: Senator Walker.

Senator WALKER: I have some questions about the News Media Assistance Program. Can you talk me through the design of round 1 of the program, and how many organisations receive support via round 1?

Mr Verdon: The first round of the sector support grants under the News Media Assistance Program was the Journalism Assistance Fund. That's providing \$67.6 million to 185 news publishers until 2027-28 to support the continued employment of their journalists. Each full-time equivalent journalist will receive \$39,000 over three

years. Of those 185 news publishers, 93 are regional, 45 are national, 23 are focused on culturally and linguistically diverse communities, 22 are suburban outlets and two are First Nations publishers.

Senator WALKER: What do you think the impact of this program was on the sector more widely?

Mr Verdon: The Journalism Assistance Fund is supporting 2,021 journalists across those news organisations, including 984 journalists in national publications, 789 in regional publications, 167 in culturally and linguistically diverse publications, 75 in suburban and periurban publications and six in First Nations news outlets. A survey done by Country Press Australia, which represents about 240 small to medium independent newspapers, found 98 per cent of its members would have reduced editorial output, cut staff or scaled back operations in the absence of the Journalism Assistance Fund.

Senator WALKER: I know that there is a round 2 in the works. Can you update us on where that's at in terms of progress?

Mr Verdon: Yes. The second round of the NMAP grants is the News Innovation Fund. This will provide \$31.5 million to the sector to develop innovative business practices to increase their journalism production and commercial sustainability and to adapt to a changing media landscape and consumption habits. Applications opened on 22 April and will close on 4 June. Payments to the successful publishers are expected to commence in quarter 3 this year.

Senator WALKER: More broadly, what measures is the government delivering to support Australia's free-to-air broadcast sector?

Ms Lopez: The government is providing a range of support for the free-to-air broadcasting sector. That includes things like the Journalism Assistance Fund, which Mr Verdon has talked about, as well as the News Innovation Fund. There was also previous support provided, including the News Media Relief Program, which, again, provided grants to support news journalists who produce core news.

In terms of other things, there has also been some relief provided through the suspension of the commercial broadcasting tax for a further two years, which also goes to supporting the free-to-air television sector. There was also legislation passed in relation to television prominence and antisiphoning reforms. The Communications Legislation Amendment (Prominence and Anti-siphoning) Act 2024 is supporting free-to-air television broadcasters to compete in the online market. The act legislated a prominence framework that requires apps of regulated television services to be visible on the primary user interface of connected television devices and strengthened the antisiphoning scheme by extending it to regulate online streaming services for the first time as well.

Senator WALKER: Can you step us through what work the department is responsible for in regard to the news bargaining incentive.

Mr Verdon: The work on the news bargaining incentive is shared between the Treasury and the department. The Treasury is responsible for the design of the news bargaining incentive. The incentive is designed to incentivise commercial deals between digital platforms and news publishers. Under the incentive, digital platforms will incur a charge of 2.25 per cent of their Australian revenue. They can avoid paying this charge by entering into commercial deals with Australian news publishers. However, if digital platforms choose not to make deals and to pay the charge, the charge will be distributed to news publishers. That's where the department comes in. We're responsible for the development of that distribution mechanism.

Senator WALKER: What was the feedback from stakeholders on this distribution method?

Mr Verdon: Consultation closed last week, on 18 May, so we're still going through submissions. But, broadly, stakeholders are supportive of the proposed model and especially the fact that any revenue raised through the NBI will be distributed back to the news and journalism sector.

Senator WALKER: Very good. Thank you.

CHAIR: Senator Henderson.

Senator HENDERSON: I want to go to the regional communications decisions made by the government. Can the department confirm whether any new budget funding has been allocated to regional communications infrastructure in 2026-27?

Mr Grunhard: I'm sorry; would you mind just repeating that question? I was just coming to the table.

Senator HENDERSON: We've seen the decision to strip away—reprioritise—in excess of \$150 million under the regional connectivity plan, which is very alarming. I was so shocked when I read the budget papers that there's, essentially, nothing in the budget for regional connectivity. I've never seen a budget like this. It certainly

did not happen under the previous minister. Is there any new budget funding allocated to regional communications infrastructure programs in 2026-27?

Mr Grunhard: The funding under the better connectivity plan you've referred to is, in the budget papers, funded out to 2029-30, and there are a range of programs still rolling out into future years. For example, we'll be rolling out 140 projects under the Mobile Black Spot Program over the coming years, under those rounds that have been funded. There will be the Regional Roads Australia Mobile Program round, which, as we've been forecasting for some time, will open soon for applications, in addition to the Perth Hills and West Coast Tasmania rounds. There are 465 projects still on foot under the Mobile Network Hardening Program and 66 projects still on foot under the regional connectivity programs. All of those projects will continue to roll out to 2029-30, in the budget papers.

Senator HENDERSON: So the budget papers have confirmed that the government has axed, or reprioritised—that's the word that's used in the budget—the funding allocated under the Better Connectivity Plan for Regional and Rural Australia. Now, \$116 million was allocated in 2026-27 and a further \$49.6 million is allocated in the forward estimates. So the budget papers make clear that that funding is being reprioritised—isn't that the case?

Mr Grunhard: I believe those numbers you cited is the remaining funding—

Senator HENDERSON: That's right.

Mr Grunhard: So, yes, you are right; that uncommitted funding has been reprioritised as part of this budget process. That is correct.

Senator HENDERSON: So the programs that you were reading out are the programs that have already been previously committed to?

Mr Grunhard: Some of them have been committed to and/or are under contract as we speak. All of those programs are continuing. No contract has been ceased; no programs have been ceased. But you're right to identify that some uncommitted funding has been reallocated.

Senator HENDERSON: Just to be really clear though, the Better Connectivity Plan for Regional and Rural Australia includes future rounds of the Mobile Black Spots Program, the Regional Connectivity Program, the On Farm Connectivity Program, disaster and telecommunications resilience measures and the Regional Tech Hub.

Mr Grunhard: Yes.

Senator HENDERSON: So all of the funding allocated in that bucket has been axed. I would say, and I direct this to you, Minister, this is a real kick in the guts for regional Australians. Why has the government cut more than \$150 million allocated to regional communities for connectivity programs?

Senator Green: First of all, the government hasn't cut funding to regional telecommunications. As the department said to you, we are still delivering and have delivered an enormous range of programs to improve connectivity in regional areas.

Senator HENDERSON: Minister, sorry—

Senator Green: No, no, no—please let me finish.

Senator HENDERSON: but that's not the case.

Senator Green: Senator Henderson, please let me finish. Do not interrupt me while I am speaking.

CHAIR: Senators, we had this issue yesterday. I will be firm on it again today. Only one of you should be speaking; it is question and answer. Please don't interrupt each other. You will get a chance to go back and forth with the minister.

Senator Green: Chair, I wasn't actually interrupting the senator; I was being interrupted.

CHAIR: I understand that.

Senator Green: I want to be clear about what is happening here—

CHAIR: I wasn't identifying anyone specifically.

Senator Green: thank you very much. It's not 'senators' plural.

CHAIR: I was talking about the corpus of senators here—

Senator HENDERSON: I'm sure you were about to interrupt me!

CHAIR: Let's—

Senator Green: I'm very courteous towards senators.

CHAIR: Okay, when I'm speaking no-one else should be. We're going to Minister Green, and then a question to Senator Henderson.

Senator Green: Thank you. What I was saying is that we have reprioritised uncommitted funding. That is what a fiscally responsible government would do. To say that we are not rolling out any of these programs is not correct. We are continuing to deliver, and the department can take you through in detail what we are going to do, and it includes locking in funding for 100 more new upgraded towers, 450 resilient upgrades, another round of the On Farm Connectivity Program—one of the ones that you've cited. We're going to open applications for the national Regional Roads Australia Mobile Program in the second half of 2026. There is further work that we are doing with NBN Co to strengthen telecommunications against natural disasters, which you can ask them about a bit later. So it is not true to say that we are not delivering on regional connectivity through this budget. We have made some difficult decisions, and that is because we have delivered a responsible budget focused on resilience and reform.

Senator HENDERSON: Minister, I am looking at the portfolio budget statement, page 64. The Better Connectivity Plan for Regional and Rural Australia—\$116 million allocated in 2026-27; \$32 million in 2027-28; roughly \$16 million in 2028-29; and then \$780,000 in 2029-30. All of that money has been removed from this program. You used the word 'reprioritised'—

Senator Green: I don't think that's correct. That's not how the budget papers—

Mr Grunhard: Just to clarify, that's the remaining funding.

Senator HENDERSON: That's right.

Mr Grunhard: No; that has not been removed. That is the remaining funding. Those numbers that you're reading out there—\$116 million and so on—is the funding that remains in the budget for the Better Connectivity Plan for Regional and Rural Australia.

Senator HENDERSON: So that money has been reprioritised.

Mr Grunhard: No. That money remains allocated to the better connectivity plan.

Senator Green: As those programs are rolled out—

Senator HENDERSON: That's not what the budget papers say.

Senator Green: It is.

Senator HENDERSON: No. The budget papers say that the money in the better connectivity plan—you're saying it's the underutilised section of the money?

Mr Grunhard: No. Neither of those.

Mr Mackay: No. The two budget papers are answering slightly different questions. Budget Paper No. 2 is decisions made in this budget, and that includes—Mr Grunhard will have the exact line.

Senator HENDERSON: So that's where there's no new funding.

Mr Mackay: It says:

The cost of this measure will be partially met from a reprioritisation of funding from the ... Better Connectivity Plan ...

The money that is appropriated for the better connectivity plan after that partial reprioritisation is what is in the portfolio budget statements.

Senator HENDERSON: Okay. So why has there been no new funding allocated for regional connectivity and other infrastructure projects?

Mr Grunhard: I think, as the minister has just taken you through, there are a whole range of programs that are continuing to roll out through this year and into the future years. All of those programs remain on foot, and that funding you read from the portfolio budget statements remains there, available for those programs.

Senator HENDERSON: What portion of the better connectivity funding has been reprioritised?

Mr Grunhard: I do have some figures here for you. From the better connectivity plan, the uncommitted funding that was reallocated was \$112.1 million.

Senator HENDERSON: Right. So, of the roughly \$165 million—I think it is—that's \$112 million.

Mr Grunhard: \$165 million?

Senator HENDERSON: Where is that \$112 million figure in the budget papers?

Mr Grunhard: Again, to clarify, the number in the portfolio budget statements is the number remaining after uncommitted funding has been reallocated. That's the remaining funding.

Senator HENDERSON: So \$112 million has been removed.

Mr Grunhard: Uncommitted funding has been reallocated.

Senator HENDERSON: I understand you're saying it's uncommitted.

Mr Grunhard: Yes.

Senator HENDERSON: And that's been used to fund the commercial broadcasting tax offset.

Mr Grunhard: It's been used as part of the general decisions made in the budget. I don't think there's a direct hypothecation between those savings and specific measures. Those uncommitted funds have been held as savings.

Senator HENDERSON: On notice, could you please provide details of the ongoing funding that's been committed under each of those programs?

Senator Green: A breakdown.

Senator HENDERSON: We're just wanting to see funding profiles and allocations per year.

Mr Grunhard: Yes. Understood.

Senator HENDERSON: We want to see what has been allocated and what is yet to be allocated and under what rounds they sit.

Mr Grunhard: Yes.

Senator HENDERSON: But it is an enormous shock that no new funding has been allocated for regional connectivity. As I say, we've never seen this before in a budget.

CHAIR: Senator Henderson, I'm going to move the call to Senator Pocock, but I will come back to you.

Senator DAVID POCOCK: I've got some more questions about the government's noting of the Murphy report.

Mr Mackay: We'll just get the right people to the table.

Senator DAVID POCOCK: While they come up, I will ask that you provide on notice how many new staff are being funded at the ACMA in this budget to enforce the partial ad ban.

Mr Mackay: We can certainly take that on notice, but it would also be a question to put to ACMA when they appear today.

Senator DAVID POCOCK: I'll be there; thank you. In response to Senator Ananda-Rajah question earlier, you said that some members of industry thought that the details were unworkable and that you were working with them on technical aspects to feed into the legislative process. Are you working with any gambling reform advocacy groups as well on that, or just with industry?

Ms Lopez: Yes, we are consulting quite broadly. We had some stakeholder briefings recently, and that extended to harm reduction advocates as well. I might get Ms Panagoda to clarify. I don't know that she used the word 'unworkable'.

Ms Panagoda: Just to clarify, the feedback that we've had across the different sectors and stakeholders is that there may be some technical issues that we need to factor in when we're developing the legislation. That's the sort of feedback that I was referring to, not that they were unworkable.

Senator DAVID POCOCK: Who was invited to those stakeholder meetings?

Ms Lopez: There's quite an extensive list of stakeholders that we have consulted with. I'm not sure if Ms Panagoda has the full list with her.

Ms Panagoda: I don't have the full list, but I'm happy to give you the categories, if that's helpful.

Senator DAVID POCOCK: On notice that would be great.

Ms Panagoda: Okay.

Senator DAVID POCOCK: Is that since the legislation has been announced or—

Ms Lopez: Sorry, can you repeat that?

Senator DAVID POCOCK: When's that taking place?

Ms Lopez: No, sorry. We held initial briefings with stakeholders after the government's announcement, and further consultation is expected as we progress through the legislative drafting process.

Senator DAVID POCOCK: Maybe on notice you could indicate when those meetings occurred, who was invited and then who attended the various briefings.

Ms Lopez: Yes, sure.

Senator DAVID POCOCK: Ms Lopez, regarding what you said before about the break in relation to whether children are watching sport after 8.30 pm, we do know that children are mainly watching ahead of those times, but I'm not sure whether that changes for sporting programs or whether that's more on average in terms of numbers of children watching television dropping off in the late hours. Over the break, my team and I were looking at some research that Deakin University did with 11- to 16-year-olds, and it showed that the majority—actually over 80 per cent—stated that they continue to watch sport after 8.30 pm. UNICEF has also previously challenged this notion that children aren't watching after 8.30 pm and has previously provided evidence that young people watch media content well beyond 8.30 pm. So I'd really like to see your evidence and inputs. Please provide on notice the evidence you've relied on to say that children aren't watching sport after 8.30 pm.

Ms Lopez: We can take that on notice.

Senator DAVID POCOCK: Okay. I've been thinking about this issue of the government just saying that recommendations are noted. I'm keen to understand what that means. For banning gambling inducements, that recommendation wasn't accepted; it wasn't rejected; it was noted. What does that mean? Will there be action? Will there not be action? Maybe this is for the government. Minister, what does 'noted' actually mean?

Senator Green: It doesn't mean anything other than noted. I think what you would have seen is the response to the report being announced at the same time as what the government would be doing legislatively in this space, something that I know you and other advocates have been calling for us to do.

Senator DAVID POCOCK: A full gambling ad ban, to be clear.

Senator Green: To respond and to put out there how the government would be responding. We did those things—

Senator DAVID POCOCK: But, Minister—

Senator Green: Please don't interrupt me. We did those things at the same time, and that's why we've responded to the report in that way.

Senator DAVID POCOCK: But this is my question. To me and to most Canberrans that I speak to, noting is not a response. If you respond to something you actually say, 'Yes, we like that recommendation; we're going to do it,' or, 'No, we're not going to do it.' In most people's minds, I think, noting is like a bit of a pat on the head—'Cool. We've seen the work that you've put into this. Nice work. We're not even going to tell you if it's good or bad. We're just going to do what we want to do.' Can you actually say that you've responded to the Murphy report if you've just noted it?

Senator Green: We've responded to the report by announcing a significant package of reforms.

Senator DAVID POCOCK: Before the break, we were talking about various inputs, which I'd love to return to. In the impact assessment, the department modelled the socioeconomic benefits but then discarded those in favour of arguments that banning gambling ads would impact grassroots sport, women's sport and public interest journalism. But there were no figures or any other form of evidence cited in the impact assessment regarding the impact on grassroots sports or journalism. Why wasn't that modelled, given you asked for modelling on socioeconomic benefits?

Ms Lopez: Part of the work that we have done on the considerations around further wagering advertising restrictions included extending consultation to affected industries on further restrictions. That was the feedback that we had in terms of where the impact would be felt the most. I think the reason that it wouldn't have been in the impact analysis is that it would be quite difficult to quantify what that impact would be in dollar terms.

Senator DAVID POCOCK: What evidence did they provide, or did you just take them at their word?

Ms Lopez: I'd need to take on notice the specifics around what might have been provided from sporting codes and from news and journalism providers around the impacts that they considered would occur from further restrictions on wagering advertising.

Senator DAVID POCOCK: So you've actually got no idea how big the impact would be on, say, women's sport?

Ms Lopez: I'm just saying I don't have that with me at the moment. We just need to take on notice the specifics.

Senator DAVID POCOCK: But you do have that?

Ms Lopez: I'm not sure.

Mr Mackay: We'll take it on notice.

Ms Lopez: Yes, we'll take it on notice.

Senator DAVID POCOCK: I find this almost farcical, Minister, where you have this analysis looking at the impact on Australians and the department says a full ban is better for Australians and it's cheaper to enforce and then we have these few paragraphs basically talking to experts in this space, a copy-paste from what tobacco did, where they hide behind sport. They talk about how it's existential to them as an industry. The most egregious thing, I think, in this is hiding behind women's sport and somehow saying that, if we ban a predatory industry from advertising to young Australians, women's sport will be affected. But there's no modelling. It's just, 'Take us at our word.' I don't understand why there's modelling for the socioeconomic impacts but not for the impacts on other things that suit the gambling industry and the media and broadcasters. That really doesn't make a lot of sense to me. How come there wasn't more digging into the actual impact and including that in what was published?

Ms Lopez: We've obviously done quite extensive work on this, which I think has been documented through a range of different sources, including through this committee. That included quite extensive consultation, as I said, with affected industries, including sporting codes. I think we previously discussed work that we've done to consult with an expert in the field around what the impact would be and what we got through from industry as well. So it was tested further; it wasn't just taking industry at their word. There was also further consultation that was done to test what we had heard back through that consultation process.

Senator DAVID POCOCK: So why are there just assertions and no actual evidence in the document?

Ms Lopez: As I said, we would just need to take on notice what exactly the data was that we got, particularly around grassroots and women's sport. I just don't have that information with me.

Senator DAVID POCOCK: Okay. Can I—

CHAIR: I'm just going to move the call and I'll come back to you. I'm just keeping to fairly strict 10-minute blocks. Senator Henderson.

Senator HENDERSON: I want to go back to the shocking decisions that were made in the budget in relation to regional communities and regional connectivity. Mr Mackay, you've said that \$112 million of the Better Connectivity Plan for Regional and Rural Australia funding was moved for the purposes of the commercial broadcasting tax. So that was taken out—

Mr Mackay: That wasn't our evidence. Decisions taken in budget to reallocate uncommitted funding are not directly hypothecated to other decisions. All governments make decisions in budget processes on savings to be taken and reallocation of funds. They make decisions to commit expenditure. But those two things are not linked.

Senator HENDERSON: Let me just double-check that because I recall there was a specific note. There was \$112 million removed from the better connectivity plan, and in the budget that money has been allocated to the cost of this measure. It's actually very clear in the budget papers. Mr Mackay.

Mr Mackay: It says it will be partially met.

Senator HENDERSON: Yes:

The cost of this measure will be partially met from a reprioritisation of funding from the ... Budget measure titled Better Connectivity Plan ...

Mr Mackay: Yes. So—

Senator HENDERSON: Hang on, Mr Mackay. Please don't tell me that, in the budget papers, the government hasn't used this funding to put it elsewhere. It's very clear—

Mr Mackay: Senator, I agree, but—

Senator HENDERSON: It's very clear—

CHAIR: Let's do this one at a time, Senator Henderson.

Senator HENDERSON: If I can just finish, it's very clear in the budget papers that \$111.3 million was taken from this better connectivity plan for the offsetting of the commercial broadcasting tax. Then I look at the portfolio budget statement and refer to page 64. It was your evidence, Mr Grunhard, that the money that is sitting in the PBS for 2026-27 and ongoing is the uncommitted funding.

Mr Grunhard: No, it was not.

Senator HENDERSON: That is the continuing funding?

Mr Grunhard: That is the continuing funding that remains allocated to the plan.

Senator HENDERSON: It remains allocated. If that's the case, for instance—and then there's a notation, (a), and, if you follow the bouncing ball to (a), it says:

Includes funding for the Mobile Black Spot Program, improving telecommunications resilience ... and the Regional Tech Hub.

Mr Grunhard: That's right.

Senator HENDERSON: So what's happened to the funding for the regional tech hub?

Mr Grunhard: Senator, you'll note that that footnote applies to all years, including 2025-26.

Mr Mackay: The first column of the table is the estimated actual expenditure for the current financial year.

Senator HENDERSON: Oh, right. So—

Mr Grunhard: The regional tech hub was funded until 30 June this year.

Senator HENDERSON: Yes, so the funding for that program has been axed.

Mr Grunhard: No, Senator. It was always funded to 30 June 2026, and the government made no different decision in this budget.

Senator HENDERSON: Well, that's a very eloquent way of saying that the funding has been axed. I'd say 'axed'. You can say the funding is no longer continuing, but it certainly looks in your notes as if the funding is continuing for the Regional Tech Hub.

Mr Mackay: I don't agree, Senator.

Senator HENDERSON: Well, you've already got one thing wrong in relation to the budget papers, Mr Mackay, so hang on a minute.

Mr Mackay: The first—

Senator HENDERSON: Well, hang on a minute. So you're saying that the Regional Tech Hub relates only to the funding allocated until 30 June?

Mr Grunhard: Correct.

Senator HENDERSON: Okay. So I will ask the question, Minister: why hasn't the Regional Tech Hub been funded? This is \$2 million a year over three years, which is providing a vital service to regional communities. This helped 28,000 people in the last year alone. It is helping regional families, farmers and communities connect to the internet and to phone services. Why do the government not have the heart to at least put \$6 million in over three years for that program?

Senator Green: Well, Senator, as the department said to you, that contract was up until 30 June. I think the way to put it is that we're not extending it any further than what was committed to. I understand that there is disappointment about that decision. We've said from the outset that this was going to be a responsible budget focused on resilience and reform, and we did have to make more savings than what we were spending. We can step you through some of the things that we are going to do to engage with the hub and the National Farmers' Federation about transition arrangements. I understand that that is a difficult decision and people are disappointed, but this was a budget where we did have to make decisions like that.

Senator HENDERSON: The NFF, the National Farmers' Federation, which runs the hub, is devastated because this is such an important program, for a relatively small amount of money, which makes such a big difference to regional communities. Mr Grunhard, could you please step me through how much is allocated to each of the other programs going forward and how that's allocated on a per-year basis.

Mr Grunhard: Do you mean each of the programs within the better connectivity plan?

Senator HENDERSON: That's right.

Mr Grunhard: I may not have the forward amounts allocated in each year for each one of those subprograms. I may have to give that to you on notice.

Senator HENDERSON: I'd really like that to come back to the table. These are pretty important decisions that are being made in this budget. You've got this year's only, have you?

Mr Grunhard: I've got the total numbers for the better connectivity plan. I don't know that I have the remaining funding allocated within each subprogram of the BCP, but we'll see what we can find for you.

Senator HENDERSON: If there's any way you could bring that back to the table, it's pretty important that we understand. Is there any way that you can lay your hands on the breakdown for this financial year and the forward estimates?

Mr Grunhard: We will do what we can.

Senator HENDERSON: It is pretty important to know what's being allocated.

Mr Grunhard: I understand. I'm not rejecting the question. We'll find what we can for you.

Senator HENDERSON: Minister, why was the decision made not to allocate any new funding for regional communications?

Senator Green: We can get into semantics, but what we've said to you is that there is continuing funding for regional connectivity in the budget.

Senator HENDERSON: No, I'm asking about new funding. Why was there no new funding?

Senator Green: What we are doing is delivering on the programs that we have committed to. We've had an enormous amount of work being undertaken since we came into office over the Mobile Black Spot Program, the Peri-Urban Mobile Program, the Regional Connectivity Program and a number of other programs, so we're getting that money out of the door. The other thing that we are doing is committing to future work, which I took you through earlier. That is the focus of the government when it comes to regional connectivity. We've said that we're going to be a government of delivery, and that's exactly what we're doing.

Senator HENDERSON: Minister, you're not delivering for regional communities and regional Australia.

Senator Green: Six hundred resilience upgrades is not delivering? That's since we came to government.

Senator HENDERSON: I'm talking about what's in this budget.

Senator Green: Since we came to government we've delivered 600 resilience upgrades, like batteries and generators, through the Mobile Network Hardening Program.

Senator HENDERSON: They're all coalition programs that you've continued. The stark difference is that, for instance, under the Mobile Black Spot Program, the former coalition government upgraded or delivered some 1,400 new base stations. How many base stations will be upgraded under the new program? I am pretty concerned that you don't have the breakdown as to the allocation, Mr Grunhard. This is core business. I really, really need that information.

Mr Grunhard: Understood. We're working on it. Your question was about the Mobile Black Spot Program?

Senator HENDERSON: Yes. Can you tell me how much is allocated to the Mobile Black Spot Program?

Mr Grunhard: Bear with me. I do have some information here about that.

Senator Green: On the Mobile Black Spot Program—the department can talk to you about it—there was an independent evaluation released last year about the program. As you say, there were early rounds of the programs which had a lot of success in coverage gains. But what we've seen over time is that there have been diminishing returns every single round. That was the independent evaluation. Once you do the work, there are fewer black spots. We are rolling out what we've committed to and considering that information going forward. This is, of course, taxpayer funded support for telecommunication companies, and we do need to think about the model that we're going to implement going forward. I don't think that telecommunication companies are somehow entitled to taxpayer funding, but we want to make sure that this program is fit for purpose going forward.

Senator HENDERSON: Well, that's the way you see it, Minister.

Senator Green: That's how a responsible budget would see this issue.

Senator HENDERSON: I see it very differently. This is vital funding for regional communities that would otherwise not flow to those communities.

Senator Green: It has been flowing.

Senator HENDERSON: We dragged the carriers kicking and screaming to invest in regional communities by co-funding. The co-funding model has been critical in driving investment where it would otherwise arguably not be commercially viable. I just see this as treating regional communities with contempt, compounded by the fact that there's been no allocation of funding through the UOMO legislation. Could you address, Minister, why there's been no allocation of funding under the UOMO bill?

Senator Green: I'll defer to the department on how we're progressing that legislation. It's a bit of a different piece of work.

Senator HENDERSON: I'm just asking a funding question at the moment—

Senator Green: And I'm going to let the department answer that question for you.

Mr Mackay: As we covered in the inquiry on the UOMO legislation, it's a framework bill that establishes powers for the government to make rules and standards with respect to mobile telecommunications, either through low-Earth-orbit satellites or terrestrial mobile. There are provisions for making standards, for instance, around

affordability of services, but the legislation is designed to bring mobile telecommunications into the universal services framework. It's not a funding program per se. My colleagues may want to add to that.

Senator HENDERSON: No, I'm just asking why no funding has been allocated and whether the government made a decision or whether you have given advice, Mr Mackay, as to the funding that should be committed—

Mr Mackay: I'll ask Ms Power to—

Senator HENDERSON: under the universal outdoor mobile obligation?

Ms Power: Our previous advice remains true. No decision has been made to allocate funding to support implementation of UOMO. But, as you would have seen from the bill, there is a provision that enables the Public Interest Telecommunications Special Account to be used to support initiatives if that is deemed required. They could go to a broad range of things. It's not necessarily about supporting the providers but rather achieving public interest outcomes that are consistent with how the universal services funding framework currently operates.

Senator HENDERSON: Sorry, just to clarify, my question was: have you given advice as to funding that should be committed under the universal outdoor mobile obligation?

Ms Power: The answer to that is that we haven't provided advice. This is framework legislation that is still to be considered—

Senator HENDERSON: No, I understand it's framework.

Ms Power: The legislation is yet to be—

Senator HENDERSON: I'm not debating that. I'm just asking if you've given advice.

CHAIR: I think that's just been answered.

Senator HENDERSON: No? The answer is 'no'?

Ms Power: The answer is no.

CHAIR: Thank you, Senator Henderson. I will come back to you. I would like to ask you about the mobile coverage industry standard. Is that appropriate?

Unidentified speaker: Certainly.

CHAIR: Why did the government move to introduce a mobile coverage industry standard, and what are the core components of that standard please, just by way of summary?

Mr Grunhard: I might just get some assistance at the table. I think you're referring to the mapping standard that was introduced. Yes. This was introduced to address some longstanding concerns that consumers have had about the way coverage mapping is represented by our telcos on their websites. The minister directed the ACMA to make an industry standard. That direction was issued on 8 December 2025. ACMA then consulted with industry, including the mobile network operators, before determining the thresholds in that standard. The standard has now gone live, and industry must implement the rules by 30 June 2026. The intention of that standard is to give clearer information to consumers about what coverage they can expect when they're out in the field trying to use their mobile phones. It'll also assist them to understand where they should be able to make a triple zero call if needed and allow government and the ACMA to better understand the impacts of outages to the triple zero service.

CHAIR: This year's budget provided funding for the National Relay Service to expand the video relay for Auslan users. Can you outline what that will mean and why that funding is so important?

Mr Grunhard: Yes, we'll just get the relevant information for you. I think that's the \$5 million per year that will be funded from the industry levy.

Ms McMullan: Yes, you're right. The budget provided additional funding to extend the National Relay Service to provide 24-hour-a-day seven-day-a-week capability for the video relay service under the National Relay Service, which is for deaf and hard-of-hearing Australians who rely on Auslan. There are a range of different channels available under the National Relay Service, all of which have historically been 24/7 enabled. Auslan has not been. It's only operated under a more limited set of hours. This additional funding will allow that Auslan service to extend to a 24/7 capability as well. There are a number of users of Auslan for whom that is their first language, and they find it more difficult to communicate in other languages, including written English. So this will increase capacity for Auslan users to use that service for anything but, in particular, for triple zero capability in times of emergencies.

CHAIR: My next question goes to the National Audit of Mobile Coverage. Are you able to give me the status on that? Where are you up to, and what's been done?

Mr Mackay: The audit is in its second cycle of testing now. Around 180,000 kilometres of roads and 76 towns are currently being audited. I'm sure my colleagues can give you a bit more information on the detail of the work.

Ms Power: As Mr Mackay said, we're in the second cycle—the second year—of testing, with one further year planned prior to the end of next year and with, on average, around 180,000 kilometres of roads each year and around 76 towns. They are static sites where we get a much deeper look at what is happening with mobile coverage. That includes being able to assess whether there are seasonal or other variations. The audit commenced in 2024, and data is being loaded up onto a platform that is available to the public and provides more granular and on-ground information about the real-life experience of coverage that you can expect if you're in a community. That is supplemented by crowdsourced data from about 160,000 users daily nationwide. That gives a broader scope of data, including on roads that the audit is not currently testing.

In addition to that, we have extended the audit to include a pilot of direct-to-device testing. As we've talked about before in relation to the UOMO, Telstra is offering SMS direct-to-device services. We've done a pilot process to determine how you can appropriately test that service to improve information that might help support UOMO implementation. There was a question before about information that would need to be provided to the community about services under UOMO, and that certainly goes to that element of the piece of work. That pilot has gone well and is giving us good information. Then there'll be a consideration of whether to expand that into the full audit.

CHAIR: Thank you very much. Senator Henderson.

Senator HENDERSON: The Mobile Black Spot Program effectively ends after the next financial year. This program has underpinned a majority of terrestrial mobile infrastructure investment in outer regional, remote and very remote areas. How much funding is allocated to support terrestrial mobile infrastructure outside of the Mobile Black Spot Program going forward? Do you have that breakdown?

Mr Grunhard: We're working on that breakdown. We'll have that with you. To be clear, there is funding allocated out to 2029-30 for the Mobile Black Spot Program. In fact, I can answer one part of your question from before, if that's helpful. The remaining funding for the Mobile Black Spot Program within the Better Productivity Plan—that funds round 7, round 8 and the West Coast Tasmania round—from 2025-26 out to 2029-30 is \$75.8 million.

Senator HENDERSON: That's committed funding, though. I'm talking about the further funding allocated in the forwards.

Mr Grunhard: That's the funding that's allocated for round 7, round 8 and the West Coast Tasmania round in the forwards.

Senator HENDERSON: It's very hard to get bits and pieces of information. With respect, I really do need to understand what's allocated to each of these programs in this financial year. I know you're getting that information.

Mr Grunhard: We will get that for you. You asked a question also about what other programs we're rolling out for terrestrial mobile coverage. The other important piece that I should mention here is the Regional Roads Australia Mobile Program, which is—

Senator HENDERSON: I'm sorry; I'm having trouble hearing you.

Mr Grunhard: The Regional Roads Australia Mobile Program, otherwise known as RRAMP, is a national program which will open for applications later this year and will provide grant funding to increase multicarrier mobile coverage on highways and major roads and in adjacent communities and facilities like rest stops, where Australians drive, where they live, where they work. That will be a national program and will roll out shortly. The state and territory jurisdictions have been running pilot programs to test different approaches here. Fifty million in funding has been allocated to the jurisdictions to run pilot programs, and a national program will roll out shortly. That's the next national program that will support terrestrial mobile coverage.

Senator HENDERSON: Alright. If it's possible to get details of each funding program, what's already been announced and what has been unallocated under each program going forward, I would be most grateful. I mean, what is really distressing for regional communities with no new funding for regional infrastructure is that the government is looking to receive a very, very significant payment by way of spectrum licences—perhaps more than \$8 billion. It just seems extraordinary that the government made the decision—I'll direct this to you, Minister—given the sort of receipts that are coming in via spectrum licences, not to provide any new regional connectivity funding. What happens to communities who have little or no coverage?

Senator Green: Can I get some advice from the department about that spectrum funding you're talking about? I think ACMA should be with us soon and can talk you through the spectrum licensing program. I'm not necessarily sure. It's a situation where—I'll take advice because I'm not sure about that.

Senator HENDERSON: Sure. I understand.

Senator Green: So I won't speak to that part of it if that's okay.

Senator HENDERSON: All I can say is that there's a massive payment coming to the government by way of spectrum licensing—

Senator Green: from telecommunication companies.

Senator HENDERSON: Yes, that's right. It is many billions of dollars—

Senator Green: From multibillion dollar companies—

Senator HENDERSON: yet regional communities are not seeing any dividend at all from this payment. How much—it's very frustrating because I need to see the breakdown of all of these funding programs.

Senator Green: We've taken it on notice for you and we'll get you as much information as we can about the breakdown. I've already taken you through some of the areas or the upgrades that have been committed to or locked in already using funding that was already in the budget. There are particular areas, like the west coast of Tasmania and Perth Hills, which Senator Smith is always very engaged on. There are programs around national regional roads, which will cross over into many regional areas. The work that we're doing with the NBN Co around strengthening telecommunications for natural disasters is quite clearly targeted at regional areas. So I'm not sure what your question goes to in terms of a geographical map, but we can take that on notice as well if you like.

Senator HENDERSON: The budget papers tell a very dim story. Even when the chair was asking about the commitment to Auslan video relay services, which is a very positive commitment, that's not being paid by the government. That is by way of the telecommunications industry levy. So it actually means that there is zero new funding allocated under the 'supporting connectivity' part of the budget, with the exception of money going to the regulator. I mean, what do regional communities do? What avenues do they have if they are suffering with little or no coverage? What do they do? The other thing that I'm concerned about is that the minister is sending out signals that she no longer believes in the co-investment model. You've just maybe indicated that a bit as well.

Senator Green: I'm not going to be a cheerleader for the telecommunication companies, which it seems like you're seeking to do. It's a balance. It's a co-investment model.

Senator HENDERSON: Please don't reflect on me, Minister. If you've got any other way of getting terrestrial connectivity to Australians, then please offer that up. But what I am doing is asking really important questions, because it seems to me that the government is backing away and exiting the co-investment model, which has been so critical for delivering connectivity to regional communities.

Senator Green: No, my words were about making sure that what we have committed to we are delivering. That's what I've taken you through on a number of occasions in response to your questions: a billion-dollar, better connectivity program—a pipeline that is rolling through to the end of the decade. That's a substantial investment in regional communities to connect them. If I may, I know that you asked some questions about UOMO. It does dovetail, so the work we're doing around UOMO and the work we're doing around regional connectivity, we see, as two pieces together.

Senator HENDERSON: Actually, Minister, it doesn't.

Senator Green: Okay. That's your view, but I'm telling you what the government's doing.

Senator HENDERSON: It's not about my view; it's about the facts.

Senator Green: We're not here to argue; I'm here to answer your questions.

Senator HENDERSON: I know that the minister is giving you briefing notes, and I'm being respectful because you are the representative minister here. But it doesn't dovetail, because the satellite technology on which UOMO relies is not even currently available. There is enormous doubt as to whether it will be available by the end of next year. The government's not even supporting mobile roaming, which we think is a very important component of delivering better connectivity to Australians.

Senator Green: Do you have a question, Senator, that we can answer for you?

Senator HENDERSON: I do, Minister. I've got many questions.

Senator Green: Great.

Senator HENDERSON: In 2025, Telstra had 5,221 mobile tower outages that were greater than 10 minutes in duration in areas where it was the only provider. Mr Mackay, do you know the total number of outages on each carrier's network in 2025, as well as the duration and the average number of users impacted by each outage?

Mr Mackay: I'll see if any of my colleagues have that information.

Senator HENDERSON: I'm also seeking to know how many mobile tower outages have occurred on the Optus and TPG networks in 2025 that were greater than 10 minutes in duration?

Mr Mackay: In 2025 specifically?

Senator HENDERSON: If you've got data up until current day, that would be appreciated as well.

Ms Chapple: I'm not sure we have the specific statistics—

Senator HENDERSON: Also—sorry. This goes to the critical need to be able to use a mobile phone in times of emergency as well.

Ms Chapple: What I can step you through, or ask my colleague Dr Hood to step you through—obviously there's a regulatory obligation for telcos to report major outages and significant local outages. Would you like us to take you through the data that we have?

Senator HENDERSON: I'm just seeking the data for the total number of outages for Optus and TPG that were greater than 10 minutes in duration, which I believe is the reporting measure that is used. Do you have that? This is for mobile tower outages.

Ms Chapple: I don't have that information. I would need to take that on notice.

Senator HENDERSON: You don't have that information at all?

Ms Chapple: No, not with me. We'd need to check if that's information that we hold.

Senator HENDERSON: Do you have any data in terms of the 5,221 mobile tower outages in 2025 on Telstra towers? Do you have any data as to how many users were impacted?

Ms Chapple: I don't have data available to me today in terms of towers. What I do have is statistics for the major outages and significant local outages, but that might not give you the information you're after.

Senator HENDERSON: No, that's probably not it. If we could have that on notice—

Ms Chapple: Sure.

Senator HENDERSON: or if you could hand that up that would save a bit of time. Thank you. Minister, can I go to temporary disaster roaming. That is still not in place. Can you update the committee on when temporary disaster mobile roaming will be in place and also why the government has declined to embrace a broader obligation of mandatory domestic mobile roaming?

Senator Green: I'm going to get the department to answer while I find my brief. We're skipping around different topics.

Senator HENDERSON: I appreciate that.

Senator Green: Come back to me if there's a question about the government.

Senator HENDERSON: Well, they are decisions of government. Mr Mackay, can you give us an update firstly on temporary disaster roaming?

Mr Mackay: Yes, certainly.

Senator HENDERSON: That's still not in place. We're heading towards another disaster season, summer season.

Mr Mackay: We covered some of the current status of the testing this morning with Senator Ananda-Rajah, but we're very happy to recap that now.

Ms Chapple: That is something that telecommunications providers are working together to deliver. They've undertaken two phases of testing. The first phase related to a simulated environment trial. The second, which was conducted through to March, related to testing in a live environment. We will be receiving a report on that testing in June. There is a commitment by telcos, and certainly the discussions that we've had with them indicate they are on track to have TDR live for this high-risk weather season commencing in October this year.

Senator HENDERSON: That hasn't been legislated, though; it's not in the UOMO bill.

Ms Chapple: No, that is something that industry are progressing.

Senator HENDERSON: Industry is progressing that just as a goodwill measure? So there won't be any requirement to provide temporary disaster roaming?

Ms Chapple: Not currently in regulations, no.

Senator HENDERSON: This has got to be discretionary, is it?

Ms Chapple: I think we will need to see the outcomes of the testing to understand how it works and the circumstances in which it would be turned on or not. Once we see that report in June, we will be in a better position to assess whether or not supporting regulatory change might be required.

Senator HENDERSON: Mr Mackay, I'll direct this to you. Why is the government determined not to include mandatory domestic mobile roaming in the UOMO bill for the purpose of improving connectivity in parts of Australia?

Mr Mackay: I'm not sure I can answer the question on behalf of the government. If the UOMO bill is passed, as we discussed before, it does provide new powers for the minister to make rules and standards relevant to mobile telecommunications. I think that's part of the answer to the question that Ms Chapple answered a minute ago—that temporary disaster roaming is being progressed by industry at present, because we don't yet have the powers in respect of mobile telecommunications that the UOMO bill will provide. The other thing that is important to note in respect of disaster roaming is the operation of the camp-on facility, which for triple zero does provide domestic roaming where there is multicarrier coverage for emergency calling purposes.

Senator HENDERSON: Yes. Can I also ask why domestic mandatory mobile roaming is not included in the bill.

Mr Mackay: As I said, the bill provides powers where such rules or standards could be made, but mandatory domestic roaming would require fresh policy authority from government. And that's not a decision that government has taken to date.

Senator HENDERSON: I do want to move to the news media bargaining incentive, and I'll try and address this pretty quickly. I've been quite critical with the government's decision to walk away from the news media bargaining code. The legislation in its exposure draft allows the government to collect the money, but there's no distribution of those moneys. That's a very big missing part of this bill. What is being done to progress the distribution method so that we don't have the proposition before the parliament of the government collecting a lot of money and then not distributing it, of putting it in its own coffers and then not distributing it to media companies?

Mr Mackay: In parallel with the Treasury consultation on the legislation you refer to, on the incentive, this department consulted on a proposed statutory payment scheme, which is how revenue would be distributed. Any revenue raised by the incentive would be distributed to eligible news organisations. That's how the two parts of what you describe would operate, and the consultation has been done in parallel with the Treasury consultation on its legislation.

Senator HENDERSON: So is there any proposal to integrate the statutory requirements to distribute the money into this bill?

Ms Lopez: It would be separate legislation.

Senator HENDERSON: So you're asking the parliament to pass legislation to collect the money with no mechanism to distribute it to media companies?

Mr Mackay: No, we are developing the statutory payment scheme that would distribute any revenue raised, in parallel with Treasury's development of the incentive.

Senator HENDERSON: Could I have on notice any and all correspondence between the relevant tech companies—the tech platforms—the government and the department in relation to the news media bargaining incentive. It's quite well known that Google is threatening to just pay the penalty and not to engage with media companies, not to enter into commercial arrangements.

Mr Mackay: We will absolutely see what we can provide for you on notice. I would just say that the incentive part of it is led by Treasury. We can, on notice, certainly cover any of what you've described that relates to our part of the work, which isn't the revenue side.

Senator HENDERSON: I know, but the bill that you've released is only half the measure. That is the core of the problem.

Mr Mackay: That's the half that we can—

Senator HENDERSON: That allows the government to collect the money, if the platforms just decide to pay the penalty, but there's no distribution method.

Mr Mackay: The distribution method is what I was describing to you, which we are developing in parallel with Treasury—the statutory payment scheme.

Senator HENDERSON: Can you update the committee on what other platforms are saying and who will be in and who will be out? Have Meta indicated whether they're willing to play ball?

Ms Lopez: In terms of the news bargaining incentive, as Mr Mackay said, that is being led by the Treasury, so we might not be in a position to comment in terms of what's been said through their consultation.

Senator HENDERSON: Well, I'm sorry, but your department is very involved in this particular policy, so I'm asking for the information of which you are aware.

Mr Mackay: We are—

Senator HENDERSON: And I'm not going to have a 'no comment', sorry.

Mr Mackay: As you rightly say, we are very closely involved in respect of developing the statutory payment scheme. The incentive itself is led by the Treasury. We are not in a position to answer on their behalf as to engagements they've had with tech companies in respect of the incentive. That's a question for the Treasury.

Senator HENDERSON: I'm asking about your engagement with tech companies.

Mr Mackay: In respect of the statutory payment scheme, as opposed to the revenue side?

Senator HENDERSON: In respect of the whole thing, because one doesn't work without the other, Mr Mackay. It's nonsense that there's been legislation proposed which allows the government to collect a tax but not to distribute it to the media companies. The whole thing looks half baked.

Mr Verdon: The government has made it clear that any money collected through the news bargaining incentive will be distributed back out to news publishers. They made that clear on 28 April, when we opened up the consultation on the statutory payment scheme. That closed on 18 May, and we've received 55 submissions. We're going through those submissions now. It is named a 'statutory payment scheme'; hence, it will be legislated. It can't go in the Treasury bills, because those are in relation to a charge and taxation bills. Our legislation cannot be included in that. That's why ours will be a separate piece of legislation.

Senator HENDERSON: Could I ask, on notice, for a copy of those 55 submissions, please.

Mr Verdon: I'll take that on notice.

Senator HENDERSON: Thank you. So what happens if the parliament passes the taxation bill but not the distribution bill? The whole thing is a bit of a mess. I say that because, under the old news media bargaining code, that was a scheme which really drove the platforms to enter into commercial agreements. Meta, of course, walked away. We understand what has happened, but Meta was never designated. But it now seems that there's only a bill before—

Mr Betts: Mr Verdon has answered this question. He's indicated that the government has already announced that two pieces of legislation will be introduced. It needs to be two pieces because one component part relates to the tax, and you can't conflate those two. But they will be taken into parliament at the same time to be considered as a holistic package. That's been made clear.

Senator HENDERSON: Why couldn't you bring them forward as an omnibus bill?

Senator Green: We can't.

Senator HENDERSON: That's not possible?

Senator Green: We take your point. We understand what you're putting forward, but it's actually not possible.

Senator HENDERSON: Well, that's not the advice I got from Treasury. They certainly raised that as a possibility—that it could come forward as one bill, as an omnibus bill.

Senator Green: Well, this is the approach the government's taking. I take the point about what you're suggesting—seeing both sides of the legislation would be important. It is the government's intention to have both of those bills in the parliament at the same time. It will be a matter for parliament to decide whether to pass them at the same time, but we're hoping our colleagues in the Senate will assist us with that.

Senator HENDERSON: Senator Smith has some questions on this issue, so I might hand over to Senator Smith.

Senator DEAN SMITH: Is the department aware of research by the Public Interest Journalism Initiative that says that, in the last two decades, leading up to 2024, the Australian news media landscape has shrunk by 19 per cent, due to the presence of foreign social media companies?

Mr Verdon: We're not familiar with that research, but that does seem to reflect the downward trend in news publishers. It's quite well known that, given the rise of digital platforms, with a lot of the advertising and classifieds having gone online, a lot of the news publishers have been struggling. That's one of the reasons why we've got the News Media Assistance Program but also the News Bargaining Incentive—to try and address that issue and provide money back into news publishers across Australia.

Senator DEAN SMITH: Out of curiosity, what research does the department lean on to inform itself of these issues?

Mr Verdon: There are a number of sources, but one report that we look at is the report the ACMA produce on their Media Diversity Measurement Framework. They released a report in March 2025, and they provided an update just a couple of weeks ago. Their next report is in 2027, and that's around the media landscape, where people are seeing and consuming their news, and the state of the number of journalists. That's one of the key reports that we look at, and that's what informs our News Media Assistance Program and also the statutory payment scheme that we're looking to implement.

Senator DEAN SMITH: You're probably aware, then, that the Public Interest Journalism Initiative concluded its monitoring of newsroom closures, downsizing and mergers in 2024. Is the department continuing to independently monitor newsroom downsizing, mergers and closures?

Mr Verdon: A lot of the feedback we get is from news publishers or the sector itself. Obviously, that will feed in. The News Media Assistance Program finishes in 2027-28, and this information will inform whether to advise the government to roll out another, similar program to fix some of these issues and make sure that we support the sustainability of the news publishing sector.

Senator DEAN SMITH: Does the department collect data on newsroom closures?

Mr Verdon: We don't actively collect it, but if there are any reports about news closures we do look at that. As I said, there's the ACMA's Media Diversity Measurement Framework, and we get sent a copy of the report on that. We take all of that into consideration when we look at developing these programs.

Senator DEAN SMITH: It's been suggested that, as at 2024, 27 of Australia's 567 local government areas are now totally without local news services. Is that a statistic that the department is familiar with?

Mr Verdon: We are familiar with that statistic. Having gone out for consultation on the statutory payment scheme, we are looking at, possibly, additional weighting for those publishers that are located in communities where there may not be as many news services. We're targeting small publishers, regional publishers, First Nations publishers and those that might be in local council areas where there are not enough services.

The other program we've got on is the \$31.5 million News Innovation Fund. That is to support news publishers, especially at the smaller end, to innovate their businesses. One of the things we're looking at is if they can provide their services into some of these areas which may not have as many media options as other areas.

Senator DEAN SMITH: How are you modelling or assessing the impact of the News Bargaining Incentive reforms?

Mr Verdon: That's something that we will need to look into. Obviously, the news bargaining incentive has not been implemented as yet, and then there's the statutory payment scheme, which will be done at the same time as the bargaining incentive. When we establish the payment system, we'll look at evaluation and see if that is making a difference to the sustainability of the sector.

Senator DEAN SMITH: How do you plan to report on that?

Mr Verdon: As part of the consultation paper, there were transparency arrangements that we're looking at putting in place. How it would work is that, if the digital platforms decide not to do any deals and we collect revenue, the revenue will then be distributed out to news publishers, based on the number of journalists that they employ. At the end of the year, when we collect it and distribute it, we would then look to report how much money was distributed out and how much each of those publishers received. That's all part of it. Seeing that it's public money and it's for a public good, we're going to be transparent about the quantum of money that is collected. As the government has put forward, any dollar that's collected will be distributed back to the news and journalism sector, and that will all be transparent and made public.

Senator DEAN SMITH: Do you have a sense of what approach social media companies might take?

Mr Verdon: That would be a question for the social media companies.

Senator DEAN SMITH: But your job, as the department, is to assess the environment and make some judgement calls about how these issues might evolve.

Mr Verdon: We understand that the Google deals are coming to a close or reducing mid this year, and Meta have walked away from their deals. We've heard some stakeholder feedback that the digital platforms might do deals, or they may not do deals. We won't know until the News Bargaining Incentive legislation is in place and the statutory payment scheme is in place. That's when we'll know what actions the digital platforms decide to take. **Senator DEAN SMITH:** What I'm trying to explore is the tension between social media companies pursuing individual payment models with companies, as opposed to meeting the 2½ per cent profit requirement. Do you see what I'm trying to say?

Ms Lopez: As Mr Mackay said earlier, Treasury would probably have a better understanding of what platforms may be planning to do, as part of the consultation they've undertaken on the incentive itself.

Senator DEAN SMITH: Okay. I accept that, and I'll be there next week. Can you explain to me how the offset rate works.

Ms Lopez: Again, that might be a question better posed to the Treasury—about the design of the incentive.

Senator DEAN SMITH: So questions about how that percentage was derived are best asked of Treasury?

Ms Lopez: That's right.

Senator DEAN SMITH: Can you detail for me your engagement with foreign media companies around this initiative, or is it just through the submission process at this stage?

Mr Verdon: At this stage it's just been through the submission process. As I said, we received 55 submissions, and most of those were made up of publishers and broadcasters.

Ms Lopez: And, Senator, just to be clear around foreign media companies, do you mean companies providing Australian news but foreign owned?

Senator DEAN SMITH: I do, yes—Australian companies that are foreign owned.

Ms Lopez: But providing Australian news?

Senator DEAN SMITH: That's right, yes. You're engaging with them only through the submission process?

Mr Verdon: Correct.

Ms Lopez: Yes.

Senator DEAN SMITH: Thank you.

CHAIR: I'd like to ask some questions about the digital duty of care, please.

Senator HENDERSON: You stole my thunder, Chair! I was just about to.

Senator Green: They might be the same questions.

CHAIR: Perhaps we can operate cooperatively. If I cover them, maybe we'll save some time.

Senator HENDERSON: I'm not sure we will, but anyway.

CHAIR: We'll see. Can I get a quick summary of the key issues, themes and feedback the department heard during the initial consultation about the digital duty of care.

Ms Vandenbroek: Absolutely. We asked a lot of questions across a range of things. I'll hand over to Mr Hyles to go into more detail. But in general we heard that people were in favour of a very broad based duty of care. We talked about the UK and the EU models, and there was support from different types of stakeholders for different models, but in general the EU model was seen as the more effective model to operate in our context, with our current regulatory framework. We heard that there should be a focus on children and keeping children safe, and we heard that subsuming the basic online safety expectations into the duty of care was people's preference so that we didn't have duplicative or fragmented regulation. People wanted a more cohesive framework. Were there are other areas?

Mr Hyles: I think that it's probably also important to note that the consultation is still ongoing. That's a process that's underway at the moment. But so far there has been quite positive support from a range of stakeholders.

CHAIR: What's the proposed scope of the duty of care?

Mr Hyles: Ms Vandenbroek mentioned this morning the fact that essentially the intent is to apply the duty of care to the current regulated entities under the Online Safety Act. So the duty of care would require service providers to maintain effective systems and processes so far as reasonably practical; provide a safe online environment for all Australians; prevent, monitor and appropriately address content and activity that is illegal or harmful to young people; and ensure the safety-of-service features, including AI and algorithmic content or generation systems and bot accounts.

CHAIR: By way of topics, those are all reasonably broad. In terms of actually putting some meat on the bones as to how a company would apply those in order to understand what their practical obligations are, are you able to flesh that out a bit?

Mr Hyles: A duty of care is a relatively well understood legal concept in Australia. It's really putting that proactive obligation on a platform to exercise due diligence and take reasonable steps to prevent reasonably foreseeable harms. What we are working on is similar to the work health and safety duty of care. It doesn't provide an extensive list of things that platforms must do. It says to platforms, 'Here are some things that you would need to consider, but you actually need to exercise due diligence to ensure that you're preventing reasonably foreseeable serious harms.'

CHAIR: What are the services that the model will apply to?

Mr Hyles: As I mentioned before, it's the full scope of the entities currently regulated under the Online Safety Act, so that's everything from social media platforms through to ISPs, websites, SMS service providers. Obviously, there will be a graduated risk assessment processes that service providers need to run. Some service providers that are very small have very low risks. They don't have user-to-user interactions, so we would expect them to be very low risk. Other services might have a small number of users but might be high risk. There'll certainly be guidance and detail provided to ensure that platforms are making those correct judgements and assessments about how much detail and effort they need to go into in things like the risk assessment process.

CHAIR: In other parts of the law, you would have a higher obligation depending on the level of risk and harm, so that's part of the equation that would apply. How's the current work on defining harm under the digital duty of care going?

Mr Hyles: There are examples in Europe where they apply a high threshold. They call them very large online platforms. There has been some experience from overseas that would suggest that one of the issues with providing thresholds for the purpose of applying a duty of care is that platforms can tend to game the reporting of that. They try to underreport how many users they have to fall under that threshold, so at the moment we're suggesting a single duty of care applied broadly across the regulated entities. But there will be the capacity, as Ms Vandenbroek mentioned earlier, for the minister to create rules to potentially carve out, say, very small, low-risk platforms—that kind of thing. The intent would be those rules would be subject to parliamentary disallowance, so that's a significant change from now, where the industry codes aren't subject to parliamentary scrutiny. They also require a statement of human rights compatibility as well.

CHAIR: There's an evolving body of research around the various ways in which some of digital platforms or digital services can cause harm, particularly across a longer period of time. As that evolves and as perhaps the evidence on some of that harm to children and to adults grow, how do you see the duty of care evolving to deal with those changing circumstances, or that better understanding?

Mr Hyles: I guess that's the benefit of a duty-of-care approach. At the moment there are 17 codes and standards made under the Online Safety Act. One of the challenges with those is that there are certain platforms and operators that find that it's difficult to tell which side of definitions they fall on. There are multiple codes potentially applying to those operators, whereas what we're proposing is a single overarching duty of care that applies to everybody and includes new features like platforms needing to consider the potential risks of service. We think that is an evolution of that focus and approach. For example, in the past we've seen chatroulette type chat services. Under the duty of care framework, rather than just launching those services onto the market where people are randomly connected together to chat with each other online, that service provider would need to actually undertake a risk assessment, exercise due diligence and put in place mitigation strategies and measures to prevent harms. One of the really obvious harms in that is randomly connecting adults with young children. Of course, that's reasonably foreseeable that that could result in things like grooming and those sorts of things, which would be entirely inappropriate. So the duty of care doesn't have to necessarily know that that's a likely likelihood, but the platform has to undertake that sort of process.

Senator HENDERSON: I just want to return to the funding profile for the regional connectivity programs.

We have the breakdown for you.

Senator HENDERSON: Thank you very much. I was very concerned that Mr Grunhard didn't have that. This is core business,

Senator Green: We tried to get it for you as quickly as possible.

Senator HENDERSON: I appreciate that. If you've got it on a piece of paper, even better. Mr Grunhard, do you have anything you can give me?

Mr Grunhard: I assure you there are a lot of numbers in this folder. You asked for a particular set in a particular way, so we've just cut the numbers for you. I can therefore answer your question. I just want to say, as we've recut this data quickly to make sure we can answer your specific question, we will give it to you on notice and just confirm it's correct. I don't want to be accused of misleading the Senate, but this is what we've produced quickly to answer your question.

Senator HENDERSON: I appreciate that you've brought this forward quickly to accommodate us.

Mr Grunhard: So we will provide it on notice and confirm that it's correct.

Senator HENDERSON: I am grateful.

Mr Grunhard: But to answer your question, in the budget papers against the better connectivity plan line from 2025-26 to 2029-30 there's \$280 million in total.

Senator HENDERSON: So 2025 until 2029, there's 200—

Mr Grunhard: That's right. The totals are sub programs allocated within that—

Senator HENDERSON: I missed that number—200?

Mr Grunhard: It was \$280 million on the face of the budget papers.

Senator HENDERSON: But then there's \$111 million that's been reprioritised. Is that right?

Mr Grunhard: That's right. I'm breaking down what remains, which is the 280, which I think is what you asked. What remains is as follows: the First Nations digital inclusion package, \$45.5 million; Mobile Black Spot Program, \$75.9 million.

Senator HENDERSON: But over what year?

Mr Grunhard: That was 2025-26 to 2029-30.

Senator HENDERSON: Do you have the breakdown for each year?

Mr Grunhard: Would you like each year?

Mr Grunhard: For the Mobile Black Spot Program, it reads as follows: \$6.2 million; \$50 million; \$8 million; \$10.8 million; and \$0.8 million.

Senator HENDERSON: So just to be clear, that's for the '26, '27, '28 and '29 financial years?

Mr Grunhard: Yes, '25, '26, '27, '28 and '29, so from 2025-26.

Senator HENDERSON: So it is over five years?

Mr Grunhard: That's right.

Senator HENDERSON: But isn't the 25 years your actuals, the money that's already been spent?

Mr Grunhard: Estimated actuals, noting that we haven't finished the year yet.

Senator HENDERSON: What was the First Nations figure?

Mr Grunhard: That was a total of \$45.5 million across the forwards.

Senator HENDERSON: Could you just give me the funding profile?

Mr Grunhard: The profile—\$28.5 million in 2025-26 and \$17 million in 2026-27.

Senator HENDERSON: Was there nothing after that?

Mr Grunhard: That's correct. In the Mobile Network Hardening Program, we had \$7.1 million in 2025-26, \$12.7 million in 2026-27 and \$0.5 million in 2027-28. In the national audit of mobile coverage, we have 6.6 in 2025-26 and 3.2 in 2026-27.

Senator HENDERSON: Is there no funding beyond that?

Mr Grunhard: That's correct. For the On Farm Connectivity Program, we have \$10 million in the year 2026-27.

Senator HENDERSON: So that begins in 2026-27?

Mr Grunhard: That's correct. It's \$10 million in that year. We're nearly there.

Senator HENDERSON: And nothing after that?

Mr Grunhard: That's correct. That's a single—

Senator HENDERSON: So that funding runs out in 2027.

Mr Grunhard: That's the third round of the program that the government has announced. The Regional Connectivity Program is \$53 million in 2025-26.

Senator HENDERSON: And is that the estimated actual of what's already been spent?

Mr Grunhard: That's right.

Senator HENDERSON: Is that \$53 million?

Mr Grunhard: Yes. It was 7.5 in 2026-27 and 11.5 in 2027-28. We have the Regional Roads Australia Mobile Program that I mentioned earlier, which is allocated \$12 million in 2026-27, \$12 million in 2027-28 and \$6 million in 2028-29. We have the regional tech hub, as discussed, \$2.5 million in 2025-26.

Senator HENDERSON: And nothing after that?

Mr Grunhard: That's correct. We have the Telecommunications Disaster Resilience and Innovation Program, which is 10.1 in 2025-26 and 3.6 in 2026-27. Lastly, we have the Universal Service Obligation USO technical trials, which is \$0.5 million in 2025-26. And all of that totals to the \$280 million that is in the budget papers. I would note also that—

Senator HENDERSON: Is that less the \$111 million?

Mr Grunhard: No, that's the \$280 million that remains—the remaining allocation.

Senator HENDERSON: So the \$111 million is the remaining funds?

Mr Grunhard: After the unallocated funding, yes. I would just also note that there's \$50 million not represented in that \$280 million because it's been transferred to Treasury for those state and territory pilot programs that I discussed earlier. It has to go to Treasury in order to be given to the states and territories under a federation funding agreement, so that's in addition to the \$280 million.

Senator HENDERSON: Thank you very much for that. Could you provide that in writing.

Mr Grunhard: Will do.

Senator HENDERSON: I know you'll need to check that. That confirms my worst fears that many of these programs are being phased out in the next few years, but I appreciate your providing that detail. Thank you.

I want to ask about the digital duty of care. I'm just wondering how misinformation and disinformation is being considered in the design of the duty-of-care framework. Is that a consideration at all?

Ms Vandenbroek: No, it's not. It's not one of the parameters that we're looking at.

Senator HENDERSON: Can you explain the powers the eSafety Commissioner is proposed to have under the digital duty of care?

Mr Hyles: Obviously, we're still in the process of doing consultation on the model itself. We haven't actually started drafting the legislation. We're at the very early stages of engaging with OPC on that one. So that's still to be determined exactly—the actual mechanisms that would be legislated to provide them with those powers.

Senator HENDERSON: Could you explain the penalty regime under the proposed digital duty of care? What would occur in the event of a breach? Are there monetary policies? Could you provide as much information as you can about what is proposed.

Ms Vandenbroek: It will be similar to the current situation, which is a graduated response where there could be requests for further information, there could be warnings issued or there might be a breach notice, and then fines would follow after that.

Senator HENDERSON: And what's the maximum quantum of the fines that are being proposed?

Mr Hyles: They're to be aligned with the social media minimum age—at the moment, \$49.5 million—making sure that they're lined up across the act.

Senator HENDERSON: What's the scope of the penalties? To which entities or individuals could penalties apply?

Ms Vandenbroek: That hasn't been designed in detail yet.

Mr Hyles: There'll be scope, certainly, for civil penalties to corporations, for example.

Senator HENDERSON: Are we talking about penalties only as against the platforms?

Ms Vandenbroek: Yes.

Mr Hyles: Yes.

Senator HENDERSON: What about other publishers on platforms?

Mr Hyles: No. The focus of this is about systems and processes. There's not a focus on content, in terms of the content that users post themselves. Obviously, we do have an element that goes to illegal material and material that's harmful to children—where the illegal material shouldn't be on there to start with, for example.

Senator HENDERSON: What safeguards is the department considering to ensure that the digital duty of care cannot be used, directly or indirectly, to compel platforms to restrict, down-rank, label or otherwise suppress lawful speech, lawful political speech, satire, religious expression, contested political debate or public debate?

Ms Vandenbroek: That is something that'll be worked out through the details of the drafting process.

Senator HENDERSON: I'm sure you will be doing that, but what is the proposal to date?

Mr Hyles: One of the key things that we are considering is requiring that the platforms, when they're approaching their risk assessment and risk management processes, take into consideration the right to free expression and associated rights.

Ms Vandenbroek: And, as we develop the details of the legislation, we intend to develop a number of different use cases about how the legislation would apply in different scenarios and what the outcomes would be. That's so we can use that material as well in consultation on the draft bill, so that it will be very transparent about what the impacts are.

Senator HENDERSON: I am raising and am quite concerned that the digital duty of care might be used as a way of reviving some of those misinformation and disinformation powers that were proposed by the then minister, Minister Rowland. Can you give an absolute assurance that the proposed digital duty of care will not encompass or not attempt to revive any of those proposed powers, which of course were very onerous and a huge fetter on free speech?

Mr Betts: We've answered that question in the sense that it's where we started, that this is not an attempt to resurrect misinformation and disinformation, but there will be plenty of opportunities for you to scrutinise this legislation once it's consulted on and introduced into the parliament and from there.

Senator HENDERSON: Where do you draw the line on a duty of care? Obviously this is complex; I appreciate that.

Mr Hyles: There's an issues paper—

Senator HENDERSON: But what is the harm—and I appreciate there are a whole range of harms. Could I ask you to articulate the harm that you're seeking to prevent by imposing a digital duty of care.

Mr Betts: This will come out in the work which the team is undertaking at the moment, as I've said, including through consultation, exposure drafts and the legislation itself. I think there's a risk of putting officials in a position where they have to pre-emptively speculate about decisions which government is yet to take on the design of the legislation, let alone where parliament might stand on it.

Senator HENDERSON: I appreciate the point you're making, Mr Betts, but this is subject to the government's decision. In terms of the work that's been done to date—and clearly there's a paper that's been released yesterday—to the extent that you're able, are you able to articulate?

Mr Hyles: There is an issues paper that's been released. Obviously that's what we're engaging with stakeholders on at the moment. There's a section that actually goes specifically to the regard to the rights and freedoms of Australians. That paper is in the public domain.

Senator HENDERSON: When can we expect the legislation?

Ms Vandenbroek: We covered that earlier. We're working towards an indicative timetable, obviously subject to drafting resources, but we are working towards having a draft bill out for consultation in August.

Senator HENDERSON: That's not far away. Do you have a draft in place?

Ms Vandenbroek: We've had our initial meetings with the Office of Parliamentary Counsel. We've provided the first set of drafting instructions. Drafting hasn't commenced, but we have started talking through the policy intent with that team.

Senator HENDERSON: If we could have a copy of those drafting instructions, please provide them on notice.

Mr Hyles: They're legal privilege, so we probably can't do that.

Senator HENDERSON: That's not a reason not to provide them to the committee in estimates.

Mr Betts: We will take that on notice, but there are significant legal issues associated with providing that to you, but we're not going to fight the principle. We'll just take it on notice.

Senator HENDERSON: No, that's fine, if you can take that on notice, but I am seeking that document, please. Are you able to identify instances of harm that will be used to assess the effectiveness of systems and processes as to whether a particular platform or provider has failed in their duty?

Mr Hyles: The nature of a duty of care is that it places the obligations on platforms to do that kind of thinking and consideration. There will be some harms that are listed in the legislation. As Ms Vandebroek mentioned, we've got to engage with the Office of Parliamentary Counsel on the detail, and that will also reflect the outcomes of the consultation process that we're in the middle of at the moment. From that perspective, the thing to emphasise is that it's an obligation on platforms to do that due diligence and take those reasonable steps to think about the potential serious harms that could be caused by the use of their services and to put in place mitigation strategies and measures to prevent that happening.

Senator HENDERSON: This was first announced by the former minister, Minister Rowland, the now attorney-general, in November 2024, so that was some 18 months ago. Why has it taken so long to get to this point?

Ms Vandebroek: The focus throughout 2025 was on the social media minimum age and getting through to implementation. We only have the team that we have, and most of our focus was pointed in that direction. We have now moved a lot of our staff towards working on the duty of care.

Senator HENDERSON: Has the department met with the major platforms—Meta, Google, TikTok and X—about the design of this framework?

Ms Vandebroek: Yes

Senator HENDERSON: Have they provided feedback?

Ms Vandebroek: Absolutely. We met with them late last year when we were in the initial stages of the principles, and that was more of an open conversation. We've done a second round of consultation, which we're halfway through now, on that detailed paper which we've released, which actually sets out the proposed principles. Outside of that, some of the major platforms have asked for additional meetings, and some of them have taken us through detail of how duty-of-care models in other jurisdictions work. So there's been quite a lot of engagement.

Senator HENDERSON: Could we have, on notice, a copy of any submissions received by the platforms in relation to the digital duty of care, and if you could provide details of when and with whom those meetings took place and also any meeting notes, we would be most grateful.

I want to briefly just move to the spectrum licensing. ACMA has made its announcement. Mr Mackay, where are we at with the spectrum licensing arrangements?

Mr Mackay: The majority of the mobile spectrum licences are due to expire between 2028 and 2032. The renewal application period for the earliest licences that will expire opens in June of this year. As you said, the ACMA has published its preferred view on prices, and in June we would expect that the first renewal applications for the licences that expire first will open, and the process will follow from there.

Senator HENDERSON: Has the government not accepted that pricing?

Mr Mackay: It's not a matter of the government accepting it. There were changes made to the Radiocommunications Act in 2020, which moved a number of responsibilities in respect of spectrum licensing from the minister to the ACMA, and they are responsible for managing the process for expiring spectrum licences.

Senator HENDERSON: I appreciate that, but when you said 'preferred pricing', it sounded a bit discretionary. ACMA has set the total market value for renewing these licences at \$7.32 billion.

Mr Mackay: That's right.

Senator HENDERSON: Is that the price that will be asked of the carriers?

Ms La Rance: As you said, that is the price that ACMA has said is its preferred price through this process. ACMA can answer more questions on that process. The agreement and the confirmation of the price is at the point when the licence is renewed.

Mr Irwin: Just further to that, the nomenclature for preferred views is to indicate that no final decision has been made because that is on a licence-by-licence basis. In terms of the price, ACMA have also publicly stated that they will update those benchmark datasets that they have used to build that market value up to about six months before each renewal application. For those licences that open on 18 June, we would expect the prices to reflect what has been issued in the preferred model, but for those that come up for renewal in 2030, it may be different depending on the underlying data.

Ms La Rance: As Mr Mackay said, the licences are expiring between 2028 and 2032, so that's quite a period of time, and things can change in there.

Senator HENDERSON: What about the situation with the licences that are required for satellite transmission under the UOMO bill? There's a fair bit of controversy about that. I appreciate that ACMA is responsible for managing that, but what information can you provide to the committee? Are you aware of where that's at?

Mr Mackay: Are you referring to the two-gigahertz mobile satellite spectrum?

Senator HENDERSON: Yes.

Ms La Rance: There are two different kinds of satellite spectrum that will be used for direct-to-device. Telstra is currently using the mobile spectrum that we're talking about—that's subject to the current expiring spectrum licence process—for delivering its direct-to-device services. There is also the process for the new spectrum, the two-gigahertz spectrum, and that is yet to be allocated. The ACMA are running a process, and that is underway at the moment.

Mr Irwin: They conducted a consultation late last year, and they have publicly indicated that they will consult again on the future allocation, given the changing nature of that market.

Senator HENDERSON: I just want to briefly move to the USO framework. This is funded through the telecommunications industry levy. Can the department provide a clear consolidated annual report for the last four years showing the total telecommunications industry levy collections, the payments to Telstra and any service delivery outcomes? I'm raising concerns about a lack of what I would see as comprehensive reporting in relation to USO delivery.

Ms La Rance: Are you asking for what's been collected and then—

Senator HENDERSON: That's right. I'm happy to take the details on notice. I'm just raising that this seems to be quite opaque. It's very hard to ascertain what is happening under the USO and what is being delivered in terms of public accountability for those obligations.

Ms La Rance: We'll have some of that information for you now, but I understand what you're looking for, and we can provide a table on notice that has the levy coming in for this year and then the breakdown of how that levy has been used and the balance of the special account that it goes into, which Ms Power spoke to earlier.

Ms Power: We're happy to take that on notice. To recap broadly, there is information within the budget papers each year about the telecommunications industry levy, noting that that supports the universal services framework and other public interest items, as we heard earlier, such as the National Relay Service and similar services. There is some reporting in the budget. There is some reporting that goes on the department's website each year on the grants that are funded through that process, and then the ACMA also publishes information about the nature of the telecommunications industry levy and the assessment of how much money needs to be collected to deliver on those services. What we can take on notice is to give you something that's consolidated, as you asked for, that tries to put that in one place.

Senator HENDERSON: Has the department undertaken any recent cost-benefit analysis of the USO arrangements in their current form?

Ms Power: I think we have said previously that there's been an extensive consultation process underway for some period with stakeholders about the modernisation of the telecommunications universal service framework. That work remains ongoing.

Senator HENDERSON: The USO continues to focus on standard telephone service delivery and payphones, despite the fact that many Australians have moved to mobile communications, broadband based, VOIP and satellite technologies. Is the government considering a reshaping of the USO at all to modernise the USO?

Ms La Rance: The universal outdoor mobile obligation, at the time that that was announced, was seen as the first part in that. As you know, that is underway. As Ms Power said, the broader consideration of USO is something that's still underway. We did undertake some earlier consultation, and that's still ongoing.

Senator HENDERSON: What does that mean in context? You're looking to shift the purpose of the USO to meet the new obligations under the UOMO legislation?

Ms Power: The UOMO legislation expands the existing universal services framework, which, as you said, currently focuses on fixed landlines and payphones, by adding mobile services into that framework. It expands the framework to adjust that. It doesn't make any other changes to the existing framework. There is a current longstanding contract with Telstra to provide universal services for landlines and payphones, and that continues on an annual basis. There is reporting that Telstra provides. There is an assessment of whether Telstra meets the requirements of that, and there are related legislative reporting elements that go to the ACMA under the customer service guarantee that go into demonstrating compliance with that broader framework. But, as I said, we'll take it on notice and put that together in one place.

Senator HENDERSON: Obviously a very substantial amount of money is being paid to Telstra to deliver these universal service obligations, but the reality is that many Australians are no longer using a landline or they're using one in very limited circumstances. So I guess the question is: are Australian taxpayers getting value for money?

Ms La Rance: I think that the UOMO change is about broadening that base. There are existing contractual obligations in place with Telstra that need to be delivered and which we're happy to talk you through, if that's useful.

Senator HENDERSON: I'm happy for you to take that on notice, because I'm pretty conscious of the time. I'm trying to move through things really quickly. I want to move to the NBN, if I could, please.

Ms La Rance: We're just getting the right officers to the table, but you can probably make a start with me, if you'd like.

Senator HENDERSON: Okay. There's a significant amount of aggregate NBN performance data in the public domain but no clear reporting tied specifically to the government's recent equity injection. So I'm wondering if you could outline in simple terms what outcomes have been delivered as a direct result of the recent equity investments. There's been substantial equity drawdowns, but there's a lot of opaqueness about what's being delivered. I'm particularly keen to look at the breakdown on upgrades delivered for regional, rural and remote areas. It may well be that you want to take part of that on notice and just give me a summation, but I am keen to drill down on the deliverables and how these equity drawdowns are tied to performance.

Ms La Rance: Ms Sparreboom will take you through the breakdown of what the equity is being used for and where it's up to.

Ms Sparreboom: As at 30 April 2026, work has commenced on upgrades for more than 523,000 premises across the 622,000 footprints. That's nationwide. Construction for around 185,000 of these premises is underway. As at the end of April, approximately 35,000 premises had been completed and people are able to place an order for an upgrade. That's the final suite of upgrades in the 622,000 footprint of which the government's committed up to \$3 billion in equity. In terms of total equity payments for the 622,000 upgrades, a total of \$483.2 million has been provided to NBN to date.

Senator HENDERSON: Because I'm seeking much more detailed information, I might get you to take the rest of the question on notice. We might also place further questions on notice. I'm seeking also the measurable improvements in reliability and performance, but with a particular focus on regional areas as opposed to system-wide improvements as well.

Ms La Rance: Certainly. We certainly have the data that has shown decreasing fault rates and increased reliability. We'll see if we can get that on a regional basis for you. But we'll certainly provide what we can.

Senator HENDERSON: Alright. Thank you very much.

Senator Green: NBN Co might have more detail.

Senator HENDERSON: I certainly will be asking NBN Co for detail.

Senator Green: Great.

CHAIR: Thank you very much to officers from the department.

Proceedings suspended from 15:30 to 15:46

Australian Communications and Media Authority

CHAIR: Welcome, officers of ACMA. Welcome back, Ms O'Loughlin. Would you like to give an opening statement?

Ms O'Loughlin: No, thanks—no opening statement. I'm happy to take questions.

CHAIR: Thank you. What are the measures in place to stop people betting on offshore websites that don't abide by Australian laws to protect people from gambling harm?

Ms O'Loughlin: I will pass over to my colleague Ms Field, who can answer that question for you.

Ms Field: The ACMA undertakes a range of measures to disrupt the supply of and demand for illegal offshore gambling. This includes a combination of enforcement activities, engagement with industry and other regulators, and consumer education. Website blocking is one of the key tools that has been effective in disrupting the illegal gambling services, and since 2019 we have asked to have more than 1,700 illegal offshore gambling websites blocked. We also monitor web traffic to blocked services, and we have observed that there's been a significant reduction in traffic to those sites following blocking.

We have also undertaken digital advertising campaigns, which have been successful in raising awareness of the risks of using illegal gambling websites. The advertisements link to information on our web pages about the types of services that are illegal, the ones that are legal and the risks to consumers if they engage with those particular services. Since 2019 we've conducted 11 consumer awareness campaigns, and we've also had some with specific focuses around things like credit card gambling. Each of those tranches has resulted in a significant increase in web traffic to the ACMA website, which lists legal services. We also conduct consumer education through the ACMA social media platforms, particularly in conjunction with major sporting events. Quite often, leading up to things like the World Cup, we will increase our consumer outreach.

We have also explored and implemented additional ways to disrupt the operation of these services, including reporting gambling services and advertisements to YouTube and YouTube content to Google. We have referred gambling-related Facebook and Instagram content to Meta for assessment under its guidelines, and we've recently issued a compliance alert putting social media influencers on notice about the illegality of promoting those illegal services. We have also trialled reporting entities involved in domain registration and hosting of illegal gambling services. We have been engaging with software providers, particularly games developers, where we have identified that games are available on illegal gambling services, and we've had very positive engagement with these services, with a number of providers withdrawing those services where they have been associated with illegal activity.

We also co-chair, with AUSTRAC, the FinTel Alliance Micro-Laundering and Illegal Online Gambling project. The project partners include financial institutions and other government regulators. The project is considering strategies for financial institutions to identify and disrupt payments to illegal gambling services—particularly scambling services, which is an emerging area we're seeing. We have been sharing information about our complaints on scambling services with AUSTRAC. We are also working with the National Anti-Scam Centre, which operates within the ACCC, and we have referred seven tranches of scambling URLs, totalling 1,122 URLs, to NASC for action by its takedown provider, Netcraft. The NASC has advised that Netcraft has taken down approximately 85 per cent of the scambling services we've referred to them.

Ms O'Loughlin: It's fair to say that this is a very active space. It's a very lively digital market. As Ms Field said, we're finding that we're constantly exploring additional tools we may be able to use, but we have a multifaceted approach to the issue, given the complexities of regulating in these areas. The website-blocking process has been particularly useful and successful. We've also found that the actions we've taken have seen over 200 companies leave the market. The regulatory action has not only been directed towards protecting consumers in the activities we're doing; it's also sending a message to that overseas market that this is a difficult place to do business, and they should not operate here.

CHAIR: In relation to telecommunications spectrum allocation, how has ACMA's process and pricing decisions affected or impacted on value for Australians in relation to providing reliable mobile coverage, regional connectivity and network resilience?

Ms O'Loughlin: I might start, and then I'll pass over to my colleagues. The expiring spectrum licence process, as our departmental colleagues talked about earlier, covers licences that expire between 2028 and 2032. Those licences cover spectrum which enables the provision by telco services of more than 30 million mobile services across the country. These are incredibly important licences for telcos, and they're incredibly important as they support the delivery of mobile services right across Australia. I'll ask my colleague Adam Suckling to go through the process we've been through to date. It has been a multiyear four-stage process to get to this stage, involving enormous amount of consultation and analysis.

Mr Suckling: As Ms O'Loughlin said, we have gone through a very thorough process in which we, firstly, sought to decide the best way of valuing this spectrum. We thought that, under the act, the best way of doing it was to come up with a market price, because if you price spectrum it's used efficiently. First up, we developed a methodology around that, taking into consideration advice from specialist economic firms like Frontier Economics, Plum Consulting and Ian Martin consulting. Having developed that benchmarking approach, which is simply where you take prices of spectrum auctions in different places and derive a price for here, we consulted on that and then sought expert feedback from a company called DotEcon to peer review the work we had done and the submissions that had been provided to us. They are a highly specialist London based economic consultancy. We consulted on their work and then we asked them a second time to peer review what had come in, and we came up with the ultimate price. In other words, it's a very thorough process. It's a process we've consulted on extensively, and we've taken into account a lot of expert advice in order to come up with that final price of access to the asset of \$7.32 billion for all the spectrum we're talking about.

Ms O'Loughlin: I'd just add to that that spectrum is a finite and extremely valuable resource. The market price we have set, which we think is a fair market price for the spectrum available, provides a \$7.32 billion return to the government and, through that, to the Australian taxpayers.

Mr Suckling: May I add one further thing to what Ms O'Loughlin said. We're talking about pricing an asset which the carriers will have access to until the year 2044. They will be able to use that asset to make billions and billions of dollars per annum from the asset. As Ms O'Loughlin said, the important thing was to arrive at a market price that properly priced that asset but ensured that investment incentives were correct and that there was a return to the Australian taxpayer.

CHAIR: Thank you very much. Senator Henderson.

Senator HENDERSON: Thank you very much to you and your team for your attendance this afternoon. Can I ask you to update the committee on your inquiry into the triple zero failures and other related matters.

Ms O'Loughlin: That investigation is proceeding apace. It is a very high priority for us. We've significantly progressed the investigation, and we've also, through that process—as we've discussed previously—requested significant information from Optus, which we've needed to analyse internally. We've also reviewed the independent report which was prepared by Dr Kerry Schott for Optus, and also Optus' various submissions to the triple zero outage inquiry. We're working through that process diligently at the moment, and I expect we will have more to say on that over the coming weeks.

Senator HENDERSON: What is that 'more to say'? Are you expecting to finalise your report in the coming weeks?

Ms O'Loughlin: As we've discussed before, there are a couple of different pathways with this investigation. If we find contraventions of the law—remembering we're looking at a number of different pieces of law—there are administrative processes that we may follow, and that might result in things like infringement notices or enforceable undertakings. The alternative pathways for us, given these are also civil penalty provisions—if we find contraventions and consider it would be appropriate to take the matter to court, that would be a matter that would be settled by the court.

Senator HENDERSON: Or litigated.

Ms O'Loughlin: Yes.

Senator HENDERSON: As the case may be. So have you found any breaches of the law?

Ms O'Loughlin: We haven't settled that at this point in time. That's where we're at.

Senator HENDERSON: I appreciate you haven't finalised your view and you haven't handed down—

Ms O'Loughlin: We haven't finalised our analysis of all the information before us at the moment.

Senator HENDERSON: The issue is that these triple zero outages occurred last September, and it is now May. I would have thought that you would have been in a position, with the greatest of respect, to determine at least prima facie whether any offences had been committed.

Ms O'Loughlin: I recognise that, in various forums, various regulators are asked about the time it takes to do things. I don't think we're out of line with our colleague regulators. These are important aspects of law. They are also provisions which may end up in court. It is incumbent on us as Commonwealth agencies to act as model litigants, and it is incumbent on us to do our job diligently and thoroughly, and that is what we are doing. We look at our fellow regulators. The previous 2023 Optus outage that we found breaches on—that took around 12 months. We also look at our fellow regulators who look into these matters that may end up in court, and we don't think that's out of step with them.

Senator HENDERSON: Have you communicated what might be in the wings in the next few weeks with the minister's office?

Ms O'Loughlin: No. These are decisions for the ACMA.

Senator HENDERSON: Okay. Will you be briefing the minister before any announcements are made?

Ms O'Loughlin: I don't believe so. These are decisions for the ACMA.

Senator HENDERSON: Can I assume, from the evidence you've just given, that you might be making some announcements as to regulatory action that ACMA intends to take against Optus.

Ms O'Loughlin: I'm not going to speculate on what we might be deciding. We will make that public when we've come to that decision.

Senator HENDERSON: We've obviously sought, through this committee and our references committee, a range of information in relation to your investigations. Could you give me an update on what materials you can provide to this committee as to where you are at with your investigation. I appreciate the complexity; the issue, though, Chair O'Loughlin, is these are matters which concern emergency services. So, to the extent that there are deficiencies or action is required, changes need to be made urgently on one or more networks. We're talking about emergency services, so, obviously, time is of the essence to the extent that one or more carriers might need to respond or make changes. So—

Ms O'Loughlin: In terms of the Optus matter, Optus already has before it Dr Schott's report, which indicates fundamental failures by Optus in terms of systems and processes. I think the CEO of Optus has given evidence here that they are working through those, including the lack of risk management processes, to improve their performance and to make sure they're compliant in the future. In terms of our material, we have made a public interest immunity claim to this committee which I understand has been accepted and which covers the material that we have received.

Senator HENDERSON: There are other matters that I don't want to canvass in relation to the public interest immunity claim and which I can't canvass because they concern our other committee. But could you just take me through what information—you've issued a number of section 521 notices, for instance. I'm dealing with information that you've provided to the references committee investigating the triple zero outages. I'm making sure that I'm only dealing with publicly available information. I'm just traversing that carefully. You've issued a number of section 521 notices. Could you, perhaps, take us through those, Chair O'Loughlin?

Ms O'Loughlin: No.

Senator HENDERSON: Well, we've got that on the public record—what you've issued. You're not able to add to the information that you've provided publicly?

Ms O'Loughlin: No. As we've said in our PII claim, this investigation is ongoing and we do not want to undermine any possible future enforcement activity by making things publicly available.

Senator HENDERSON: Insofar as the work that you've done, do you agree with the findings of Dr Schott insofar as Optus's failings?

Ms O'Loughlin: I think I've said previously that we were quite taken aback by Dr Schott's report in many areas. Personally, I thought Dr Schott's insights into the lack of first-, second- and third-level risk management in Optus were quite alarming. I know that the CEO has raised that as well, but I think we found that quite surprising for a company of the size and respective maturity of Optus. I think there is significant work for the CEO and the board arising out of Dr Schott's report. I understand that that work—and Mr Rue has given evidence to this committee and the other committee—is well underway, and they are acting on every aspect of Dr Schott's report.

Senator HENDERSON: Can I ask you to comment on the current landscape with respect to access to triple zero under the UOMO legislation, for instance. There's no specific provision under that bill as more and more Australians rely on mobile connectivity to access all of their telephone and other services. Does it concern you that we've got this quite hodgepodge landscape where some Australians actually currently have limited satellite connectivity through texts but no access to triple zero? There's another device where there is texting access to triple zero. It's fundamental, isn't it, that every Australian should be able to dial triple zero at their time of need. How do we streamline access to triple zero—to emergency services—across all platforms and all devices to make sure that nothing else happens, no-one else dies and nothing else falls through the cracks?

Ms O'Loughlin: I might pass to my colleague, Mr Brealey, about the UOMO legislation. I would say that I think that the review that the minister recently announced and which the Triple Zero Custodian is undertaking is aimed to look at what the future of triple zero might look like. I'll ask Mr Brealey to update, perhaps, on where it fits with UOMO and on the capability of D2D at this point in time.

Senator HENDERSON: Just before we go to Mr Brealey: in relation to the government's inquiry into triple zero, did you give any advice that the government should implement that inquiry immediately? That was a recommendation from a number of years ago, and it took a long time to implement that investigation.

Ms O'Loughlin: That was a matter for the government.

Senator HENDERSON: I realise that, but did ACMA provide any advice at all?

Ms O'Loughlin: I'd have to think about that. I think, at that stage, we were probably more focused on delivering the recommendations in the Bean review for which we were responsible. I'd also say that, along the way, we regularly provide advice, particularly to the Triple Zero Custodian, about things we might be seeing in the landscape. I can take on notice whether we provided formal advice. I'm not quite sure we did.

Senator HENDERSON: Formal or informal advice. It was obviously a recommendation of the Bean review—

Ms O'Loughlin: It was.

Senator HENDERSON: It wasn't acted upon.

Ms O'Loughlin: We were very supportive of that because of the things you raise, particularly around the future of technology—that people now access phone services through very different technologies than they did when triple zero was first put into place, so we think it's timely for that review. I'll check with Mr Brealey if you wanted to add something.

Mr Brealey: Whether or not triple zero capability is included in the UOMO bill is not something I can really talk to; I think that's a matter of policy. The intention, I believe, is that there will be provision for access across the country, obviously, most likely, via the provision of D2D and via low-Earth-orbit satellite services. That will be both voice and text, and our assumption would be that the additional rules that the minister can apply under that piece of legislation, or the bill, will be able to be used to ensure that part of that service is access to triple zero. I think the problem for us from a technology perspective is that we just don't know how that's going to work just yet, and, at the moment, as you say, there are some services in the market that provide access to triple zero via text and are satellite based. It's basically a text-relay service. It's very early days for us to be able to say exactly what sorts of capability will be provided by the new D2D-type services, although we can talk generally to the two types of technology offering. One is the new NTN second generation. There's a 3GPP standard that's available for that service. The other one is via the existing IMT, which is the service that Telstra offers via its existing spectrum, which is really just a text based service at the moment and no voice.

Senator HENDERSON: You say this is a matter for government policy, but you, as the regulator, regulate the carriers. When Australians pick up their phones, they need to know that they can dial triple zero in their time of need, in times of emergency. Shouldn't there be a minimum standard such that people can access triple zero no matter what device or what platform or what network they're using?

Mr Brealey: I think that that would be the goal. The best outcome would be, under UOMO and via D2D LEOsat-type services, that, wherever you are in the country, you'd be able to connect to a satellite and make a mobile phone call, and that would include to emergency services.

Senator HENDERSON: Chair, have you given the government any advice in relation to universal access to triple zero in the context of the changing and upgraded technologies and the UOMO bill?

Ms O'Loughlin: We have regular discussions with our departmental colleagues around what we're seeing in terms of advanced technologies, which we see a lot of, given that most of those technologies require spectrum. So it's an ongoing discussion, and we will be contributing very strongly through the review process, which the custodian is undertaking.

Senator HENDERSON: But I'm asking for your views now and any advice that you've given to government to date on how to ensure that every Australian can access triple zero, no matter what phone or what network they use.

Ms O'Loughlin: I think probably what we have given would be advice on what we understand of the various technologies in their capabilities. For example, currently D2D is text only, but we want to know what the evolution of that technology is and how we can make sure we understand that technology. But we're also building a triple zero system for the future rather than for the current one, whose background has been fixed line and, increasingly, more mobile.

Senator HENDERSON: Where are the gaps and how are they being fixed? The review by the Triple Zero Custodian is going to take a substantial period of time.

Ms O'Loughlin: That's a matter for the custodian. They're undertaking the review.

Senator HENDERSON: I appreciate that. I'm asking you, as the regulator, where the gaps are and how they can be fixed, and if you have got any advice that you have provided government—

Ms O'Loughlin: We're developing that advice internally at the moment. We've not provided significant advice to government as part of this review. But that's comprehensive advice that we're developing internally from our experience as a regulator and also our experience of understanding where technologies are coming from and going to.

Senator HENDERSON: To the extent that you have provided government with advice or preliminary advice, could we have a copy on notice, please, and any draft documents that you have also prepared?

Ms O'Loughlin: I'm happy to take that on notice.

Senator HENDERSON: Could we also have a copy of those draft documents as well?

Ms O'Loughlin: I'll take that on notice.

Senator HENDERSON: You indicated that you'll have more to say on your triple zero inquiry in the coming weeks. What's the timeline for completing your inquiry?

Ms O'Loughlin: We don't have a timeline for completing the inquiry. Again, going back to my previous statements, this is an investigation of compliance with the law.

Senator HENDERSON: I realise that.

Ms O'Loughlin: So it takes as long as it takes.

Senator HENDERSON: There must be some reasonable expectation of when you might be completing your inquiry.

Ms O'Loughlin: Internally, we set timeframes for our investigations of, usually, around 12 months.

Senator HENDERSON: So we can expect something in September or October?

Ms O'Loughlin: We are working very hard on this investigation to bring it in as quickly as possible.

Senator HENDERSON: Chair, do you want to move the call?

CHAIR: I will share the call with Senator Pocock.

Senator DAVID POCOCK: Ms O'Loughlin, it was reported on 10 May by Elias Visontay in the *Sydney Morning Herald* that the ACMA:

... took so long to investigate the \$6 billion multinational betting giant behind Ladbrokes that it could not fine the company despite finding it had breached laws protecting problem gamblers 500 times over three years.

This involved Ladbrokes and Neds opening new accounts and taking bets from people who had registered with BetStop, and it appears that at least one account remained open for a year after someone had self-excluded. As a regulator, how do you reflect on these breaches? Are they serious—

Ms O'Loughlin: Of course they're serious.

Senator DAVID POCOCK: or would they be at the lower end of the spectrum?

Ms O'Loughlin: No, we find these breaches serious. We're happy to take you through the timing. We commenced the investigation in 2024 and it concluded in February 2026. So it was around 14 months. When we first opened the investigation, some of the complaints that had come to us were already quite aged. The comment from the *Sydney Morning Herald* was around how, under the regulatory powers act, we can only issue infringement notices for contraventions within the previous 12 months. So, even when we started the investigation, we were out of time on that as an option.

Senator DAVID POCOCK: On all of them?

Ms O'Loughlin: Not all of them—about 25 per cent of them. By June 2025—that was six months in—around 67 per cent were outside. But we thought it was important to do the investigation even if we did not have that power open to us. I'll ask my colleague, Ms Field, to take you through some of the numbers as well.

Senator DAVID POCOCK: Sure. I've got a few questions as to the timing. At the end, when you had investigated, were there any that fell within the 12-month period where you could have levied a fine?

Ms O'Loughlin: No.

Senator DAVID POCOCK: Not a single one?

Ms O'Loughlin: No.

Senator DAVID POCOCK: So our de facto regulator for online gambling takes—

Ms O'Loughlin: Can I ask Ms Field to take you through some of the complexity of this particular investigation?

Senator DAVID POCOCK: Sure. But complexity or not—and I understand your work is complex some of the time—it takes our regulator so long that we can't even fine companies.

Ms O'Loughlin: As I said, it took us 14 months. We usually try and bring these investigations in within 12 months. But with this particular investigation we were looking at information from complainants where we were already out of time. But we thought it was important to investigate the matter fully even besides that. I'd like to ask Ms Field to go through some of the numbers—

Senator DAVID POCOCK: I'm very limited on time. I've got some other questions, Ms O'Loughlin.

Ms O'Loughlin: I just wanted to address your issue about the 535 breaches. The 535 breaches relate to seven complainants.

Senator DAVID POCOCK: If it was so complex that by the time that the investigation was properly done it was too late to levy a fine, was it still open to the ACMA to pursue civil penalties in court?

Ms O'Loughlin: It would have been still open to us.

Senator DAVID POCOCK: Why didn't you do that?

Ms O'Loughlin: In balancing where we go with court action—as I said earlier to Senator Henderson—we have to act as a model litigant as a Commonwealth regulator, and that includes looking into other appropriate remedies beyond court. In this case we pursued a court enforceable undertaking from Entain because we wanted to fix the compliance problems quickly. Our view was that an appropriately constructed enforceable undertaking would mean that Entain had to fix the problem so it would be compliant in the future. That was our focus.

Senator DAVID POCOCK: But just before, at the start, you said that this was very serious.

Ms O'Loughlin: It is very serious.

Senator DAVID POCOCK: Then why didn't you go to court to actually levy a fine on them?

Ms O'Loughlin: Because we decided that, in this circumstance, the quickest way to remedy the issue would be to get a court enforceable and very thorough undertaking from the company, which is what we have got.

Senator DAVID POCOCK: Surely going to court to levy a fine would have sent a far stronger message?

Ms O'Loughlin: I can reflect on this data breach of 2022. We filed in court in 2024 and we expect the hearing to be in 2027. It does not happen quickly.

Senator DAVID POCOCK: Ms O'Loughlin, how is it that every single estimates I come here with another wild story about ACMA going easy on gambling companies when they breach their obligations? Last time we were talking about how you allowed, I think, Sportsbet to edit the press release after you'd found them to have breached.

Ms O'Loughlin: I don't believe we are going light on gambling companies, but I'll ask Ms Field if she wants to add anything to the evidence.

Senator DAVID POCOCK: Can you explain then why it seems like there are so many examples? A one-off, sure, but it seems like there are a litany of examples.

Ms O'Loughlin: I don't believe that's the case. Ms Field?

Ms Field: Perhaps it would assist if I run you through—understanding what you're saying, 535 contraventions looks like an enormous amount of contraventions. The way that we calculate a contravention is that there is a contravention on every day that a particular action is taken or not taken. In this particular matter that we're discussing, 449 contraventions—84 per cent of them—related to the failure to close an account for two registered individuals. Those registered individuals did not undertake wagering activity during that period, but for every day that Entain failed to close their account, it was a breach. That accounts for the vast majority of breaches in this particular case. There were 59 contraventions, which is approximately 10 per cent, where wagering services were provided to registered individuals, and those are the ones that we obviously would find the most serious, because there's an immediate harm to people. Then there were four contraventions relating to two individuals where they were able to open new accounts while they were registered.

Senator DAVID POCOCK: Is that why you didn't try and levy a fine through the court?

Ms Field: Because of the volume of them being in relation to—

Senator DAVID POCOCK: You said it's a big number but, actually, if you break it down, it's not as big. That seemed like what you were trying to explain there, no?

Ms O'Loughlin: No, I just thought it was important to indicate that it was seven complainants in 535 breaches.

Senator DAVID POCOCK: Yes. The exact motivation was to say it may sound like a big number but actually it's a small number of complainants. You've said it's very serious, but yet you're not levying a fine.

Ms O'Loughlin: We're not levying an infringement notice. We decided that the best compliance outcome in this case would be to get Entain to fix its systems and give us a court enforceable undertaking.

Senator DAVID POCOCK: Ms O'Loughlin, who makes that decision?

Ms O'Loughlin: That would have been a matter, I think, for the authority.

Senator DAVID POCOCK: For the—

Ms O'Loughlin: Authority.

Senator DAVID POCOCK: Who signs off on it?

Ms O'Loughlin: That would be the authority.

Senator DAVID POCOCK: As—

Ms O'Loughlin: I'm sorry. We are statutory appointees—myself, the deputy chair and two members.

Senator DAVID POCOCK: So that's who signed off on that.

Ms O'Loughlin: That's correct.

Senator DAVID POCOCK: You've previously told me that, across the six investigation reports published by ACMA on 29 January, the combined loss for the relevant complainants was \$21,479.26. What were the losses associated with the 500 breaches?

Ms Field: They were just under \$16,000.

Senator DAVID POCOCK: In the report by Mr Visontay, it reads:

ACMA is planning to raise the way the 12-month window can hamper complex investigations with the government, sources with knowledge of the matter said.

When did you raise this issue with the government?

Ms O'Loughlin: I think we raised it through the NSER review process, which was undertaken by Mr Richard Eccles. That was when we first had a conversation with Mr Eccles.

Senator DAVID POCOCK: That was before the 500 were investigated.

Ms O'Loughlin: Yes, because we have found this a challenge, particularly with some of the complexities of the NSER legislation.

Senator DAVID POCOCK: Given that it wasn't actually a recommendation of the BetStop review, was that a surprise to you?

Ms O'Loughlin: No. I think there was a general comment. Sorry, I will pass to my colleague Ms Zurnamer.

Ms Zurnamer: The recommendations that came out of the statutory review did talk about a group of legislative changes and improvements that should be made to improve the effectiveness. In my view, that would be one of those that were in there. But you're right; it wasn't specifically—

Senator DAVID POCOCK: But it didn't recommend that.

Ms Zurnamer: It was not specifically recommended, but it was one of the things we asked for in our submission.

Senator DAVID POCOCK: Finally on this matter—did you give Entain an opportunity to comment on the media release that you released on 6 May?

Ms O'Loughlin: No.

Senator HENDERSON: ACMA's changed its practices in that regard.

Senator DAVID POCOCK: Is that true?

Ms O'Loughlin: Yes.

Senator DAVID POCOCK: You no longer allow—

Ms O'Loughlin: No.

Senator DAVID POCOCK: Thank you.

CHAIR: Senator Henderson.

Senator HENDERSON: I want to pick up on this issue too, Ms O'Loughlin. I also have raised concerns about ACMA's role in Entain's breaches. Why did it take ACMA so long to investigate these breaches such that it could not fine this betting giant within the required 12-month period?

Ms O'Loughlin: We would have liked to have pulled this investigation report in quicker. It was 14 months. As I said to Senator Pocock, we were already out of time on some of these when we started. Ms Field can take you through some of the complexities we faced in this particular investigation.

Ms Field: As the chair indicated, we commenced the investigation in December 2024 and issued a notice to Entain to produce documents to us to assist in the investigation. In this particular investigation, we had to go back to Entain on five separate occasions to seek either additional information or clarification. That extended the investigation period by a number of months—having to wait for them to provide that information to us. We

provided preliminary findings to Entain on 14 July. That's approximately eight months after we commenced the investigation. Entain then provided to us an extremely lengthy submission in which they indicated disagreement with every single one of the contravention findings we had made against them. So we then of course had to go through the process of ensuring that we were comfortable maintaining all of those breaches, and then the submission was finalised and the investigation was closed on 27 February.

Senator HENDERSON: So your preliminary findings were provided to Entain eight months after you commenced the investigation?

Ms Field: That's correct.

Senator HENDERSON: Why weren't you able to make a decision within the 12-month period such that you would have been able to issue fines?

Ms Field: They were quite complex points of law that were being raised with us, including what amounted to taking reasonable precautions and the exercise of due diligence. It also engaged with a particular provision in the IGA, 61LA, and the definitions of recklessness and knowledge. In that provision there is a fault element of recklessness and also a fault element of knowledge which is unique to that particular provision and is quite complex. It's one of the issues that we have raised with the reviewer in terms of whether that provision should be examined because the fault element for both knowledge and recklessness is quite difficult for us to prove.

Senator HENDERSON: You say you've raised it with the reviewer. What do you mean by 'the reviewer'?

Ms Field: With Mr Richard Eccles, as part of his review.

Senator HENDERSON: Okay. Entain obviously had engaged counsel. They would have known what the law said about when they could be fined. Wasn't it clear to you that they might have been seeking to push out the timeframe such that, once it hit that 12-month mark, ACMA no longer had the powers to implement fines?

Ms O'Loughlin: I wouldn't be able to speculate on that. As I said, at the very beginning of this process, while we knew that there were already some matters which we could not pursue infringement notices on and we knew that there'd be a cascading number of those that we wouldn't be able to use infringement notices on, we thought it was important to conduct an investigation that covered the field in terms of these aged complaints.

Senator HENDERSON: That's the issue, though, Ms O'Loughlin. If you believed that you did not have sufficient powers to properly enforce BetStop and the requirements under BetStop, did you take any steps at all to give advice to the minister?

Ms O'Loughlin: We raised that through the statutory review of the NSER.

Senator HENDERSON: Could we have a copy of how you raised those concerns.

Ms O'Loughlin: They are public submissions.

Senator HENDERSON: Could we still have a copy of it, please.

Ms O'Loughlin: Of course.

Senator HENDERSON: When did you raise your concerns about the scope of your powers?

Ms O'Loughlin: We might take that on notice to give you precise dates.

Senator HENDERSON: Did you raise your concerns while the Entain investigation was on foot?

Ms O'Loughlin: No, it was before that. But I'll pass over to Ms Field, who has the information.

Ms Field: The date of the submission to the review was 9 May 2025, but we also had a range of discussions with Mr Eccles in the course of his review over a number of months. I can take on notice the date of those engagements, but we met with him a number of times.

Senator HENDERSON: Have you raised your concerns about not having sufficient powers with the minister, Ms O'Loughlin?

Ms O'Loughlin: That would have been raised by Mr Eccles through the review process with the government.

Senator HENDERSON: You're certain of that?

Ms Field: Yes, I am.

Senator HENDERSON: Isn't it open to you to raise this directly with the minister, though?

Ms O'Loughlin: Yes.

Ms Field: Yes. I have certainly raised it with the department.

Senator HENDERSON: When did you raise it with the department?

Ms Field: I can take that on notice. I have a regular catch-up with my counterpart in the department and have raised it a number of times. I'm happy to take on notice the date of those discussions.

Senator HENDERSON: Have you made representations that you need greater powers to enforce these provisions? I can understand that, if they're complex investigations, you might need to run over the 12-month period.

Ms O'Loughlin: We will continue to pursue that change with the department and with the government because we think it's important.

Senator HENDERSON: Could we have on notice the correspondence with the department and any other notes or briefing notes in relation to this matter. Clearly you have not got sufficient powers, and you've now given evidence that you have made representations to the department to change the law. If such a change in the law came into the parliament for appropriate reasons—to protect the most vulnerable Australians—I'm pretty sure most members of parliament would be very responsive. What was the response from the minister or the department?

Senator Green: Can I provide some assistance. It might help you contextualise your questions. The report from Mr Eccles was received in February. One of the recommendations is around legislative amendments to ensure that ACMA can optimally administer and regulate the operation of the NSER. I think the work that you're talking about has made its way into the recommendations, and the government's accepted all of the recommendations of the report. You're asking, 'What's the minister said to you?' I think that's an indication from the government about the approach.

Senator HENDERSON: Except, Minister, these matters were raised earlier directly with the minister, as we've now heard in evidence.

Senator Green: I just thought that might help you.

Senator HENDERSON: That is helpful; thank you, Minister. But ACMA is saying, 'We need greater powers to act to enforce penalties against betting companies which don't do the right thing.' BetStop is meant to be the last line of defence for Australians battling gambling addiction. When did you first raise this with the department, Ms Field?

Ms Field: I will take that on notice. I can't recall the exact date.

Senator HENDERSON: Was it last year? I think you said you would have regular catch-ups.

Ms Field: Yes. It would have been in the last 18 months and it would have happened in the course of investigations when we realised—

Senator HENDERSON: Was this elevated through to the chair? Do you have regular catch-ups with the minister?

Ms O'Loughlin: Yes.

Senator HENDERSON: Have you raised it directly with the minister?

Ms O'Loughlin: I'd have to check my notes. We talk about NSER on a regular basis, and the minister is extremely committed to the success of the NSER. I think the main process that we have been involving ourselves with has been Mr Eccles's review. We were very pleased with the outcome of that review and very pleased that the government accepted the recommendations. In general, Mr Eccles found that the NSER was actually performing an essential and much-needed function and protecting those at risk of harm from gambling. But now that it is well and truly established and mature and effective, it's time for a renewed push to encourage more people to use it, and also to look at these things that we've discovered while we've been responsible for the NSER legislation and where there might be legislative change that would help us in the future.

Senator HENDERSON: Thanks, Ms O'Loughlin.

CHAIR: Senator Pocock.

Senator DAVID POCKOCK: I really appreciate that you're not giving people the opportunity to make suggestions for ACMA's media releases. But how much notice did you give them that you were making that statement on 6 May?

Ms O'Loughlin: We might need to take that on notice. I think, generally, if I reflect on a recent announcement, which was in terms of the preferred view on spectrum pricing, we gave people about 12 to 18 hours, partly because, of course, some of these companies need to prepare ASX announcements, et cetera, if it's of that weight.

Senator DAVID POCOCK: I'd like to ask some questions about the ACMA's treatment of ACCAN. For people watching along, ACCAN is a consumer organisation that advocates for the rights of consumers, the rights of Australians, in the telecommunications sector. Recently, ACCAN undertook some consumer research in a big survey which found that one in 10 Australians who had tried to contact triple zero during an outage couldn't get through. Pretty frightening. I think it's something Australians would want to know about. I think it is really important in the broader context of the failures that we've seen from various providers when it comes to triple zero.

On 14 April this year, you issued a s522 notice compelling ACCAN to provide the full survey instrument and the analysis plan for the survey, including, without limitation, the analysis objectives and key research questions addressed by the analysis; the details of panels and measures used to ensure responses were engaged and legitimate—it goes on and on and on. All the details—the treatment of nonresponse, the statistical techniques, reporting conventions and standards. That's just a broad summary of what you asked for. You actually compelled them to provide more than that and compelled them to provide that in just five business days. This is a coercive powers notice, and not complying carries a penalty of \$33,000. That's a lot to ask of a consumer organisation with just 14 staff. When you take 14 months to do an investigation, you'd understand the complexity of pulling things together. Did ACMA meet with ACCAN before the formal notice was issued to discuss what data it needed?

Ms O'Loughlin: As we have also responded to the references committee, our sole focus in seeking that information was—as you said, it was an alarming statistic, and it was not a statistic that matched anything we had seen before, so we thought it was important to understand it. We thought it was important to understand it because it appeared to show that there may be widespread systemic noncompliance with the rules that we're responsible for.

Senator DAVID POCOCK: Thank you, Ms O'Loughlin. Sorry to interrupt. I just want to get to the process of—

Ms O'Loughlin: I'll get to the process. We wrote to ACCAN. Can I say we strongly support the work of ACCAN and all consumer groups. They provide an enormous amount of information to us and play a valuable part in the ecosystem. So we wrote to ACCAN twice to seek the information, on 19 and 30 March, requesting the survey methodology, questionnaire design and the analytical approach underpinning the reported finding. We did get some limited data, but we then spoke to our internal expert research team, and we remained of the view that the broader information that we had requested was needed for us to understand the data and to see whether it raised anything for any further regulatory action. In both of those communications we indicated to ACCAN that we could issue a 522 notice.

I would say that we do 522 notices not irregularly. For the person who is responding to them, it's what is called authorised disclosure information. That means we must keep it confidential. Particularly to the Telecommunications Industry Ombudsman, we regularly do 522 notices. They're seen by the TIO as friendly notices because they say that the information being provided to the ACMA will not be revealed publicly.

Senator DAVID POCOCK: But you surely have to accept that it's one thing to send that notice to a telco or the peak for telcos. To a consumer organisation—

Ms O'Loughlin: It is unusual, but we—

Senator DAVID POCOCK: You just said it's not unusual.

Ms O'Loughlin: It's not unusual for us to issue 522 notices.

Senator DAVID POCOCK: Yes, but it's very unusual to send one to a consumer organisation.

Ms O'Loughlin: It was unusual, but we had normally been able to get those materials voluntarily, and we felt that in this circumstance it would give ACCAN comfort that we were going to treat that information confidentially and we weren't going to go out and use it to criticise or say anything about their research. Our fundamental object of asking for that information was to understand what it meant in the industry.

Senator DAVID POCOCK: After you identified that you needed more information, did ACCAN offer a meeting between ACMA and Essential Research?

Ms O'Loughlin: I'd have to take that on notice. But we are still seeking and we will continue to seek a meeting with ACCAN to understand the data.

Senator DAVID POCOCK: So you just fired off this coercive powers notice. You don't know if they actually offered a briefing and said, 'Meet with Essential; go through the process.'

Ms O'Loughlin: I just have to check my records. I'm sorry; I don't—

Senator DAVID POCOCK: Can someone in the back maybe check while we're waiting.

Ms O'Loughlin: I don't have the letter in front of me, but my recollection is that in one of the replies to the two requests we made there was an offer to meet with us, but we had specifically said we wanted that meeting to be informed by a better understanding of the research. That's because, as Ms O'Loughlin said, our primary concern was that the statements that were made as statements of fact in that media release were so concerning we needed to understand the validity of them. That was our primary—

Senator DAVID POCOCK: I understand that, but—

Ms O'Loughlin: And, Senator—

Senator DAVID POCOCK: Sorry; I've got an email from Samantha Yorke, authority member, on 30 March, which reads: 'It was good to speak with you last week. I appreciated your offer to brief the ACMA on ACCAN's research, and we would like to take you up on this offer.' Why did you then send this coercive powers notice?

Ms O'Loughlin: As Ms Quinn said, we wanted to have all the information before us so we could go into—

Senator DAVID POCOCK: That's not what you said in the email.

Ms O'Loughlin: a briefing that was informed.

Senator DAVID POCOCK: Ms Yorke is not saying that. That was sent to the CEO of ACCAN—'Yep, let's meet'—and then you just send this coercive powers notice.

Ms Quinn: That is the date of the second request for the information, which we had first requested on 19 March. I suspect that is a covering email that had the letter attached to it, and that letter made it very clear that we wanted to have an informed discussion about the specifics that were in that survey or that had led to that very alarming media release being made.

Senator DAVID POCOCK: Can you clarify the timeline there.

Ms O'Loughlin: Certainly. We have that information, and we will be discussing that privately with ACCAN.

Senator DAVID POCOCK: I'm concerned. Was this discussed? How are you making these decisions?

Ms O'Loughlin: I'm sorry; I don't understand the question.

Senator DAVID POCOCK: You've got a consumer rights organisation. They seem to be saying, 'Let's do a briefing with the people who did the research'—

Ms O'Loughlin: We had asked twice for the information. We were used to getting that voluntarily, but we felt, given—as Ms Quinn said—the alarming nature of the data that was released, on the basis of advice from our own internal research team, that was what we needed to see to be able to understand the data. That's been our focus.

Senator DAVID POCOCK: So you didn't have the meeting that was offered.

Ms O'Loughlin: We haven't, as yet.

Senator DAVID POCOCK: Why is that?

Ms O'Loughlin: Because we wanted to understand the data before we had the meeting.

Senator DAVID POCOCK: But you've got the data now.

Ms O'Loughlin: Yes, and we have been reviewing the data, and we will set up a meeting with ACCAN once we feel that we're in a position to discuss that data with them.

Senator DAVID POCOCK: Again, this seems no way to treat a consumer organisation. I want to put on the record that, as came up in the references inquiry, I'm really appalled that ACMA would treat a consumer organisation that's doing the right things for Australians like this, when you certainly don't seem to hold yourselves to the same standard in terms of timeliness, in terms of doing things in a short space of time—

Ms O'Loughlin: Senator, as I have said previously, we use 522 notices on a regular basis—

Senator DAVID POCOCK: when you have a huge amount of more—

CHAIR: Can we just have one person speaking at once. Senator Pocock, finish what you're saying, and then, Chair, I'll give you a chance to respond.

Senator DAVID POCOCK: When you're dealing with an organisation that is much smaller than the ACMA, reflecting on what happened, would you change any of the sequence of events, or do you think that that is a fair way to deal with a consumer organisation?

Ms O'Loughlin: As I said, it was unusual. We've normally gotten this information voluntarily. We hope to have that in the future. We were totally focused on the fact that we needed to do our job in investigating that data

thoroughly to understand whether there was any systemic problem. We absolutely respect ACCAN. We respect all the consumer groups that we work with, and we will continue to do so.

Senator DAVID POCOCK: Have you let them know that they have complied with the coercive powers notice?

Ms O'Loughlin: I'll have to take that on notice.

Senator DAVID POCOCK: Really? It's a serious thing to receive a notice like that.

Ms O'Loughlin: They've provided us the information that we asked for.

Senator DAVID POCOCK: But you haven't said, 'Okay, you've complied'?

Ms Quinn: I don't have that with me, but that would be a normal thing to do, to acknowledge it. But I need to double-check it.

Ms O'Loughlin: We'll take it on notice.

Senator DAVID POCOCK: Can you check it now? I'll hang around for another round of questioning.

Ms O'Loughlin: I'm not quite sure we can check it now. We'll see if we can.

Senator DAVID POCOCK: Thank you.

CHAIR: Senator Henderson.

Senator HENDERSON: I want to ask about the spectrum licences. I have some further questions about that. Can I confirm that ACMA initially proposed a spectrum price of between \$5 billion and \$6.2 billion in around April 2025, as has been reported?

Ms O'Loughlin: I'll ask my colleagues to answer that.

Mr Suckling: What was the date?

Senator HENDERSON: It was approximately April 2025. There was an initial proposal earlier.

Mr Suckling: That is correct. It was between \$5 billion and \$6.2 billion for the expiring spectrum licences.

Senator HENDERSON: When was that pricing proposed?

Mr Suckling: That was after the first consultation that we conducted, which was in early 2025.

Senator HENDERSON: How was that communicated to the market, if you like?

Mr Suckling: We had conducted an exhaustive and detailed process to come up with a methodology in which, as I mentioned earlier to the chair, we drew on advice from four economic firms. We consulted on that, and then we proposed the methodology, which was a benchmarking methodology. We said, 'If we were to adopt this methodology, this is the price that parties would have to pay.'

Senator HENDERSON: Was that communicated to carriers?

Mr Suckling: Yes, and we said, 'And we are now going to consult on this.'

Senator HENDERSON: Could we get a copy of those early consultation—

Mr Suckling: Of course. Could I say this was in the context of us having set a four-stage consultation process in which we outlined very, very clearly to the stakeholders the process that we were going to go through and the stages we were going to go through in order to make two decisions. The two decisions were these. Would we renew, not renew or partially renew a licence? That was the first decision. The second decision is: if we were to renew a licence, what would be the market rate? All of this happened. None of this was a surprise to stakeholders. It was always within the context of a very, very clear work plan that we had communicated to all parties.

Senator HENDERSON: When you were consulting on the price range of \$5 billion to \$6.2 billion, did anyone in government offer a view that this initial price was too low?

Mr Suckling: No, they didn't.

Senator HENDERSON: Was there any communication from anyone in the department?

Mr Suckling: Around the price? No.

Ms O'Loughlin: I think, as the department mentioned earlier today, changes to the radcom act basically shifted the responsibility of settling this price to the ACMA, so it's ours to do.

Senator HENDERSON: I realise that, but I'm asking the question because there was a very big jump. There's a big difference between 'between \$5 billion and \$6.2 billion' and then \$7.3 billion. I'm wondering whether anyone in government saw this—

Ms O'Loughlin: We can explain that for you.

Senator HENDERSON: If I can finish, I'm wondering whether anyone in government saw this as an opportunity for a cash grab and suggested perhaps that the fee should be hoicked up.

Ms O'Loughlin: There was no suggestion.

Mr Suckling: No, Senator.

Senator HENDERSON: There was no whispering in the corridors?

Mr Suckling: No cash grab, no whispering—nothing.

Senator HENDERSON: This is a lot of money.

Mr Suckling: As the chair said, this is a responsibility we had. We have conducted this process very, very scrupulously. I'm very happy to explain to you or to outline to the committee why there was that movement in price. It is not unusual for these sorts of benchmarking models to move, depending on methodological changes and changes in inputs, and the movement in price followed an extensive consultation with stakeholders and then input from an economic consultancy called DotEcon, who have done this sort of work for regulators around the world. They proposed the changes to the methodology. We considered them. We made some of them. We made most of them, which moved the price. There were three major changes. We then consulted on that a second time to say to industry and consumer groups: 'This consultation with expert input has led to these changes to our methodology and data inputs, and has led to these prices. Please give us your views.' Then we took their views and we asked the economic consultant, DotEcon, to review that again. In other words, the data inputs and the methodology were reviewed two times by an expert, and that is how we arrived at the final price.

Senator HENDERSON: Some of the carriers—I think nearly all of them—have suggested that this will drive up the costs of mobile connectivity. Ms O'Loughlin, what do you say to that argument?

Ms O'Loughlin: We reject that. As Mr Suckling said, we had a number of expert advisers in this process, and we had independent expert advice that indicated that, if telcos were going to put up their prices, it would not be solely driven by spectrum. They had capacity to pay.

Senator HENDERSON: I appreciate there are both sides of the coin here, because ACCAN, the consumer body, is saying the opposite. ACCAN still, for instance, says that this is a discount compared to what was paid previously around the \$8.2 billion mark. It would like to see the so-called discount built into the pricing, as it argues, with additional coverage obligations and with additional investment in regional Australia equivalent to that discount. Now, as we know, there's been no new funding for regional connectivity in this budget. We've got two different ends of the spectrum, if you like, arguing about the pricing. What I'm concerned about is: was there any attempt by government to impose its will on ACMA in terms of the final price reached?

Ms O'Loughlin: No.

Senator HENDERSON: Does the minister have any powers at all in that respect to intervene?

Ms O'Loughlin: The minister does have powers to intervene but did not exercise them.

Senator HENDERSON: When you say 'did not', is it still open to the minister to exercise her powers?

Unidentified speaker: Yes.

Senator HENDERSON: Would you walk me through how that would work.

Ms O'Loughlin: I might ask my colleagues to do that for you.

Mr Crofts: Yes, it is open to the minister still to intervene in that process if she were to so desire. That would occur under the Radiocommunications Act, where there is a provision for her to give us directions about pricing of spectrum allocation—sorry, the acronym has gone out of my head; it's the SAC. She has the capacity to do that under the Radiocommunications Act.

Mr Suckling: Senator, would it be okay for me to address that question of increasing prices?

Senator HENDERSON: Yes, of course.

Mr Suckling: One of the things that the network operators—mainly the mobile carriers—are saying is that, because the price we've arrived at for this asset is not to their liking, they will need to put up prices. We fundamentally disagree with that for three reasons. Firstly, the total spectrum price that we have set is actually lower than what they currently pay. Secondly, spectrum charges on an annualised basis are a very, very small part of their overall revenue, which Mr Martin, one of our experts, has very, very clearly documented in one of the expert reports. Thirdly, the way in which they manage the spectrum charge is that they essentially spread the costs of it over the course of the life of the asset. In other words, if the spectrum licence is 14 years, they spread the costs across each of those 14 years. In that respect, that rate is kind of fixed and doesn't increase. So there are really not cost drivers that will lead to an increase in price, as the telcos are saying.

Senator HENDERSON: I'm going to quickly move through a couple of other issues. On the budget, Ms O'Loughlin, the authority has received a number of different allocations of funding. In fact, I think it looks like ACMA has been the biggest recipient of funding from the government. There's more than \$20 million provided for online gambling harms. There's money provided for fighting scams. Supporting connectivity is another \$15 million—in fact, the only allocation for supporting connectivity by the government, in terms of government funding, is to ACMA. There's been none to regional communities. Why is ACMA receiving so much money in this budget?

Ms O'Loughlin: I can go through those numbers. For supporting connectivity, the budget papers show that we're actually collecting the receipt, so this is being recovered through the till. What's in the budget papers coming to us is the recovery of the money for the telecommunications industry levy. It's not money that comes to us.

Senator HENDERSON: It's not new money. Is that in relation to—

Ms O'Loughlin: That's the \$15 million—

Senator HENDERSON: That's the supporting—

Ms O'Loughlin: That's the Auslan money. For addressing online gambling harms, the largest amount of that money is actually around BetStop, which is \$28.7 million to improve BetStop by raising community awareness, strengthening data-matching systems and enhancing usability to optimise client safety outcomes. Some of that money comes to us for the BetStop register, but it also includes money that goes to the department for an increased promotion of BetStop.

Senator HENDERSON: An advertising campaign?

Ms O'Loughlin: It's put in terms of a public awareness and education campaign.

Senator HENDERSON: Why is so much money required to implement improvements to BetStop?

Ms O'Loughlin: The money for us is \$4.3 million, which is around strengthening our data matching and increasing our compliance and enforcement work.

Senator HENDERSON: What about the allocation for funding for scams? I might ask on notice—

Ms O'Loughlin: Again, Senator, that's a user charge. That's a receipt. It's not money for us.

Senator HENDERSON: Okay. I ask, on notice, for you to provide the details of how that funding is going to be allocated.

Ms O'Loughlin: That fighting-scams money—

Senator HENDERSON: No, sorry—all of the additional funding that's been received by government.

Ms O'Loughlin: We'll spell out which ones are revenue. Obviously, the—

Senator HENDERSON: No, not the revenue measures. I'm talking about—

Ms O'Loughlin: The expenditure measures?

Senator HENDERSON: The expenditure measures—that's right.

Ms O'Loughlin: Of course.

Senator HENDERSON: If you could provide us with that detail on notice, I'd be really grateful.

CHAIR: Senator Henderson, if you're not about to finish, I'm going to go to Senator Pocock and then come back.

Senator HENDERSON: Sure.

CHAIR: Senator Pocock.

Senator DAVID POCOCK: Ms Quinn, did you manage to find out if you went back to ACCAN?

Ms Quinn: Yes. I'll give you the sequence of events. On 17 April, we were asked for a link for ACCAN to upload the documents, which we provided the same day. The next day, the 18th—the Saturday—ACCAN emailed us to say they believed everything had been uploaded, and on the Monday morning we sent an email to confirm that the documents had all been received.

Senator DAVID POCOCK: Did you tell them that they'd complied?

Ms Quinn: We didn't specifically address that. We just confirmed that everything that they had uploaded had been received.

Senator DAVID POCOCK: In hindsight, for someone who is not used to receiving a coercive powers notice, should you say, 'Yes, you're fine now'?

Ms Quinn: The only thing I'd say about that is that we would have needed to actually look at it all, because, in response to the requests we'd made for the voluntary provision of information, we'd been sent quite a bit, but it didn't address our questions. So, yes, I do accept that, but I don't think the officer who replied at the time, saying all the documents had been received, would have been in a position to do that, because there was a lot of information.

Senator DAVID POCOCK: Now that you've looked at the documents, have you done that?

Ms Quinn: I can't speak to that. I believe so, because we would have followed up. We would have either made a supplementary request or followed up for noncompliance.

Senator DAVID POCOCK: Okay. Maybe someone can check, while we're talking, if you've finally told them, 'You've complied.'

Ms Quinn: Yes.

Senator DAVID POCOCK: What have you done with the data since you received it?

Ms Quinn: Our internal research team has been analysing it, and we will be making some assessments based on that.

Senator DAVID POCOCK: Do you have any concerns about how it was conducted?

Ms O'Loughlin: As I said, the information that we've received is confidential to the ACMA, so I won't be commenting on that information.

Senator DAVID POCOCK: It's essential. It's essential research. That's not my answer. Do you have any concerns about the data or the way that the research was conducted?

Ms O'Loughlin: As I said, under the ACMA Act, we're not really in a position to talk about that, and—

Senator DAVID POCOCK: But, Ms O'Loughlin, it's not your data. It's ACCAN's data.

Ms O'Loughlin: Senator, I would prefer to have any conversations about that data directly with ACCAN.

Senator DAVID POCOCK: Well, clearly not. They offered a meeting, and you haven't taken them up on it.

Ms O'Loughlin: And we will.

Senator DAVID POCOCK: Okay.

Senator HENDERSON: Ms O'Loughlin, can I just comment: the fact that something is—

CHAIR: Sorry, can I just clarify: Senator Pocock, have you completed your questioning?

Senator DAVID POCOCK: I'm still going.

Senator HENDERSON: I just wanted to jump in. The fact that this information is confidential is not a reason not to provide it to the committee.

Ms O'Loughlin: Then I will need to take it on notice as to whether I need a PII claim, because I'm statutorily obliged under the law to keep that information confidential.

Senator HENDERSON: Thanks for that clarification.

Ms O'Loughlin: Let me take that on notice.

Senator DAVID POCOCK: I'm just confirming: has ACMA had any verbal conversations, meeting emails, texts or other correspondence with the telecommunications industry or their peak body, the ATA, about this information since it was produced and given to you?

Ms O'Loughlin: No. I think we also made documentation available at the references committee. We did receive an email from ATA on, I think, the day of or the day after the release was put out by ACCAN. That was not responded to by anybody in the organisation and we have not had any conversations with ATA or any other telco providers.

Senator DAVID POCOCK: You answered that very quickly with a no. I think it was quicker than for any other question I've asked. I just want to check that no-one else has—

Ms O'Loughlin: We know because we answered it in the references committee.

Ms Quinn: It was a tabled question on notice, Senator.

Senator DAVID POCOCK: I note on the day after ACCAN released its media release on this research the peak body for the telcos issued a media release with the title 'ACCAN Seeks to Mislead Australians with Triple Zero Claims'. I'm also informed ACCAN received letters from Telstra demanding the media release be taken down a few days later. Telstra followed up the next day with their general counsel, reiterating demands for the media release to be removed. Then, two days after that, ACMA emails for the first time requesting the data. What

conversations, emails, texts or anything did ACMA executives or someone in the team have with Telstra, the ATA or any other telco in relation to the media release?

Ms O'Loughlin: As I said, the only communication we received internally, which we have released to the references committee, was an email from ATA on the day raising concerns. That was not responded to by anybody in the organisation and we weren't aware of the other communications to ACCAN until those communications were made public in the references committee. We had no conversations with the telco sector. As I said at the outset, our sole focus in looking at that data was that it raised significant concerns of, potentially, systemic noncompliance right across the industry. We needed to look at the data.

Senator DAVID POCOCK: Just so I'm clear in how I understand what you're saying, there was no contact from any telcos about the ACCAN data before you asked ACCAN for the data?

Ms O'Loughlin: That's correct.

Senator DAVID POCOCK: Ms O'Loughlin, looking at what's happened, consumer advocacy relies on research, consumer stories, feedback from financial counsellors and frontline workers and really the perceptions that Australians have about interactions with the sectors that they're interacting with. If consumer advocacy orgs are threatened with coercive powers notices when they engage in consumer research in good faith through a very reputable provider, what message does that send?

Ms O'Loughlin: I think there's much for us to reflect on through this process. As I said at the outset, we strongly support the work of all the consumer groups that we deal with, be it ACCAN, CRPC or CALC, and we are happy to discuss with them the circumstances of the particular reason why we thought a 522 notice was necessary. We're also certainly happy to have those conversations directly with ACCAN. We recognise that we need to be really clear with those consumer groups that we welcome all the research, work and advocacy that they do. If they wish to take that up with us, we're happy to talk to them about it.

Senator DAVID POCOCK: Thank you. I appreciate your explanation and your admission that there are definitely things for the ACMA to reflect on.

Ms O'Loughlin: Absolutely.

Senator DAVID POCOCK: Just as a final word—and you're very welcome to respond afterwards—from my understanding of the story, it seems like ACCAN were actually trying to be helpful here. They're a 10th of your size. They don't have a big team. They offered you a meeting. It's never been taken up despite one of the commissioners saying that they would meet with them. They tried to book a date. We still don't know if you've told them that they've actually fulfilled the request in the coercive powers notice. I think there does need to be a reflection, because if this is how we're treating consumer groups then it's not very good for consumers.

Ms O'Loughlin: Also, in hindsight, we could have been a little clearer with ACCAN about why we wanted a 522 notice. I think that would have helped the process as well. As I said, we do actually often use them with other organisations, but I think we could have explained that better. That's a matter that I'm very happy to continue conversations with ACCAN about, to make sure that we are listening to them—as a consumer organisation, they do important work—and they also know where we're coming from.

Senator DAVID POCOCK: So what's next?

Ms O'Loughlin: I think we'll be in touch with ACCAN for a meeting.

Senator DAVID POCOCK: Great. Thank you very much.

CHAIR: Senator Henderson.

Senator HENDERSON: I want to return to gambling and the illegal operation of offshore casinos and other gambling sites. My concern is that, while you are issuing warnings and also blocking websites, the evidence suggests that a lot of these illegal offshore gambling websites simply move to another domain and re-emerge very quickly. Have you investigated at all what happens once you block a website?

Ms O'Loughlin: We are constantly investigating that because we find mirror sites go up pretty quickly. That's something that our team is well aware of and jumps on pretty quickly. I don't know whether Rochelle wanted to say something.

Senator HENDERSON: My understanding is that, for instance, LEON Bet has been blocked seven times and it just continues to re-emerge, perhaps using a different domain. Could you just explain—

Ms Zurnamer: LEON Bet has re-emerged on what we call mirror sites. They're very similar, but they have slight variations. What I will say is that, every time we block LEON, there is significant disruption of the traffic to that site. There's also an educative opportunity for people who might get the blocked message when they try and

go to that site to let them know that it's an illegal site. These sites are recalcitrant and they do recur, but we think the disruption that we achieve through the website blocking and a range of educative and other means is having an impact.

Senator HENDERSON: How many websites were blocked and how many formal warnings were issued against these illegal operators in the 2025-26 financial year? Do you have any data? What I'm concerned about is that, when you block a website, it just pops up again. That's continuing to happen. When ACMA issues formal warnings against illegal offshore operators, they're often just ignored.

Ms O'Loughlin: That's why website blocking is really important to us. Because most of these companies are obviously operating outside of Australian jurisdiction, we may issue them a formal warning and never hear from them again. Our options then turn to, as we said earlier, using all the tools we've got in our toolkit, and that's why website blocking is very important to us.

Senator HENDERSON: It's important, but if it just disrupts a website for 24 or 48 hours and then it's off and running again, it might be a bit inconvenient, but it's not resulting in—

Ms O'Loughlin: We do find that it's actually quite effective after a while. As I said in my earlier evidence, we have found that over 200 companies have left the Australian market. We just need to be persistent, which we are, and take down what we can.

Senator HENDERSON: But it's a bit of whack-a-mole.

Ms O'Loughlin: Absolutely.

Senator HENDERSON: You're trying to block illegal websites from all over the world. It's almost impossible to track them because, the minute you block one, they just pop up.

Ms O'Loughlin: Which is why we use website blocking and whatever other tools we have available. Rochelle, did you want to go into that a bit now?

Ms Zurnamer: Not all websites pop up again. There are a number that do. I can see where you're coming from with that comment. Sorry, I've lost my train of thought. What was the question?

Senator HENDERSON: It was just in terms of the number of websites.

Ms Zurnamer: The number of websites, yes. I can say that, as at 31 March 2026, 230 illegal services have withdrawn from the Australian market and 1,564 illegal sites have been blocked as a result of ACMA action.

Senator HENDERSON: Of those 1,564 websites that have been blocked, how many have re-emerged?

Ms O'Loughlin: We might take that on notice for you. The other thing I'd add to that is, obviously, with the government's announced gambling reforms, we're always constantly looking at other things that we could do in this area—because you're right; these are large-scale international organisations who are preying on Australians. We're constantly looking at our overseas counterparts, what they're doing, what technology we can use—

Senator HENDERSON: These are causing enormous harm.

Ms O'Loughlin: We know.

Senator HENDERSON: Do you know how much money Australians are spending on these overseas sites? Is there any estimate?

Ms Zurnamer: Its very difficult to estimate.

Senator HENDERSON: We're talking about billions—that is my understanding.

Ms Zurnamer: Other people have done research and, I think, have put out numbers. We track some of the trends. You'd appreciate that it's a little difficult to estimate with precision where a lot of the sites are anonymous. It's very difficult to know precisely, but I think it's fair to say that there is a lot of money going to illegal sites; we accept that.

Ms O'Loughlin: Some of the other things that we're looking at also pursuing include working with the banking sector to enable them to block financial transactions between Australian bank accounts and illegal gambling operators. We want to do more work in that area; we think that would be fruitful.

Senator HENDERSON: That was going to be my next question—what else are you doing to stop illegal offshore casinos and other gambling websites operating in this country? My question was: why haven't there been measures put in place to stop the payments? If those websites aren't getting payments, that's really going to shut them down.

Ms O'Loughlin: As I think Ms Field mentioned earlier, we're working with the Fintel Alliance—you might just mention that one.

Ms Zurnamer: ACMA co-chairs with AUSTRAC the Fintel Alliance microlaunders project. That project and group includes financial institutions and other regulators. As part of that, we consider a range of strategies for financial institutions to block and disrupt payments. We share information with AUSTRAC and they with us. As a result, we've provided a lot of information, and we believe that that's been effective in terms of having those payments blocked.

Senator HENDERSON: What do you mean that it's been effective in terms of having the payments blocked?

Ms Zurnamer: I could take on notice the numbers of payments. If we give information to AUSTRAC and, as part of that group, banks are aware of the payment and the accounts of illegal services, those transactions can be blocked.

Senator HENDERSON: And is that currently happening?

Ms Zurnamer: Yes. It's happening where we can identify which of those services are illegal. It's not always possible to do them because they will change—they won't say it's for a gambling service; they may operate under PayID, where you can't actually track them.

Senator HENDERSON: Could we have more information on notice, including the submissions you've made to the Fintel group and to AUSTRAC, so we can get a thorough understanding of how payments are currently being blocked. Ms O'Loughlin, do you need greater powers in relation to combating these offshore illegal operators?

Ms O'Loughlin: I think that's constantly what we look at.

Ms Zurnamer: Yes, it is constantly what we look at. It's fair to say that it's being looked at as part of the changes that the government has recently announced in terms of boosting our powers around illegal online services. There are a range of things that we are looking at, as is the government, including financial blocking.

Senator HENDERSON: What further powers would you need to better block these payments?

Ms Zurnamer: We don't currently have a power to ask banks to block. The only power we have is, under the telco act, to ask ISPs to block sites.

Ms O'Loughlin: Which is why we're working with the banking sector and AUSTRAC, who have those powers.

Senator HENDERSON: Have you directly made that representation to the minister that you need those additional powers?

Ms Zurnamer: Yes.

Senator HENDERSON: How have you made that representation?

Ms Zurnamer: I think the discussions have been made over some meetings in terms of looking at the issue of illegal websites and what more we can do to combat them.

Senator HENDERSON: I mean, this specific measure certainly wasn't announced in the government's recent gambling reforms, in terms of enhancing the powers to block payments.

Senator Green: We've announced that we will boost enforcement against illegal gambling services, including strengthening and streamlining ACMA's existing enforcement powers. And, as we spoke about this morning, we're going through the legislative drafting process.

Senator HENDERSON: Yes, but that's ACMA's existing powers. We've just heard evidence that ACMA doesn't have any powers in relation to payment blocking.

Senator Green: 'Strengthening' enforcement powers.

Senator HENDERSON: Well, we've just heard—

Senator Green: Again, I'm not going to pre-empt the legislative process and what parliament ends up deciding goes into the law. But we're going through that process at the moment. It sounds like you'll have your support in the Senate on this.

Senator HENDERSON: Perhaps we could get on notice what has been provided to the minister in this respect. If ACMA doesn't currently have any powers, I would see this as a different issue. But I'm pleased that you are looking at this, because Australians are losing money hand over fist through these illegal casinos, and I think the banks are also picking up a dividend, when they're processing these payments. Have the banks been cooperative in terms of being receptive to ACMA having these particular powers?

Ms Zurnamer: We don't work directly with the banks. We don't have a power over them.

Senator HENDERSON: No, I realise that. I'm just saying in terms of your consultation.

Ms Zurnamer: We're not consulting. I think it's fair to say that the government has consulted with the financial industry, and as part of the frequently asked questions, in terms of what the government is doing, one of the things that has been specifically mentioned is blocking financial transactions between Australian banks and illegal services.

Senator HENDERSON: Will this be part of the gambling reform legislation, Minister, do you know?

Senator Green: I don't have the officials here, sorry. But we've announced that this is definitely part of what we are looking at, and I think you can see from the evidence given by ACMA that it's something they've been advocating for. I don't have the precise language, but we are definitely looking at strengthening powers around this area.

Senator HENDERSON: So by having these additional powers to seek this information directly from banks, you would be able to much more comprehensively block payments, in a nutshell?

Ms Zurnamer: I think the legislation is working through how that will actually work.

Senator HENDERSON: But what I'm asking, Ms O'Loughlin, is: if you had those direct powers to seek that information from the banks, you could much more readily identify and then block payments so that—

Ms O'Loughlin: I think the mechanism will be worked through in the legislative process.

Senator HENDERSON: Alright, then could we have on notice the correspondence and the consultation—

Ms O'Loughlin: We can give the information around the fintech alliance and what we're doing and what—

Senator HENDERSON: And also what the submissions have been, please, and any other correspondence between yourselves, the department and the minister's office about this particular issue.

Ms O'Loughlin: We'll take that on notice.

Senator HENDERSON: Since 1 July last year, please. I have no further questions.

CHAIR: Thank you very much to the officials of ACMA. We appreciate your attendance and your evidence here today.

Office of the eSafety Commissioner

[17:28]

CHAIR: Welcome, officers of the Office of the eSafety Commissioner. Welcome, Ms Inman Grant. Do you wish to make an opening statement?

Ms Inman Grant: I would; thank you.

CHAIR: Please.

Ms Inman Grant: Thank you for the opportunity to address the committee. I would like to begin with a matter of significant interest to the Senate and the Australian public: our progress in enforcing the social media minimum age laws. Let me be clear from the outset. eSafety's enforcement stance is firm, our complex investigations are ongoing and our compliance and safety uplift work continues. In our March regulatory update, we indicated we were concerned about industry compliance. Since then, we have continued our investigations and have seen some improvements. However, we have not yet reached a final determination on whether platforms are taking reasonable steps, which is the high standard we must prove under the legislation.

I know there is a strong interest in why fines have not yet been issued. Unfortunately, we don't have a fine-issuing button; rather, systemic noncompliance needs to be proven in court with solid evidence and complex legal proceedings. We're no stranger to such cases either, having just concluded a three-year enforcement action against X Corp for failing to comply with the transparency notice around child sexual abuse material. Ultimately, X Corp admitted liability and will pay a \$650,000 penalty plus costs. This is one of the few successful actions brought against X Corp by any regulator globally. Such outcomes are hard won, and they demonstrate that careful, methodical enforcement with a substantial evidence base delivers results.

As I have said consistently, even before this law came into effect, this is a complex reform. It seeks to unwind more than 20 years of social media entrenchment in our daily lives, dismantling platform architecture that was engineered to be immersive and addictive for underage users. We really need to be clear eyed about what this regulation is asking platforms to do: to cut off a lucrative pipeline of revenue now and into the future. It also sets a global precedent and a subsequent domino effect. This is not a recipe that incentivises flawless execution by industry, but we continue to work to both uplift compliance and build the evidence base necessary to inform any potential enforcement action.

Meaningful regulatory impact is rarely achieved in months. Major cultural resets eventuate over years. We've seen this with car, water, sun and other safety standards and practices. By way of comparison, the ACCC's recent case against Coles, under Australian Consumer Law, related to conduct from February 2022. From this initial kernel, it has taken more than four years to reach an outcome in the courts. In the New Mexico case recently won against Meta, the investigation commenced in 2023. That is the reality of building a case that is robust, defensible and successful; it is deliberate and it takes time.

As a parent of under-16 children, I understand the urgency that many families feel. They want safer online environments now. eSafety wants that too, and my team is working really hard every day to achieve the strongest possible outcomes. As I said, we continue to focus on uplifting compliance, and only five months into these laws we are already seeing early indications of progress. We reported that by March there had been a 37 per cent reduction in the number of under-16s holding accounts, with parents consistently reporting much more constructive conversations with their children about online risks and social media use.

Today, I can inform the committee that, since our March compliance update and direct engagement with individual platforms, we have seen improvements and reversals of some of the poor implementation practices we identified. For instance, some platforms have recently taken steps to restrict or age verify accounts that had increased their stated age to 16 in the lead-up to or shortly after 10 December, to identify further underage users who still had accounts on their platform. Another introduced new age-verification measures, particularly when users attempt to change their date of birth, to reverse the circumvention of age requirements. The platform who, daily, gave under-16s numerous tries to jailbreak age-estimation systems reversed this practice. We've also seen a reduction in administrative hurdles put in place by the platforms to stifle reports made by parents. Some of the major social media apps have increased their age rating on Apple's Australian App Store from 13 plus to 16 plus. For parents using parental controls, this can help prevent children from downloading apps that they are too young to have accounts on.

These are important developments demonstrating that sustained regulatory pressure is influencing platform behaviour. I'd like to reiterate that we have not yet completed our investigations or reached conclusions about the efficacy of these measures. That work is ongoing, and we will continue to assess compliance against the reasonable steps outlined in our regulatory guidance.

Today, I can also update the committee that we have retained an external legal team to support our investigation and any subsequent enforcement action. In the meantime, we will continue to use the full range of regulatory tools available to ensure that online spaces and tools are safer by design and by default for young people. Just last week, for example, we commenced another enforcement action against a popular AI powered nudifying service, this one accessed by around 50,000 Australians per month. I look forward to discussing our work with the committee and to answering your questions.

CHAIR: Thank you, Commissioner.

Ms Inman Grant: And I've submitted this for the record.

CHAIR: Thank you. Senator Henderson.

Senator HENDERSON: Commissioner, thank you very much for your attendance and to your team. You've obviously just given an opening statement where you've explained why there's no enforcement action as yet in relation to the social media ban. Do you accept that many of the reasons that teenagers are still not complying and they're on various social media accounts—and there's a very high noncompliance rate—include that teenagers are circumventing the ban?

Ms Inman Grant: Well, it's not up to teenagers to comply. It's up to the platforms to prevent that circumvention.

Senator HENDERSON: I realise that. But this goes back to the defects with the social media ban, the way it's been designed, because the platforms can't do anything if teenagers are using a VPN.

Ms Inman Grant: That's not true. In fact, if you read our regulatory guidance, we had extensive conversations with the platforms about the signals they can pick up to identify VPNs. And we put very technical information about the signals that the platforms should be looking for in order to detect and prevent the use of VPNs. Most of these companies will look at the IP addresses and the country the account is allegedly in. If it changes over three months, there may have been a movement. I'm not sure whether you want to add anything further about some of those discussions and those signals that we put forward to them, Ms King?

Ms King: That's correct. We have identified an array of signals in consultation with platforms that can help identify VPN usage for platforms. That includes some of the ones the commissioner mentioned as well as device IDs and telco information. So we know that platforms have a strong understanding of those signals. I will add that

in our pulse survey, which gave the indication of that number you referenced, the primary reason young people were still on it at that time was that the platform had not yet tried to age-verify them. That was based on the pulse survey taken at the end of January.

Ms Inman Grant: Yes. And that's an important thing to add, because I did hear you ask the government, Senator Henderson, about the 70 per cent of young people still on. Those were the young people who were on Snapchat, Instagram, Facebook, YouTube and TikTok, and that's precisely why we said that those are precisely the five companies we'd be taking action against. Obviously there's no reason, if they're taking reasonable steps, particularly for the more mature companies that have very advanced proprietary classifiers and age-inference tools that they've built over decades, that they wouldn't at least ask them to age-identify.

Senator HENDERSON: So you've seen a trend where some of these poor implementation practices, as you describe, have reversed, or you've seen improvements in compliance by the platforms. Can you provide more detail? You've said that another introduced new age-verification measures. Which platform did that?

Ms Inman Grant: I can't divulge which precise platform has done it, because it could undermine or prejudice an investigation. I can give you more detail about the tactics used, if you wish. For instance, I talked about the jailbreak. That particular company used a third-party age-verification provider, who recommends that you give children three to five tries, to be able to make sure you get the lighting and the angles right. This particular company gave an average of 24 tries every day, which suggests to me that it's giving them an opportunity to, again, jailbreak or circumvent and spoof the age assurance process.

Senator HENDERSON: Well, I think it's in the national interest and in the interests of parents and teenagers that there's an understanding about which platforms are responding to the concerns that you've raised, so I would press you on asking which platforms are responding. Which is the platform which has introduced new age verification measures? I think that's a matter of public interest.

Ms Inman Grant: Why don't I refer to Ms Snell, who will talk about the enforcement confidentiality requirements?

Ms Snell: Thanks, Commissioner. The information that we have in relation to what individual platforms are doing is information we've received under statutory compulsory notices. We still have ongoing investigations, as the commissioner noted. We have not yet finalised our assessment of the effectiveness of any of these measures that they've taken and whether that is compliance. Because these investigations are ongoing, we would maintain that divulging the specific details about any individual platform would risk prejudicing the investigations and potential enforcement action. So, at this stage, I would suggest that it's likely we would make a PII claim in respect of information we've received in response to those notices.

Senator HENDERSON: Well, I was going to ask for that information that you have received. So I will ask for that information and, obviously, it is open to you to make a PII claim.

Ms Snell: We can take that on notice.

Senator HENDERSON: Thank you. You say that there have been improvements and a reversal of some of the poor implementation practices. Have you been able to quantify that?

Ms Inman Grant: I'll turn over to Ms King, but we're trying to take periodic measurement, as she said, through the pulse surveys. We're also issuing more legally enforceable notices over time, and we're layering these notices. For instance, we will be getting in, this week, some additional data notices so we can get the information specifically from the platforms in terms of how many underaged accounts they've further deplatformed or restricted, for instance. We're also starting to send through what we call our 'systems and processes' notices, which are much more complex, and these are asking much more probing questions about the technology systems, policies and processes they're using or not using to comply, and whether or not they're taking the reasonable steps.

Ms Snell: If I could add, I think it's important to understand, in terms of the investigations, that, because this is information we need to acquire under notices for it to then be reliable as evidence should we pursue matters in court, it's not a matter of just sitting down with the platform and asking them to talk us through how things are working. It's a matter of issuing a notice, getting the information to that and then working out where we need to dig deeper, and then issuing another notice that asks for further information. For example, as we said, one of the things we've seen is some platforms taking steps to restrict or age-verify certain accounts that had increased their age, so we expect that the next data notices will give us some further insight into how many additional accounts have had their access restricted as a result of that. So we're using a range of ways to measure whether these changes are having an effect or not.

Ms Inman Grant: It's worth noting that when we get some of this data, at least through our pulse surveys, we will strive to make that available to the public and to this committee. Of course, we will always be as transparent

as we can be, when we can be. I just want to reinforce something that I think is important. Like I said, we need to be methodical here. We could take enforcement action quickly, or we could do it properly. You can't do it both ways. If we're going to take action, I want to make sure that it counts and we get an outcome. This is why we're also focused on working with the platforms to increase the safety uplift, because we also want to ensure the long-term viability and efficacy of this policy. I think we're in the most difficult portion now, where the companies are having to come up against very ingenious, inventive and motivated people, largely 13- to 15-year-olds, some of whom will try and get back on the platform again. The burden is on the platforms to stop this. I'm having really great conversations with a lot of parents of eight-, nine-, 10-, 11- and 12-year-olds who are saying, 'Thank you for putting this boundary in place, because I'm preparing my children now for the fact that these companies are not allowed to have them on the platform until they're 16.'

This is what we mean by this generational step change. While we're going to have to hold the line and keep improving, particularly with the teenagers who are striving to get back on now, this normative change will take some time to really back parents.

Senator HENDERSON: Can I ask you about prohibited platforms? Has there been any update or changes to the list?

Ms Inman Grant: Yes. We're not seeking them out. We are using some market intelligence tools to look at migration patterns. I believe I told you last estimates that there were a lot of theories that young people would be going to the darker recesses of the web. We don't have any evidence that young people are learning how to use Tor browsers to get to the dark web. What we actually saw were some early spikes on platforms that weren't captured, like Lemon8, which is also owned by ByteDance, Bigo Live and, for a short time, Bluesky.

What we actually saw—this goes to the theory around critical mass—was that while we did see initial spikes early on, they were downloads. They weren't actual usage of the platforms, and the kids abandoned using the platforms after a fairly short period of time because there wasn't a critical mass of their friends. This shows you the power of the architecture that these major platforms have designed to keep young people entrenched and entranced. Since that time, Bluesky has I think self-assessed. Lemon8 has self-assessed and so has Match.com.

Ms Snell: I think that is the extent. We update our website whenever there are additional ones. The website has the latest information on it. We have not assessed any others further ourselves as being likely to fall under that. That's because we're focusing on the ones where there are the most young people in Australia.

Senator HENDERSON: Can I ask you about YouTube? I recently received a large number of letters from a class of grade 6 students. Every student was imploring the government to change the rules and exclude YouTube because of the significant educational offerings of YouTube, as they saw it. Have you had cause to look at YouTube again?

Ms Inman Grant: Have you seen the *Wall Street Journal* article on the damaging content of YouTube on Chromebooks and offices? I still think they—

Senator HENDERSON: No, I understand. To be clear, I'm aware of your concerns about material on YouTube. Obviously, previously there were child safety tools on YouTube. They may have been deficient. I'm not backing them in by any stretch. But I guess it's the one platform where children in particular are really feeling like they're missing out.

Ms Inman Grant: Children can access YouTube in a logged-out state. We made it very clear that if parents or teachers were teaching on them they could still access YouTube videos. That is not the feedback that we've been getting from parents and children.

Senator HENDERSON: That's a general statement.

Ms Inman Grant: Our original advice to the minister—the compulsory advice—was that we shouldn't specifically exclude any named platform if it meets the criteria. We're concerned about the deceptive and harmful design features that children may be exposed to.

Senator HENDERSON: It was quite compelling in the number of children of that age who were saying, 'We really miss YouTube,' but you make a good point; they can still access YouTube in a logged-out state.

Ms Inman Grant: I wonder why they didn't write to us!

Senator HENDERSON: If they access YouTube in a logged-out state, they don't obviously get access to any of the child safety parameters. That's the issue.

Ms Snell: Can I add, Commissioner, that, in terms of the assessment, YouTube has not changed its features or functions since we did our initial assessment. We're obliged to assess and inform our enforcement action based on whether they fall within, based on the legislation and the rules. It's not a matter for us to decide that they're not an

age-restricted social media platform just because a lot of kids want to use them or because they have particular safety features. That's not what the rules in the legislation provide, so we have assessed them within the constraints of the legislation.

Senator HENDERSON: I appreciate that. I'm just raising that I think this is an ongoing concern for many young people. Of course, the issue then becomes that if they are looking at YouTube in a logged-out state, then they can basically view anything, which is a concern. It doesn't protect their safety at all.

Mr Fleming: There are protections through our codes and standards, so it's not just your you're in or it's wild west. There are additional protections from some of those other regulations that are in the Online Safety Act.

Senator HENDERSON: I'm aware of that, but in a logged-out state, children are able to access YouTube as an adult, essentially.

Ms Snell: Even in a logged-out state, though the age-restricted codes require that services don't provide content to under 18s, which means—

Senator HENDERSON: And that's the problem.

Ms Snell: But that means blurring. It means that if they are not doing an age assessment—if people are accessing in a logged-out state, then they don't have access to that material.

Senator HENDERSON: Yes, but that's what I'm saying—that they're accessing material which is not suitable for children.

Ms Snell: My issue would be that if there's evidence that under 18s are able to access content that falls within the age-restricted codes on YouTube, in a logged-out state, then Google would be breaching that code, and we'd be happy to have an investigation into that. In a logged-out state, no-one should be able to access age-restricted material. It should be blurred, and they should be required to age assure.

CHAIR: Senator Roberts.

Senator ROBERTS: Thank you for appearing again. Mr Fleming, don't take it too hard that we haven't accepted your invitation yet for a briefing. We're very, very keen to do so. We'll do it when we can. We've had a few things in the middle.

Mr Fleming: We've got a card here for you, Senator. Just for you.

Senator ROBERTS: Farrer by-election and a few other things. Minister, my first question is to you. My question is to the office of eSafety, underscore, the duality of the agency's performance. On one hand, their work in combating child sexual abuse material and adult exploitation material, including revenge pawn and deepfakes, is effective and deserving of respect—and we've said that repeatedly. On the other hand, the performance of the eSafety Commissioner attracts substantial controversy for pursuing matters that are not exploitation or harmful in nature, accompanied by substantial legal costs and high-profile losses around overreach, as well as excessive overseas travel. My question is: the eSafety Commissioner has indicated she will not remain in the job when her term expires next year. Will you consider banking a saving here by not replacing the Commissioner, and, in so doing, depoliticise the office so they can get on with their core role of acting against child sexual exploitation and abuse material and other exploitation material.

Senator Green: I strongly disagree with the assertions that you've made about the work that the eSafety Commissioner has done. We will not be closing down the eSafety Commissioner role or the role that the eSafety Commissioner in the future might play. It is playing an incredibly important role, as you indicate, managing an ever-changing online space. This government has chosen to have a particular focus on the harms that young people are facing online. We would not be able to implement this really important work, which is so important for parents and young people, without the extraordinary efforts of the eSafety Commissioner.

Senator ROBERTS: I agree with you that the office has been doing a great job, but you didn't answer my question. Let's move on.

Senator Green: I did answer your question.

Senator ROBERTS: That's a no, then. One Nation will do that. Next question.

Senator Green: Okay. A policy—

Senator ROBERTS: The second periodic transparency report on child sexual exploitation and abuse material, published in February 2026, lists the efforts of the office to work with online media companies. Each time I read one of these reports, I see that there has been material progress on the part of big tech to get better at taking this material down, and that's in part from your efforts and the efforts of other similar agencies worldwide. We

acknowledge that. As an example, Snapchat is now responding to takedown notices in 11 minutes, which is down from 90 minutes. Well done.

Senator Green: Thank you.

Ms Inman Grant: I think it's down to four minutes now.

Senator Green: That's even better.

Senator ROBERTS: Wonderful. Are there any media companies that are dragging the chain in respect of child sexual exploitation and abuse material that you would like to highlight in this session?

Senator Green: Good question.

Ms Inman Grant: We took action, as you would be aware, against X Corp. in 2023. We issued an infringement notice. They did not pay. We were in three years of litigation with them and had a successful outcome. They were fined. They ultimately admitted liability, and they have to pay costs. There are others that we're closely looking at, such as Telegram, but we've also used our legal codes to tackle OmeTV, initially, which is a chat roulette site. The holding company is called Bad Kitty's Dad, and it actually pairs paedophiles with children. They didn't respond to our notices. So we used our app store powers, working very hard initially with Apple and then with Google, and they have actually deplatformed both developers and similar apps, at least 100 of them. We've also taken action against two major nudifying services—

Senator ROBERTS: What sort of services?

Ms Inman Grant: Nudifying, or declothing, services. We're seeing child sexual abuse material being generated in schools and elsewhere every week. It often starts as an innocuous school picture or social media post that's harvested. They have powerful LLMs on the other end, and you can basically—the one that we took action against last week said, 'Just give us an image, a body type and the age of the image you want generated, and we can do it for you in seconds.' This particular platform had 50,000 service calls per month by Australians, and the other had 100,000 per month. We're limiting the availability of these tools that can easily help generate child sexual abuse material.

Senator ROBERTS: Thank you. Currently, BlueSky must comply with basic online safety expectations, and they have a self-run minimum age gate. Is this correct?

Ms Inman Grant: Yes. They've also self-assessed as an age restricted social media platform, so they are subject to the social media minimum age. We will continue to ensure that they are complying with the age assurance requirements, both as part of the age restricted material codes and as part of SMMA.

Senator ROBERTS: How do you check that they're complying?

Ms Inman Grant: We check through the legally enforceable notices we were just talking about, in terms of both data and looking at systems and processes, but we have other ways of checking as well—through reporting and through other means.

Senator ROBERTS: Okay. I'll come back to that later. I note you consider BlueSky now to be low risk because they have 50,000 calls and 40,000 local users, yet the ABC have now moved the bulk of their posting to BlueSky. How closely are you monitoring the platform, and at what point do they become a serious risk?

Ms Inman Grant: They're under our sights now, in the context of our codes and our standards and our social media minimum age. Of course, we sort of look at the fundamentals. I don't think they're more perilous than some of the other major social media companies that we've seen. There is no indication—unless there's anything else, Ms Snell, you've seen in the course of the enforcement taskforce looking into their work.

Ms Snell: Senator, no, not at this stage. We use a range of intelligence to determine which providers or services to focus on. That includes reports we might receive through our various complaint schemes, inquiries that we receive through our inquiries and also reports of complaints under our codes and standards. At this stage, we don't have information that suggests we should have an investigation into Bluesky at the moment.

Senator ROBERTS: I note this week, Commissioner, you finally won a case against X, dating back to their response to takedown notices in the early days of the Musk takeover. The award was \$100,000 in costs and a \$650,000 fine, which is substantially less, I understand, than the huge fines that you threatened—\$650,000 a day over 38 days. That should have been \$24.7 million that you asked for. Is that correct?

Ms Inman Grant: This was using the fining powers or the infringement notice for the basic online safety expectations, which is not the \$49.5 million you might be thinking of, but it's up to the courts to determine the overall cost. This one is a big win because we won in the Federal Court and then we won in the appeals court and

we finally got them to admit liability. You may have missed this, but we're one of the only regulators in the world that's now had a successful case against X.

Mr Fleming: Just to follow up on that, the maximum penalty under that section that the Commissioner spoke about is \$687,500. So the penalty that we were awarded, which was awarded by the court by consent, was 94.5 per cent of the maximum. I think that reflects the seriousness in which the court—

Senator ROBERTS: Thank you. Are there any other cases over a failure to take down material pending against any other social media or tech company?

Ms Inman Grant: I think there are a few cases still pending. They're judicial reviews mostly.

Ms Snell: Do you mean: is there outstanding compliance with notices to remove content? Is that what you're asking about or is it information notices?

Senator ROBERTS: No, have you taken any other cases to court?

Ms Snell: I don't believe we have any on foot in relation to responding to notices at this point in time.

Ms Inman Grant: We took two cases, but the other cases that are pending have been taken against us, and you would expect that we would defend those.

Mr Fleming: I think you'll get a sense, from the way we took this case, that compliance with notices is an important issue for us. If there's further noncompliance, you'd expect to see a similar response.

Senator ROBERTS: How many times have you taken X to court?

Ms Inman Grant: Twice—the Wakeley matter as well as this successful outcome around CSAM. Again, there are other pieces of litigation where I believe they took action against some of our provisions through judicial reviews mostly.

Mr Fleming: I think there are six cases.

Senator ROBERTS: Six cases with X?

Ms Inman Grant: That X took against us.

Mr Fleming: The majority of those are ones that X have taken against us, challenging the use of our powers.

Senator ROBERTS: How many of them have had an outcome?

Mr Fleming: A few of those have had an outcome. Most of them have had an outcome. There's one that's in court tomorrow. I think that gives you a sense of the stance that some platforms take in relation to some of our powers.

CHAIR: Senator Roberts, if it's going to be a bit longer, I can come back to you after the break.

Senator ROBERTS: It should be five minutes.

CHAIR: I might come back then. We'll break now for our dinner break—

Senator ROBERTS: Before we go, can I just finish up on that question?

CHAIR: Yes.

Senator ROBERTS: Could I have on notice, please, the list of cases against you and the cases you've taken against someone else and the companies involved.

Mr Fleming: Just to clarify, is that all cases or is that cases involving X?

Senator ROBERTS: X court cases.

Mr Fleming: Yes. We'll take that on notice.

Senator ROBERTS: Thank you.

CHAIR: Thank you very much. We'll now suspend for our dinner break.

Proceedings suspended from 18:04 to 19:04

CHAIR: We will keep going with the eSafety Commissioner. Senator Roberts.

Senator ROBERTS: Moving on to travel, in previous estimates, I asked how many overseas trips the eSafety Commissioner had undertaken and I received reply SQ25-002143. This shows 22 destination countries including Canada, France, Switzerland, Ireland, Japan, United States, Germany, Italy and the list goes on. This answer, though, does not say how many trips to these destinations were made. Please update this reply on notice for recent trips and indicate for all destinations how many separate trips were made to each destination. In the case of the United States, please indicate cities visited and dates.

Ms Inman Grant: Sure. I'm happy to take that on notice, but I try and hit as many places on one flight as possible.

Senator ROBERTS: I note your March 2026 compliance update is still talking about the 4.7 million accounts that were deactivated at the time the under-16 ban started. I would suggest these were accounts that tech firms, preparing for the introduction, were shutting down for being mostly bot and orphaned accounts. Since you're still claiming the win, let me ask: can you tell me how many of those 4.7 million accounts were confirmed as an active account of an Australian child under 16?

Ms Inman Grant: There have been 300,000 subsequent accounts that have been restricted or deactivated, so a total of five million. If it gives you any comfort, it's not like I pulled out a piece of scrap paper and wrote down a bunch of numbers.

Senator ROBERTS: I'm not suggesting that.

Ms Inman Grant: These numbers are provided by the companies themselves through legally enforceable notices. As I mentioned earlier, we're sending out subsequent data notices. We are interrogating those numbers to make sure that they accord with what we're seeing through our various tools. We'll be asking additional questions. Where our real focus is now—that was really the low-hanging fruit when we deactivated and restricted the known under 16s at that time.

What we really need them to focus on is preventing any sort of reregistration or circumvention of the systems that they have in place, and, certainly, we want them over time looking at much stronger sign-up restrictions so that they're not continuing to attract or trying to attract tweens, in particular, between the ages of eight and 12. One of the platforms said in discovery documents that tweens have a herd mentality. They said, 'We should try and get them locked in as early as possible, so we have customers for life.'

Senator ROBERTS: You didn't answer my question. I asked: how many were active accounts of an Australian child under 16? It tells me that you don't really know because the numbers were what you were told by the tech platforms.

Ms Inman Grant: Right. We're asking—

Senator ROBERTS: You don't know?

Ms Inman Grant: We're asking some deeper questions about the nature of those accounts. Is there anything you'd like to add, Ms Snell?

Ms Snell: I think what we can add to that is to say that there were accounts that were registered as being held by an Australian end user under 16. That was the basis on which the platforms took action to restrict access to those. We don't have a breakdown of how recently those accounts have been used and whether, for example, they were dormant or not. But I think what's important to understand there is just because an account hadn't recently been active is not to mean that the owner or user of that account couldn't start using it again. Part of the intention of this law and all of the regulations that eSafety enforces is it's a proactive protection. That's about making sure that kids under 16 don't start using these harmful services.

Senator ROBERTS: The point is you do not know how many accounts of under 16-year-old children were shut down. Here's an article from *Tech Guide* by Stephen Fenech, 'After 100 days of the Under 16 social media ban the verdict is in—it's a massive failure'. The article says, 'Seventy per cent of Australians aged between 10 and 16 are still on social media platforms.' It goes on to say:

Snapchat reported it had closed down more than 415,000 accounts with its own age detection technology but parents, teens and experts are all saying it is easily and routinely bypassed—

we've heard that a lot too—

A poll on X showed 45 per cent of respondents said their child had found a workaround to the ban with a further 34 per cent saying the ban has had no impact at all.

In this sample, eight out of 10 parents says there is no effective enforcement of the social media ban.

Then it goes on to say:

Meta—the platform that owns Instagram and Facebook—also shared its feed back after 100 days of Australia's social media ban.

"Australia had the opportunity to set a single, accurate standard for age assurance across the whole app ecosystem," Meta said in a statement.

"Instead, the Government chose a patchwork approach that's inconsistent across services and risks pushing young people towards less regulated, less safe corners of the internet—

that's exactly what we said would happen—

"If the goal is genuinely safer, age-appropriate experiences, we believe the best option is to raise the bar across the entire ecosystem and give parents a simple, consistent point of control—

that's exactly what we said before it was applied—

"App-store level age assurance is the practical path that Australia missed."

Those are some comments.

Ms Inman Grant: Sure. There was a lot there but let me say this is a pretty typical playbook I've seen many times before. The platform that doesn't want to be regulated says that the third-party technology that they're using isn't efficacious, even though it's already been tested, and it's not getting better, so they blame the policy or they blame the regulatory guidance. They then say it should be somebody else's responsibility to age-gate our platform.

We don't tolerate that in the real world. This would be like a bar or a pub saying, 'Carding a child at the door is not our responsibility. We should make the brewery or the wholesale manufacturer be responsible for them getting into the bar.' You own the risky environment. You need to own that space. Where I agree is there are things that we can and should be doing up and down the stack to help give these platforms more signals, and that's particularly what Apple's age range API does.

Interestingly, some of the companies have taken it up and some have not. I think it's also interesting to note you mentioned Meta, and I think they put in their blog that they had deactivated about 554,000 accounts. They were asked in court in New Mexico because they told the New Mexican government they couldn't deactivate accounts for New Mexicans. The court pointed to the fact that in their own blog they said they were able to do this.

I take a little bit of that with a grain of salt. The 70 per cent number that you mentioned came from our public compliance report and that's accurate. Seventy per cent of kids who were on Snapchat, TikTok, Instagram, Facebook and YouTube were still on, and, in many cases, they were never even asked to age verify.

That is precisely why we're taking on and looking more closely at those five particular companies because what we have seen, in terms of our data, is the number of young people holding under-16 accounts on social media has decreased by 37 per cent. If you think about any other public health movement over a three-month period, that's a very impressive reduction, and this is what we're going for.

We're not just looking at numbers; we're looking at realistic harm reduction. That goes alongside the reduction of young people on these platforms. That's a really important measure, not the initial—obviously it's impressive that those initial accounts were deactivated, but the test for the companies right now, and whether they're continuing to improve and live up to the reasonable steps, is whether they're preventing them from re-entering and reregistering their platforms to let them back on.

Senator ROBERTS: With respect, there were parents quoted, surveys quoted and big tech platforms quoted. I remember all of the Apollo moonshots had a quote that was their guiding theme, and one of them was: 'In God we trust. All others bring data.' You are giving me no data. You've had three chances. You've given me no data that tells me anything about the number of active accounts shut down.

Ms Inman Grant: How much does it matter to the ultimate goal of the policy which is to keep children off social media accounts?

Senator ROBERTS: It goes to your statement that 4.7 million accounts were deactivated at the time the ban started.

Ms Inman Grant: Yes, and we stand behind that to the extent—

Senator ROBERTS: But they're not active.

Ms Inman Grant: Pardon me?

Senator ROBERTS: They're not active. You don't know that. You trusted the tech platforms. You said that you didn't have the data and you don't know.

Ms Snell: Can I just say, on that, that the data we have and the number of accounts the platforms have advised us—whilst you say we trust the platforms, they provided that information to us under compulsory notices. There was a penalty for them if they didn't respond to those notices; they all did respond. There was also a criminal offence if they provided false or misleading information. At the moment we have no evidence to suggest the information they provided was false or misleading. But we also accept there are still kids on platforms, and we are concerned with the platforms' compliance. That's why we have ongoing investigations where we are interrogating the platforms and the steps they are taking to determine whether they are complying with the law.

Senator ROBERTS: The commissioner told me that the tech platforms have provided the number. There's no way you can check to see which were active. You don't know how many active accounts were shut down.

Mr Fleming: The legislation asks platforms to prohibit under-16s from being on that platform. It doesn't mention active or inactive users. That's data that is not necessarily needed for the purposes of compliance.

Senator ROBERTS: If you're talking about 4.7 million accounts being deactivated at the time, the public would take that as 4.7 million under-16-year-old children have had their internet accounts deactivated. That's not what it means at all.

Ms Inman Grant: It's important to go back—and we can provide you further information on notice. These numbers weren't totally plucked out of thin air. We worked with the platforms using our section 20 transparency powers a year prior to this coming into place, to ask them to give us a realistic estimate of how many under-16s they had on their accounts there. We did some of our own youth research, and we triangulated those—it was a multimethod type study. The numbers they provided us are not out of the realm of what we expected, based on that earlier set of research and transparency data.

If you look at the regulatory guidance and what we've asked the companies to do, the first thing we asked them to do—again, the low-hanging fruit—was, 'Let's just start by getting rid of the under-16 accounts you know exist.' Some of them may have been deactivated, some of them may be live, some of them may have been double. But the important part of taking the reasonable steps is exactly what Mr Fleming said: we're trying to reduce the number of under-16s that have and hold accounts on social media. That is the measure, and then there is the harms reduction that that affords them by not being exposed to the harmful and deceptive design features on these social media platforms. I don't want to get caught up on those particular numbers because they give us a baseline, but we've moved on in terms of what we're looking at with respect to compliance and lifting that compliance.

Senator ROBERTS: It doesn't matter how many times you say it; the 4.7 million accounts that were deactivated at the time were not all active. We know that. You are trusting the tech platforms you say should not be trusted. You also say the person who owns the risky environment should be the one enforcing it—that's the parents—and they have the tools. But you've bypassed the parents.

Ms Inman Grant: No, I'm talking about the platform, the online space. Of course parents have an important role, but they're not targets of compliance. We're trying to empower them to do what they can to be engaged in young people's digital lives. From everything we have seen in terms of the increase in visits to our website and the conversations we're having, and even the letters we're getting into the office, it indicates that parents have been hyperengaged—which is great.

Senator ROBERTS: This echoes something I said before the ban came in:

"If the goal is genuinely safer, age-appropriate experiences, we believe the best option is to raise the bar across the entire ecosystem and give parents a simple, consistent point of control.

"App-store level age assurance is the practical path that Australia missed."

So it's not all roses.

Ms Inman Grant: Actually, we put some restrictions on the app stores in the context of our age appropriate design code. To me, that's passing the buck. You're the social media site that is building these deceptive and harmful design features to keep young people on there and to track them in the first place, and to monetise them. You have no responsibility for being the bouncer at the door to make sure that young, underage people aren't getting in. I don't see how any organisation could shirk that responsibility. There should be shared responsibility up and down the stack, but it shouldn't be, in my view, primarily on the app stores or the devices. We need more protections on both.

Senator ROBERTS: Parents are the best. We've undermined parents.

Ms Snell: If I can just add one thing: it's also important to understand that a number of these services are accessible via the web without the need of having the app. If you had the requirement only on the app stores, young people would still be able to access these services by logging into an account through a web browser—so that would not achieve the result. That's why it's important to have it at the level of the service itself.

Senator ROBERTS: I'm saying: give the parents the responsibility back.

Senator Green: Parents are the ones that asked us to introduce the laws.

Senator ROBERTS: Many opposed it.

CHAIR: Senator Walker.

Senator WALKER: I have a few questions. As the government's e-safety regulator, can you provide examples of how social media platforms build their platforms to promote or cause harm?

Ms Inman Grant: There is a growing bit of literature and also litigation. We've been talking about safety by design since 2018 and trying to work with the social media platforms to develop that. Some people refer to this as a social media ban. We refer to it as a social media delay. But in some ways what we're doing is more like a product safety recall. They have built platforms and services that all of us inhabit, including our children, that are flawed by design and are gamified by design to keep kids entrenched; when I was in the industry, we used to talk about platform stickiness. Part of this is how they build features and functionality, but also it's how they build the recommender systems, or their algorithms, to serve content to people—and they amplify outrage.

If you think about safety by design, there are three areas—service provider responsibility, user empowerment and autonomy, and transparency and accountability. User empowerment and autonomy is important. When you're being abused online, regardless of who you are, it's often very difficult to get a result, to find the reporting functionality, to find the conversation controls. Often it goes into a black box, no action happens and you don't know what's happened to your report. This is precisely why eSafety was established, as the Children's eSafety Commissioner, in 2015—to serve as a safety net when these companies fail to act, whether it's because of volume, context, culture or the simple fact that they're not enforcing their own terms of service.

They're honey pots that have been built to suck people in. It's a vicious circle. The longer they keep you on, the more behavioural data they can connect, the more they can sell to third-party vendors. The more outrageous an influencer is, the more likes and the more advertisers they get. You get that vicious circle. This is why we think replacing flawed design or addiction by design with safety by design, longer term, is the way to go. That will provide the scaffolding for the digital duty of care that the department spoke about today.

Senator WALKER: Certain groups, including women, seem to be subject to more severe attacks online than other groups. Is this evidence that you see in your complaints?

Ms Inman Grant: Absolutely. Almost every form of online abuse complaint we receive is gendered towards women and girls. That includes child sexual abuse material and image based abuse. This is very much tied to gender norms and standards: when you show a woman in a state of undress, she's a woman of ill repute; if a guy shows up and brings out a sixpack, he's big-noted. There are different standards, which means it impacts and it manifests differently. It's sexualised; it's violent. There are rape threats about traditional roles, appearance, age—all of those things—and also in adult cyberabuse.

There are two areas where we are seeing young men being more impacted and affected. Obviously, we're hearing a lot about the manosphere and the influencers that are generally sucking them in slowly around fitness tips, and then it gets into looksmaxxing and then the misogyny. But there is also financial sexual extortion. That has taken a huge proportion of our image based abuse capacity in terms of reports that we're responding to. It's worth noting now that tomorrow we are launching a major digital campaign around sexual extortion—'Report, block and get support'. I think about parents like Wayne Holdsworth and so many others who have lost young men as a result of sexual extortion. Many of these extortionists are overseas criminals, and we have found some of their manifestos and their techniques in how they isolate and cause them to panic. We are putting one out that is almost all AI generated, which we let people know about.

But almost all of this is gendered, and it is getting worse. We're seeing a lot of polarisation in the world right now. Tech has never been more powerful, and there have never been fewer guardrails. My concern with the continued ascendance of different forms of AI, including generative AI, is the sexualisation and abuse of women in marginalised communities will continue.

Senator WALKER: Thank you for that. Thanks, Chair.

CHAIR: Thank you. Senator Henderson.

Senator HENDERSON: Commissioner, I want to return to the issue that Senator Roberts was raising about the 4.7 million accounts and the statement of the Prime Minister and the minister back in January. You have declined to provide the information to substantiate that number on the basis that you are investigating these matters. Have you completed your investigation?

Ms Inman Grant: No; it's ongoing. Why don't I have Ms King explain the process and Ms Snell can explain where we are.

Senator HENDERSON: Before we go to the process—and I raised this earlier in the day, Commissioner—it just looks like, included in that number, are many Google accounts which did not necessarily relate to YouTube. Is that the case?

Ms Snell: I'm happy to take that one, Commissioner. What I can say about Google is that it operates very differently to other age restricted—

Senator HENDERSON: Yes; I know that. I'm trying to cut to the chase, because we have all got limited time.

Ms Snell: I will try to be as quick as I can, but I do think I need to say this. It won't take me very long. It's true that some users may only ever use Google for Gmail, but it's also true that at any time a user may start using their account to access any of the other Google services, including YouTube. We would say that it is appropriate and necessary for Google to ensure that all under-16 users who have a Google account are not able to access YouTube, whether or not they have ever used YouTube before. And so, yes, given the popularity of Google more generally, it is true that it comprises a large number of under-16 accounts that have had their access restricted, but our research also shows, from our *Behind the screen* report, that YouTube is by far the most popular age restricted social media platform for under 16s, with around 70 per cent of young people indicating that they use YouTube.

Senator HENDERSON: Okay, I'm just trying to understand this. The more this goes on, Commissioner, the more this looks like there's something to hide. The Prime Minister and the minister made an announcement. It looks very much like the 4.7 million social media accounts included perhaps more than a million Google accounts—I don't know; I'm asking for that information. I'm trying to reconcile the numbers, because the numbers don't add up. And to claim that this is some sort of investigation and using the rules of the Senate—and an investigation would normally relate to something much more serious. This is an inquiry that you're making, and all I would ask is that you be transparent about those numbers. Are you able to confirm how many Google accounts were disabled, closed down or discontinued?

Ms Snell: We've made a PII claim in respect of that, so that's a matter for a different process. What I can say is that these are not just inquiries—

Senator HENDERSON: Could we get a copy of that PII claim?

Ms Snell: It was in relation to the QONs.

Senator HENDERSON: Oh, the earlier claim. Sorry. There's not been a fresh PII claim.

Ms Snell: No.

Senator HENDERSON: Apologies.

Ms Snell: What I wanted to say is that these are not just inquiries. These are investigations that, if we take proceedings in the Federal Court, could see a service provider fined or penalised with civil penalties for up to nearly \$50 million. So these are very substantial investigations, and it's appropriate that we protect the integrity of those investigations. The numbers were obtained under compulsory information requests that we use for all of these investigations, and the process of issuing those notices and maintaining PII over that information whilst we progress our investigations matters not just for these investigations but for our ability to use those powers effectively now and into the future.

Senator HENDERSON: Included in that number were the Google accounts, including an account that a young person might have had for the purpose of signing up for Gmail—

Ms Snell: But that they could easily use to access YouTube at any point in time.

Senator HENDERSON: That is in a logged-in state.

Ms Snell: Yes.

Senator HENDERSON: They can still access YouTube while not logged in?

Ms Snell: That's correct.

Senator HENDERSON: Does that explain the difference in the numbers?

Ms Snell: For the very reason that I explained earlier, we've not given a breakdown of the different numbers.

Senator HENDERSON: Alright. We have under FOI obtained a document from the commissioner's office. This included a ministerial submission from you, Commissioner, dated 14 January 2026, which included information about the Online Safety Act social media ban. I think it may have included a draft media release. That may have been separate. Could we have a copy of that document?

Ms Inman Grant: Has it been requested through prior process? You said you've got it—or is it redacted?

Senator HENDERSON: We've got it under FOI, but it's substantially redacted, so I'm seeking a copy of that document from yourselves.

Ms Inman Grant: I can take that on notice.

Mr Fleming: Could you give us some identifiers of that document?

Senator HENDERSON: Yes. It is FOI 26226.

Mr Fleming: It's one of our FOIs?

Senator HENDERSON: No, it's an FOI to the department, but it includes a ministerial submission on the social media minimum-age compliance update—this was discussed extensively earlier in the day—from you, Commissioner, to the minister, copying in the secretary, Mr Mackay and other departmental officials.

Ms Inman Grant: We'll take that on notice.

Senator HENDERSON: There's also a draft media release, and the only thing in the draft media release which is redacted is the line that includes the number of social media accounts closed down.

Ms Inman Grant: I've got the final media release right here.

Senator HENDERSON: We've also sought a copy of the draft media release. Anyway, insofar as you obviously submitted that ministerial submission, could we please have a copy of that.

Mr Fleming: We'll take that on notice.

Senator HENDERSON: And I don't think there's any basis for you not to provide that document, because the FOI Act doesn't apply in estimates, of course.

Mr Fleming: We understand. We'll take it on notice.

Senator HENDERSON: Thanks very much. When will you complete that investigation so we can learn the breakdown of the social media accounts which have been disabled or shut down?

Ms Inman Grant: It will be when and if we take enforcement action.

Senator HENDERSON: So you're just going to continue that investigation, are you?

Ms Inman Grant: We were talking about fining. We have five active investigations on foot at the moment. The numbers that you mentioned are absolutely germane to the integrity of that investigation, and we don't want to prejudice it.

Ms Snell: The investigation will continue until either we form the view that we are satisfied that the platforms have complied and taken reasonable steps or we believe we have evidence sufficient to give us reasonable grounds to commence proceedings, and then we will commence proceedings. This takes some time, unfortunately, as we know from other regulators' investigations. To do them to the level required to be able to put evidence before the court takes some time.

Senator HENDERSON: Commissioner, are you satisfied the number of accounts—4.7 million—referred to in the Prime Minister's and minister's media release in January is the correct number?

Ms Inman Grant: That is a number I provided to them, based on the responses from the 10 companies under legally enforceable notices. Again, we do interrogate those to the extent that we can, but we don't have access to their dashboards or their systems, so we have to look at a range of other factors.

Senator HENDERSON: Are you still satisfied, based on the information you have, that that number is correct?

Ms Inman Grant: I am satisfied because we did a lot of that work the year prior, with the *Behind the screen* report, using our transparency powers. So if any of them provided wildly misleading or incorrect information then they've violated the terms of those notices twice.

Senator HENDERSON: I want to turn to the Baumgarten litigation. Shortly after the last estimates, there was a decision of the court which found against you, Commissioner, in relation to this challenge. Firstly, to your legal costs—

Ms Inman Grant: Sorry, which matter?

Senator HENDERSON: This is the Celine Baumgarten litigation. In FOI document 26039, it's been disclosed that total legal costs incurred by the eSafety Commissioner were roughly \$329,000, including external legal fees of \$131,000, counsel fees of \$188,000 and a few other incidental costs. Were there any other costs incurred in relation to that litigation?

Ms Inman Grant: Not that I'm aware of, but I will refer to Mr Fleming.

Senator HENDERSON: I'm looking at the document that says 'current as at 27 February 2026'.

Mr Fleming: I'm not aware of any, but we can take that on notice.

Senator HENDERSON: What about Ms Baumgarten's costs?

Mr Fleming: Before those proceedings, each party agreed to bear their own costs, so we didn't have to pay any costs. And if we'd won she wouldn't have had to pay our costs.

Senator HENDERSON: She wouldn't have had to pay yours?

Mr Fleming: That's right.

Senator HENDERSON: So there was an agreement in relation to costs?

Mr Fleming: Yes.

Senator HENDERSON: Clearly, the full Federal Court found that there was an improper use of mandatory take-down notices, or that notices were being issued purporting to be mandatory take-down notices. In the case of Ms Baumgarten, her appeal prevailed, and this was previously ventilated in December last year. Mr Fleming, what processes have you changed within the commission, following the decision that was made by the full Federal Court?

Mr Fleming: Just before I answer that question, there was one notice that was the subject of the court proceedings. As you'll recall, we didn't think that the material raised with us met the standard of adult cyberabuse. We notified X of the complaint that we'd received, and they subsequently took material down. That formed the basis of the tribunal considering that, on that occasion, all the facts met the criteria of issuing a notice. So it was one notice.

Senator HENDERSON: Yes, but let's be completely clear here: you weren't just using one notice.

Mr Fleming: No.

Senator HENDERSON: There was a practice, so, please, let's be—I do appreciate the detailed briefing that you gave me privately in relation to this litigation, but there was a previous practice by the commission. If it didn't reach the adult cyberabuse threshold, you were issuing notices that the full Federal Court found, in essence, looked like a mandatory take-down notice but didn't constitute one, and that was your previous practice. So how many of those notices in total did you issue?

Mr Fleming: Again, before answering your question, I just wanted to reiterate that our complaint scheme is a backstop. The first port of call for anyone with a complaint, under the Image-Based Abuse Scheme, the Adult Cyber Abuse Scheme or child cyberbullying, is to go to the platform. The platforms are meant to consider that complaint against their terms of service. If they don't take it down, then we can look at that complaint to see whether it meets the very high thresholds of those schemes. You'll recall that our annual report records the number of what are called 'complaint alerts', so this isn't some secret process. This is something that's recognised and recorded in our annual report.

Senator HENDERSON: No, but I'm just saying you were talking about one notice only. I know it was one notice in relation to this litigation—

Ms Inman Grant: There's a formal removal notice and then there's a—

Senator HENDERSON: Yes, I understand that, but you were issuing complaint alerts—

Mr Fleming: To cut to the chase—

Senator HENDERSON: and if they were all tested by the Federal Court they would all have been found to be non-compliant.

Mr Fleming: The one important process fact that was different in this matter and in no other matter—and we have received no other complaints—was that the platform took action on the basis of a complaint alert. We have no evidence that a platform considered a complaint alert to be mandatory, other than in this case.

Senator HENDERSON: But that's not material, Mr Fleming.

Mr Fleming: It was material to the president of the tribunal.

Senator HENDERSON: No, no—it's material to your argument, but it was not material to whether, objectively, it met the test. Anyway, could you just go to that figure. How many mandatory or complaint alerts had you previously issued which arguably were not compliant? And could you let us know what practices you've changed to ensure that you're now compliant when you issue a complaint alert which does not meet the threshold.

Mr Fleming: I can deal with the complaint numbers and maybe then pass to Ms Snell for the changes. As I say, these are in our annual report, so anyone can go online and look these up. Because there are three schemes, I'll read these out, and it might take a little while. In terms of Meta, there were 1,214 alerts across all schemes—image based abuse, adult cyberabuse and child cyberbullying—and that's for 2023-24 and 2024-25. In relation to X Corp, there were 78 alerts across all three schemes—image based abuse, adult cyberabuse and child cyberbullying—in 2023-24 and 2024-25.

Senator HENDERSON: And that's the total?

Mr Fleming: They're the figures I have for those platforms. The generic number is in our annual report.

Senator HENDERSON: And what's that number? What's the total number?

Mr Fleming: I'll go back to the correspondence that we had.

Ms Inman Grant: It was incorrect that a complaint alert does not ask them to do anything specific—

Senator HENDERSON: Anyway, while you're looking for that, very quickly, because we do have to move the call on—

Ms Snell: Yes. I can be very quick.

Senator HENDERSON: what's changed now about your processes so that you address the situation which occurred in the Baumgarten litigation, where a non-compliant complaint alert was issued?

Ms Snell: There are a couple of things. Firstly, the language of any of those complaint alerts has changed. We're very clear upfront that this is not a formal removal notice. So we're very clear about that in the language of it. That's the primary change to the documents themselves. We have also reached out to the main platforms that we deal with regularly to seek the appropriate contact details for providing that sort of information. One of the issues in Baumgarten was that the only option we had for communicating with X was through their legal portal. That was one of the factors that, the court determined, meant it was a formal notice, and yet that was our only option.

Senator HENDERSON: Commissioner, a lot of money was spent on this case. When I asked you about this last December, you said it was very important that you took this on appeal to the full Federal Court. Clearly, you didn't prevail. Can I put to you that this was a very significant amount of money that did not need to be spent when all you needed to do was accept that your takedown order was not compliant.

Ms Inman Grant: We had guidance from broader and higher levels of government that it was an important precedent that would affect many regulators, not just us, and that's—

Senator HENDERSON: You sought approval, did you, for this litigation?

Ms Inman Grant: Yes, we had support.

Senator HENDERSON: From whom? Who gave you approval?

CHAIR: Senator, we'll move on after this.

Ms Inman Grant: Do you want me to take that on notice?

Mr Fleming: We consulted across government with a range of agencies.

Senator HENDERSON: Who did you consult? Sorry, I didn't hear.

Mr Fleming: Across government, with a range of agencies—

Senator HENDERSON: Across government. Did you seek approval through—

Mr Fleming: It wasn't necessarily approval; it was just to make sure that the principles that the commissioner mentioned were actively explored through any litigation.

CHAIR: Senator Shoebridge.

Senator SHOEBRIDGE: It's nice to see you all tonight. It's still nice to see you, Minister.

Senator Green: Should we do this again tomorrow night?

Senator SHOEBRIDGE: We should do it again tomorrow night. Commissioner, you've assessed 10 platforms as being covered by the social media ban, but the way the legislation is drafted, it simply has a definition of 'social media ban' and, if you meet the definition—whether you assess it or not—you're covered. What is the effect of you assessing as a matter of law?

Ms Inman Grant: We don't have, and we didn't have, specific declaratory powers. There was a lot of confusion amongst the public that we thought needed more clarity. But also, if you asked any platform, they would opt out. We saw a lot of shapeshifting in terms of, 'Last year, we were a social media site; this year, we're a video sharing platform,' or, 'We're a messaging app,' or, 'We're a camera app.'

Senator SHOEBRIDGE: But the issue is whether the primary purpose is to enable online social interaction.

Ms Inman Grant: Yes.

Senator SHOEBRIDGE: So, whether you assess or not, if that's its purpose, they're covered, right?

Ms Inman Grant: Yes. That's a very broad—go ahead.

Ms Snell: Can I add a condition—

Senator SHOEBRIDGE: We often talk about it as though the drawbridge is pulled up with the 10. Right now is where we're having this discussion. Is Telegram a social media?

Ms Inman Grant: We consider it more of a messaging app, but let Ms Snell—

Senator SHOEBRIDGE: Truth Social?

Ms Snell: Before I get into the individual ones, the importance of the commissioner having made an assessment goes to the use of our powers to investigate and enforce the social media. For the commissioner to be able to give the compulsory information notices that we have issued, the commissioner needs to have a belief that the service is an age-restricted social media service.

Senator SHOEBRIDGE: No, I accept you can't use regulatory powers unless you think your target is a social media site, but there is a series of platforms that, as I look at them, would absolutely meet this definition.

Ms Snell: We've not said that they're not. What we have done is focus on the ones that are most used in Australia by under-16s.

Senator SHOEBRIDGE: Why don't we look at WhatsApp? Every time I open WhatsApp, I've got some new option in how I can operate—there are now channels, communities, my status feed. It looks—

Ms Inman Grant: There's incognito now, which is ephemeral media. We've told WhatsApp, we've told Roblox, that more social features bring you closer to the definition. You might have been assessed at this time as a messaging app or an online gaming app, but the more social you become, the more likely you are to—

Senator SHOEBRIDGE: I don't know how many more you'd need to add than what WhatsApp has to meet that definition of a social media platform. When I look at the data that you published about user migration, in December, WhatsApp was one of the most downloaded apps that month and clearly was a place that young people were migrating to. What is the situation for WhatsApp now? Is it a social media app?

Ms Inman Grant: It is not assessed as a social media app. We're continuing—

Senator SHOEBRIDGE: It quacks like a duck. It looks like a duck.

Ms Snell: We have not done a reassessment. It may be timely for us to consider doing a further assessment of it, but we haven't at this stage. We are also tracking the migration figures on a regular basis. Whilst we might have seen downloads at a particular point in time, we haven't seen anything that has been sustained over time.

Mr Fleming: The other thing to mention are the rules.

Senator SHOEBRIDGE: I just got a status update from somebody!

Mr Fleming: The rules made under the act exclude categories of services. One of those is messaging. Once you're in, you can also be out because of those rules. We have to work through that process.

Ms Inman Grant: It's a feature, not a bug.

Senator SHOEBRIDGE: Why is Snapchat in, but Messenger and Messenger Kids are out? I can't see a meaningful distinction, and I can't see where you've published anything that explains that.

Ms Inman Grant: We had to look very closely, feature by feature. For instance, there were Snap streaks, which is a gamification feature that's meant to keep kids snapping. I don't think there is a similar feature like that on WhatsApp. There are beauty filters. There is ephemeral media, which, as of today, is now on WhatsApp. It's ultimately up to the platforms themselves to assess. If we start to get wind of the fact that this is looking more like a social media platform, or social media interaction is a significant purpose, then we will relook at it.

Mr Fleming: We do you have a self-assessment tool on our website that platforms can work through to form their own view.

Senator SHOEBRIDGE: My guess is that there aren't going to be a whole lot of platforms putting their hands up and saying: 'Hey, we've just worked out we're a social media platform. Can you please kick off all our under-16 users?'

Ms Inman Grant: Guess what? We did have one or two. Bluesky did, as did Lemon8.

Senator SHOEBRIDGE: Well, yes. But two unicorns don't make a summer.

Ms Inman Grant: But they're rainbows.

Senator SHOEBRIDGE: Indeed. I'll ask about Twitch. The data that I've seen suggests that Twitch didn't even attempt to begin complying with the social media ban until 9 January, yet they got an all clear in the March compliance order. What's that about?

Ms Inman Grant: I'll turn over to Ms Snell. They did tell us that, due to some contractual arrangements they had with users, they couldn't implement until this later date.

Senator SHOEBRIDGE: Even though they had a statutory obligation, they said that there was something contractual. That's not normally how the law works—that you can rely upon a private contractual arrangement to overcome a statutory obligation.

Ms Snell: But it is appropriate for the regulator to weigh up where it puts most of its resources. Our understanding was that Twitch was taking steps to implement, and then did so fully at that point in time.

Senator SHOEBRIDGE: It's just hard to explain an all clear when they weren't even attempting to until 9 January.

Ms Snell: I would not say that they weren't attempting to. They were assessing how they would do it and what the appropriate mechanism was, having regard to the user terms that they already had.

Senator SHOEBRIDGE: Also, if I look at the March compliance update—you say there's no investigation of X for noncompliance—I cannot believe that X is compliant satisfactorily with the ban, given their broader approach, the 'FU' approach they take, to nations trying to regulate.

Ms Snell: Again, I will say that we're focusing our regulatory focus on those that have the greatest number of Australian under-16s. X is not particularly popular with teenagers in Australia. It might be popular more generally, but it is not popular with teenagers in Australia. With the limited resources that we have, we're focusing on the five platforms that are most popular.

Ms Inman Grant: As you would know, we are using other regulatory tools to scrutinise even higher risk issues with X Corp. They're definitely not off the hook.

Senator SHOEBRIDGE: Also, looking at the compliance update, it looks to me like it substantially relied upon a survey of 898 parents. Parents are often the last people in the household to know what platforms young people are using. Is that right? Was it a parental survey that was at the core of the compliance? In which case, that seems to me to be a very erroneous measure.

Ms Snell: I wouldn't say it was the core; it was one factor that informed us around a range of different factors.

Senator SHOEBRIDGE: Looking at the compliance update, it looks like one of your principal measures is the results from the survey, but I can't imagine a less reliable survey than what parents are saying their kids are doing.

Ms Inman Grant: I might add, as we've talked about earlier, there's a lot of sensitivity around the information that can and cannot be shared. Survey data was something that we did transparently and shared in full through that report, so it might have come out as being more prominent than other aspects of the report which are anonymised, but it is definitely not the sole method that we're evaluating on. You might be aware that we are undertaking a more comprehensive evaluation with young people and parents throughout our broader evaluation.

Senator SHOEBRIDGE: One of the principal goals of the ban—I know you're implementing government policy; I'm not looking to you to explain the goals, but one of the stated goals from the government was to reduce online harm. I go again to the compliance update, and you say:

We continue to receive complaints about online harm from children aged under 16 with accounts on age-restricted social media platforms. We have not observed a notable change in the number of cyberbullying and image-based abuse complaints involving age-restricted accounts across the platforms in January and February 2026 when compared to the same period in 2025.

Did it move the dial?

Ms Inman Grant: This has a specific goal. It's an age-restriction bill, and this is why we have the complaint schemes for young people who are experiencing online harms to remediate that harm, and we also have the codes. But I would say to you that I agree to the extent that online harms like cyberbullying or adult cyberabuse or image based abuse happen wherever children are. They can happen on any kind of platform that facilitates social interaction.

Senator SHOEBRIDGE: But the Prime Minister and the communications minister came out, saying: 'This is addressing cyberbullying. It's stopping the online harm of children.' Yet the first time we check the data, it hasn't moved the dial. It hasn't changed a thing.

Ms Snell: I might just add that the point of that data and what we were trying to get at there is really importantly that, notwithstanding the new obligation, young people and children in particular were not feeling deterred from reporting when they needed support. We have been concerned that, because a lot of people are talking about kids not complying, kids might think they would get in trouble if they reported that they'd been cyberbullied on a platform that they weren't meant to be on. We are seeing that they are still feeling that eSafety is a safe place to make a report if they are experiencing that harm.

Senator SHOEBRIDGE: That's a very glass-half-full approach to the data—the fact that having put in this national campaign to address cyberbullying and keep kids safe online, you get exactly the same number of complaints after you put the policy in place as you had before, but one of the good things about it is that we're still getting the same number of complaints because people are still willing to complain to us. I think there's a Cantonese phrase that comes to mind: if you fall flat on your face, when you stand up, pick up a handful of sand. That's the equivalent of that. You're making a virtue of the failure.

Ms Inman Grant: We could have not included that data at all. What we're trying to do, particularly with the longitudinal evaluation—we've got the base line data and, I think, the wave 1 and wave 2 data—is we're going to follow where the evidence takes us.

Senator SHOEBRIDGE: Yes, and this evidence is showing the social media ban has not reduced online harm and cyberbullying for young people. That's what this evidence shows. I agree—we follow the evidence.

Ms Snell: We accept that there is still a large proportion of young people on the platforms. That's why we're saying that we have serious compliance concerns with the platforms and why we're investigating. We're not saying the job's done here.

Senator SHOEBRIDGE: Ms Snell, I don't hold you or anyone in eSafety responsible for government policy. You are implementing government policy. I'm just checking what the data that you have says about the effectiveness of government policy. I don't believe that it's the Ms Heidi Snell social media ban—it's okay!

Ms Snell: All I'm trying to say is that, to me, it's not surprising that kids are still experiencing that harm on these platforms when there are still kids on there. We would say that's because the platforms haven't done enough yet and why we're investigating them.

Senator SHOEBRIDGE: Indeed. I'll just quickly go to two things that are related: your budget and the digital duty of care reforms. Your budget has your funding going down over the forward estimates. Can you talk me through what the numbers show?

Ms King: We do have some terminating measures, which is the reason for any reduction in funding. You might be aware we've received additional funding to implement the social media minimum age, and there's ongoing funding related to that, but two measures will be terminating, which are our technology facilitated abuse service and what we call our family capacity building program, which is developing resources for families to prevent child sexual exploitation and abuse.

Senator SHOEBRIDGE: But technology facilitated abuse is not decreasing. In fact, it's increasing. So what's the reduction in funding associated with that that you're going to face?

Ms King: That's a \$5.4 million appropriation for that. It's extended for an additional 12 months.

Senator SHOEBRIDGE: And then it terminates.

Ms King: That's correct.

Senator SHOEBRIDGE: The digital duty of care reforms are likely to give some significant role to your office. The government has said they're committed to getting them done by the end of this financial year, yet your budget has—

Senator Green: This year.

Senator SHOEBRIDGE: Sorry, yes, this calendar year. True.

Senator Green: We'd be in very big trouble!

Senator SHOEBRIDGE: No, and you didn't nod when I said financial year either, Minister. It's this calendar year.

Senator Green: It's definitely this calendar year.

Senator SHOEBRIDGE: Yet in the 2026-27 budget, there's no funding for eSafety to have an expanded role in terms of dealing with digital duty of care. Has this been a discussion you've had with government?

Ms Inman Grant: I think conceptually we are having constructive discussions with the department who have the pen on this. We're looking at the teams we have in our industry compliance and enforcement area. Ostensibly some of the framework—the bulwark we've built around safety by design and our codes and standards and basic online safety expectations—will be folded into a scheme. So we would repurpose the people to implement this broader, hopefully more powerful, scheme.

Senator SHOEBRIDGE: So where would you get the staff savings and resource savings from if the digital duty of care came in?

Ms Inman Grant: We would utilise the people we have right now who are implementing the codes and the standards, the enforcement work and the BOSE work. This would all become part of a digital duty of care team.

Senator SHOEBRIDGE: Given the digital duty of care covers a vastly greater amount of activity than any of the codes, it's hard to see how translating a team dealing with a modest level of online activity to across-the-board platforms and online activity—I don't see how that smaller team would come anywhere near addressing the task if you were given a regulatory role—

Ms Inman Grant: We have learned to cut the cloth to fit over many years. We'll see as this comes to fruition. I'm sure they will do a costing and they will look at questions about any additional systems or staff that will need to be built. That hasn't been developed yet.

Senator SHOEBRIDGE: You say you're sure. That's lovely to hear. Minister, is there a rock-solid guarantee from the government to give eSafety the additional funding it will need to undertake an expanded role for the digital duty of care?

Senator Green: We're developing the legislation at the moment. The role of eSafety will be determined throughout that process. What the legislation looks like when it's passed through parliament will determine that. The timing of that will also determine when the legislation commences. So there are a few 'what ifs', but we'll work constructively with the eSafety Commissioner. I think that was the starting point of the commissioner's response to you; we're working constructively with them on that, but we take your point that there's a lot of work involved. There's a lot of work involved.

Senator SHOEBRIDGE: Part of the 2025 review of the act was to suggest a multicommissioner role. Are there plans to duplicate the eSafety Commissioner, Minister?

Senator Green: I don't have all the recommendations in front of me. We did respond to which recommendations we were accepting. Do you have the—

Senator SHOEBRIDGE: It was supported by the government. The recommendation to move to a multicommissioner eSafety commission model was supported in principle.

Senator Green: Then that's my answer.

Ms Inman Grant: I can say that the job has grown immensely over the past 9½ years.

Senator SHOEBRIDGE: Has there been any approach to you from the government to progress that recommendation?

Ms Inman Grant: I think they're still working on governance. I've articulated that I think the end of my term, in January, will be the right time for me to hand the reins over to—

Senator SHOEBRIDGE: More than one person.

Ms Inman Grant: More than one person.

Senator SHOEBRIDGE: Alright. Thank you, Commissioner, and thanks to the team for the work.

CHAIR: Senator Smith.

Senator DEAN SMITH: I just want to go to some general process issues so I understand how things work inside the eSafety commission. In other parts of the government, they have various guides available for staff. I'm keen to understand whether or not there's an OPD—that is, order for the production of documents—guidance note or guidance document that's available to staff in the eSafety commission when responding to OPDs.

Ms Inman Grant: You may understand we have a unique governance model where everyone who works for me is an ACMA employee, but I will turn to Ms King to talk that through.

Ms King: We do have a series of standard operating procedures and policies. We'll take on notice anything specific to OPDs, but I'd be happy to talk you through what that process is. Our parliamentary team that handles those has a series of procedures as well.

Senator DEAN SMITH: On notice, if there is a OPD guidance note or document that assist the parliamentary team in providing advice in fulfilling requirements of the Senate, that would be good to know. Secondly, when correspondence is being prepared for the minister in regard to matters relevant to or involving the eSafety Commissioner, is that drafted and prepared by the eSafety commission alone?

Ms King: Correspondence to the minister or for her?

Senator DEAN SMITH: Correspondence to her that she would put her signature on for other stakeholders and other parliamentarians.

Ms King: No, we would not have a role in developing correspondence for the minister.

Senator DEAN SMITH: Who would develop that correspondence?

Ms King: I anticipate that would be the minister's office, and her staff would be—

Senator DEAN SMITH: Only the minister's office?

Ms King: I can't speak broadly for her process.

Ms Inman Grant: Possibly support from the department.

Ms King: Exactly.

Senator DEAN SMITH: I think I've given the secretary of the committee two documents, so we might circulate those. These two documents relate to orders for the production of documents agreed to by the Senate. There are three OPDs: OPD 431, OPD 470 and OPD 383. Each document has a reference number on the top. Are they letters that have been drafted by and in the eSafety commission and then provided to the minister's office? Or, put another way, are these letters familiar to you in the sense or the context that the eSafety commission was involved in drafting them?

Mr Fleming: Never seen them before.

Senator DEAN SMITH: Do they look like documents that would have been drafted by the department, for example?

Mr Fleming: You'd have to ask them.

Senator DEAN SMITH: The commissioner's nodding.

Ms Inman Grant: It could have been from the minister's office with input from the department. They could have looked at a previous ministerial sub or documentation that we had provided for other purposes. But, if the question is whether or not we were involved in drafting these, I think unequivocally the answer is no.

Senator DEAN SMITH: I'll just turn to the document signed by the minister dated 25 March 2026, which relates specifically to the OPD document No. 383, which goes to making a public interest immunity claim in regard to an order for the production of documents related to the 4.7 million accounts deactivated et cetera. Just to be clear, eSafety Commissioner, this is a letter that is unfamiliar to you and you don't recall providing any information or advice to the minister in regard to a public interest immunity claim over that OPD?

Mr Fleming: I don't think that's what we said. We said we didn't draft the letter. I'm not sure whether Ms King wanted to respond to that first.

Ms King: I just add that we didn't draft the correspondence, but, in terms of providing advice around the PII claim, I think that's what Mr Fleming was about to elaborate on.

Senator DEAN SMITH: Great.

Mr Fleming: In last estimates, we had some questions on notice, and we also had the Senate production orders that you mentioned. In relation to each of those, we gave the minister's office and the department our views about why we say public interest immunity should apply to the information requested.

Senator DEAN SMITH: So you gave to the minister's office and to the department a rationale for a public interest immunity claim?

Mr Fleming: Our view about why a PII claim should be made—I think it's important to keep the processes separate. There's a QON process—

Senator DEAN SMITH: Please do, because I'm not talking about the QON process. I'm talking about the OPD process, and I'm talking about it with regard to three OPDs: 383, 431 and 470.

Mr Fleming: My understanding is that we went to the department with our view about the basis on which we say a PII claim should be made.

Senator DEAN SMITH: So you went to the department. You also said that you went to the minister's office.

Mr Fleming: That was in relation to the QONs.

Senator DEAN SMITH: Thank you very much for that clarification. That's important. In what manner did you approach the department in regard to the basis for making a PII claim or the rationale for a PII claim? Was it in a written form?

Mr Fleming: I think the process flow is important.

Senator DEAN SMITH: Yes, please.

Mr Fleming: We respond, as you'd expect, to these requests. In response to the Senate production order request—

Senator DEAN SMITH: I'm not interrupting your train of thought; I'm just trying to elaborate, amplify or illuminate. You respond because information is relayed to the eSafety Commissioner from the Senate, from the parliament, from the government, through the department.

Mr Fleming: Yes.

Senator DEAN SMITH: The department of communications.

Mr Fleming: Yes.

Senator DEAN SMITH: This is the online safety division.

Mr Fleming: I don't know whether it's their parliamentary people or—

Senator Green: The evidence today was that they've got a parliamentary—

Senator DEAN SMITH: No, that's not correct, Senator. There was some evidence today. What I'm doing is completing the evidence.

Senator Green: No, I was just talking about which branch. Apologies.

Senator DEAN SMITH: That's correct. So it goes to the department, and the department sends it to you. To whom does it get sent: the commissioner; you, Mr Fleming, as general counsel; or the parliamentary team?

Ms King: It goes to our parliamentary team. They play a coordinating role for any requests for OPDs, and they identify the appropriate line area and include the senior executive related to that, for visibility. Those documents are gathered by that area and then get passed to legal for a legal review and anything involving something like a PII claim. That point, I think, is where the information would be collated and then sent back via parliamentary to the department. It's all centrally coordinated through our parliamentary team.

Senator DEAN SMITH: Mr Fleming said it's sent to the department and the minister's office.

Mr Fleming: That was the QONs.

Senator DEAN SMITH: You're quite right—it is late for some of us! So it goes to the department. Then do the eSafety commission and the department have a conversation around the rationale or the justification for the PII claim that the eSafety commission would have made?

Mr Fleming: That's possible. I don't know on this occasion, but generally we provide some supporting information in a written form. Even if there were a conversation, we would provide that in a written form for the minister to consider that claim.

Senator DEAN SMITH: If it was provided in written form—I've got a high level of confidence it was—on notice, can you make that available to this committee.

Mr Fleming: We'll take that on notice.

Senator DEAN SMITH: The department receives it. The two letters that you've got in front of you, Mr Fleming or Ms King—do they look like a summary or summation of the justification rationale for the PII claim that you provided to the department?

Mr Fleming: I think it's fair to say that they're broadly consistent. I wouldn't be able to give you much more detail than that unless I had the documents in front of me.

Senator DEAN SMITH: That's alright. On notice, could you review the letters. If there are any omissions in regard to the information that you provided to the department, that would be interesting for me to note—

Mr Fleming: We'll take that on notice. You will recall that when we were at estimates last, we did foreshadow to the committee that we would be making the PII claim, so it shouldn't be too much of a surprise that we made that claim.

Senator DEAN SMITH: Late last year, or earlier this year, there was a very public demonstration of how a department had completely misunderstood—I'm being generous—how to respond to OPDs, and it was necessary to furnish some advice from the Senate Clerk to the department in the public arena. The consequence of that, I'm happy to say, was that the department updated and improved its OPD guidance for officials so that the government, in the broader sense of the word, could respond in a responsible way to these orders of production which are made by 39-plus senators—as you'll appreciate, they require a majority of senators to agree with them, and they are decisions of the Senate.

What is of interest to me is that there was an OPD, No. 383, and then there were two compliance orders of the Senate insisting that the original OPD No. 383 be complied with—normal practice. They were agreed by a majority of senators, so they became enforceable. In advice that the minister provided to Senator Farrell, who was the responsible cabinet minister in the Senate, in regard to compliance order No. 431, the minister says that:

... disclosure of the specific information obtained by eSafety has the ability to prejudice the regulator's ongoing ability to appropriately and effectively investigate compliance.

A general statement, right? And I accept that general point. Then, following the second compliance order, No. 470, which was agreed to by the Senate on 31 March, the minister's response, I would say, was more precise. It's the evolution of that original advice in No. 431 to the more precise advice in No. 470 that I'm interested in. The advice in regard to No. 470 said:

... the release of any further detail or information could prejudice the eSafety's commissioner's ability to effectively engage in compliance and enforcement activities.

Very similar to the first statement. Then it says:

Notably, the eSafety Commissioner is actively investigating potential non-compliance in relation to five platforms: Instagram, Facebook, Snapchat, TikTok and YouTube.

What I'm curious to know is: why did the first response lack that specificity of 'actively investigating potential noncompliance'?

Ms Inman Grant: I'm noting the date of 31 March 2026. That was the day that we put out our public compliance report. And so that we had processed enough of the—

Senator DEAN SMITH: That 31 March date is the date that the Senate agreed the order. That's right. And then separate to that, you've released—

Ms Inman Grant: Basically, our investigations and our focus on the five platforms had moved on considerably since the first letter. That's why I believe there's more specificity. We were able to uncover the poor practices that were being implemented and the fact that 70 per cent of young people who were still on platforms were on those five platforms.

Senator DEAN SMITH: Were you actively investigating any potential non-compliance when the Senate order 431 was agreed by the Senate?

Mr Fleming: We've been actively investigating since 10 December 2025.

Senator DEAN SMITH: Since 10 December?

Mr Fleming: Yes. The only thing that's changed in that period is the listing of the platforms in our compliance report. Ms Snell could say how many notices we've issued, but we've issued a number of notices to a number of platforms.

Ms Snell: I think it's around 23 off the top of my head.

Mr Fleming: These have been ongoing investigations, absolutely.

Senator DEAN SMITH: What I'm curious to know is—the coalition was interested in getting the aggregate figures from each platform to trust and verify that the 4.7 million figure was accurate—how does the disclosure of that information, which was provided to you in aggregate by each of the platforms and which then gets you to the 4.7 million, prejudice the investigations that are under way? Can you just explain that to me?

Ms Snell: Yes, I can start with that. I think it relates to the fact that that information is obtained under compulsory information notices. And as the correspondence, which is actually from the minister, says, our concern is that if we start disclosing any information that we receive that's identifiable in relation to a particular notice then that starts to undermine the integrity of those notices. Companies—

Senator DEAN SMITH: Even the aggregate disclosure?

Ms Snell: Well, we've given the complete aggregate in terms of the 4.7 million. If we were to provide it by platform, then that's specifically the information that an individual platform has provided in their individual response to a notice. If we start providing information that we've received under these notices, then that disincentivises companies to comply with the notice or to give us the full information that we require under those notices not just in relation to this investigation but more broadly.

Senator DEAN SMITH: Clearly, laterally thinking people and world-class social media innovation—why did you not offer to the minister and to the department to make the information available to senators like myself and Senator Henderson on a confidential or in-camera basis? Maintaining high levels of public confidence around information that comes from the eSafety Commissioner and particularly the Prime Minister is very, very important. We know how public interest immunity claims work, and there are certain opportunities for exemptions. We totally understand that. Public trust is very, very important. So why is that not an option available to the eSafety Commissioner, or is it? Information is provided to the Senate on an in-camera basis quite regularly, and I can't recall a breach of the confidence that—

Senator Green: I can.

Senator DEAN SMITH: I can't.

Senator Green: Of in-camera evidence?

Senator DEAN SMITH: In-camera evidence—I can't. You might just want to take that on notice, Senator.

Senator Green: Okay. Well, plenty of things have come out of private meetings.

Senator DEAN SMITH: I've been here slightly longer than you—

Senator Green: I know.

Senator DEAN SMITH: and certainly in Senate committee hearings—

Senator Green: To be clear, that's not come from yourself or anyone—

Senator DEAN SMITH: Of course. That's not how I interpreted it. That's right.

Senator Green: I'm talking about some other people in the parliament.

Senator DEAN SMITH: So, thinking laterally, maintaining high levels of public confidence is important.

Mr Fleming: We are at a very important stage of our investigation, so I wouldn't rule anything in or out, but I think at the moment the nature of the investigations is such that we're doing what you want to do, which is to test the numbers and understand whether the platforms are complying with their reasonable steps obligation. I imagine the first question you'll ask us is, 'Are they complying?' We need to have an answer for that, and that's what our investigation is focused on.

Senator DEAN SMITH: When is that investigation around the 4.7 million expected to be completed? Some of that information has been publicly disclosed by platforms, but I still understand it needs to be verified. I understand that.

Ms Snell: As I said earlier, at the moment we are continuing to investigate. The investigations will conclude at such time as we consider that we have assessed and are satisfied that platforms have taken reasonable steps and there's no need for us to take enforcement action or at a point in time where we are satisfied that we have sufficient evidence to bring some sort of enforcement action, whether that's more administrative, in terms of enforceable undertakings, or civil penalty proceedings, at which point in time we will commence such proceedings.

Senator DEAN SMITH: Today is 27 May, the Prime Minister's announcement was made on 10 December and you're still unable to say with 100 per cent confidence that the 4.7 million figure is accurate.

Ms Snell: We are still investigating. Unfortunately, much as I'd love to get to the end of the investigation as quickly as possible, these things do take time, and it is appropriate for us to exercise the due diligence to investigate properly and to consider that we have the reasonable grounds to bring proceedings if that's the case. I will note that we're at about six months at the moment. I've got 25 years experience in regulatory investigations and, in terms of investigations, six months is not a very long time to have investigated something. For example, as the commissioner mentioned in her opening statement, the ACCC proceedings that have just concluded in relation to Coles's conduct in February 2022 commenced proceedings in 2024. That's two years after the conduct occurred and then another two years for the court process.

Senator DEAN SMITH: Did the Prime Minister or anyone in the Prime Minister's office think to ask how long it would take to verify that 4.7 million figure in his public statement?

Ms Inman Grant: I actually don't—it was emblematic. To give you some confidence that we tried to secure transparency upfront, we wrote letters to all of the platforms telling them exactly what we planned to do with that first set of notices and when we were going to deliver them. We invited them to make voluntary public compliance reports about how many accounts that they planned to deplatform that they had identified. Every single one of them declined to do that voluntarily, and that was on the basis of providing public transparency. I think Ms Snell has done an excellent job of explaining why we need to maintain the confidentiality, but I would also have you know that, even just going after these five companies, they're worth \$2.4 trillion vis-a-vis a very small organisation. I don't want to give them any fodder. Some of them feel very strongly about keeping the confidentiality of this data. These numbers will come out eventually. I commit to you to be as transparent as I can be when I can be, but it's not worth undermining an investigation for.

Senator DEAN SMITH: Commissioner, everything you have said demonstrates to me that more prudence and more caution should have been used before attaching a 4.7 million figure into a prime ministerial media statement. Everything you have just shared with me reinforces in my mind that due diligence or better diligence should have been applied and wasn't. That's what I've just heard.

Ms Inman Grant: We tried to apply due diligence—

Senator DEAN SMITH: I'll bring this to a close in a few moments. Your comment about something being emblematic: what was emblematic—the 4.7 million figure?

Ms Inman Grant: I'm not sure what you're referring to.

Senator DEAN SMITH: In a previous comment, you talked about something being emblematic. I wasn't sure if—

Ms Inman Grant: When I was talking about giving companies the opportunity to put a public compliance report out voluntarily to indicate how many they planned to identify and deplatform and what their plans were, just so users of the platforms could anticipate: were they going to be using facial age estimation, Connect ID, digital ID or a combination of the above—that sort of thing.

Mr Fleming: Senator, I want to give you more context, because we've been talking a lot about the 4.7 million number. The provision in the act is that age restricted online social media platforms must take reasonable steps. It's not just about the 4.7 million; it's about whether or not they're taking steps to keep under-16s off their platforms.

Senator DEAN SMITH: No, no, no. I understand that from your perspective, Mr Fleming, but from my perspective it is about the 4.7 million, and from the Senate's perspective it is about documentation which it has asked for. So, yes, it is about the 4.7 million. The first significant public statement—decision-makers in the government thought it necessary not just to have it between the eSafety Commissioner and the relevant minister but to elevate it to a prime ministerial statement. Senator Henderson and I are curious why more diligence was not applied to the use of a figure like that, in a prime ministerial statement, which six months later remains unverified.

Ms Inman Grant: May I ask what that diligence would look like, Senator Smith? What do you mean—

Senator DEAN SMITH: The absence of a figure because it couldn't have been verified is due diligence—is a diligent response. Or a figure that was somewhere between zero and two million. You say to the Prime Minister and you say to the government, 'We think it could be 4.7 million, but you'd have to put an asterisk next to it because that is a figure that we can't yet verify, and actually we may not be able to verify it for six months, 12 months or even 24 months.' That statement, on 10 December, was designed to deliver a high level of public confidence in this initiative, and at the heart of it was a statistic that remains unverified. I just do not think that was an appropriate way for the minister, an appropriate way to govern, or a step that protected the integrity of the eSafety Commissioner or the commission.

Ms King: I want to add, speaking not to the Prime Minister's statement but to the eSafety Commissioner's own statement, it does make clear that this was an early indication of platforms taking some action and this was not a sign that it constituted compliance. I think eSafety was very mindful to make sure that any figures were caveated. I want to give you some confidence that that was considered in our statement.

Senator DEAN SMITH: Yes, but I think the Prime Minister's statement was much more definitive.

Ms King: I can't speak to that.

Senator DEAN SMITH: So you accept that, Ms King—that the Prime Minister's statement was more definitive?

Ms King: I'm not saying that; I'm just speaking to what our statement was and on behalf of what the eSafety Commissioner has said.

Senator DEAN SMITH: At the heart of Senator Henderson's questions around the FOI document was that we suspect—and we can only suspect, because we don't have full transparency, and no-one from the government has offered a private briefing or an in camera session—that there might actually be some discourse, some discussion, around a figure that was finally included and what a previous figure might have been. Anyway, that is a guess on our part because we're not able to substantiate it. My last point is, Commissioner, you said in response to some questions from Senator Henderson that you were satisfied that the 4.7 million figure was accurate. If you become aware that the 4.7 million figure is not accurate, will you disclose that at the earliest public opportunity?

Ms Inman Grant: Absolutely, particularly if they lied and were deceptive in their legally enforceable notice. We've worked with all of these companies long enough that they know that, if they prevaricate or—I don't see what kind of incentive they would have to fudge the numbers, frankly. The verification has to come from the companies themselves. Of course, because we did the baseline work, none of them were so out of whack that—

Senator DEAN SMITH: That's a very good point—that this is about maintaining levels of trust not just between the eSafety Commissioner and the community but between platforms themselves and the community, the Senate and the parliament. It's a very valid point. Thank you very much.

CHAIR: Do you have further questions, Senator Henderson?

Senator HENDERSON: Yes, just a couple of questions. Commissioner, can I ask whether you could provide any update on whether there've been any improvements to how platforms are combatting child sexual exploitation material and the publication of that material, including live streaming.

Ms Inman Grant: I still think there is a long way that a number of these companies can go. We've got a periodic report, where we're checking every six months. The original one around child sexual exploitation was done in 2023. One significant thing that happened as a result of the transparency reports is that Skype—which, from my days at Microsoft, I have been concerned about as a vector for live streamed child sexual abuse—was deprecated altogether. I met with the president of Microsoft, who felt a little bit blindsided that the transparency report had been so negative. I told him why, and he committed to me that he would speak to the product leaders and the engineers in Estonia, and I think what they ultimately determined was that they couldn't make it safer, and they had Teams, which was a superior product. I think we have seen some improvements to Teams since that time, and we have seen some nudifying features that FaceTime have employed. I'm trying to remember what else off the top of my head.

Ms Snell: Our report, too—which was in February—of the periodic reports did identify some expanded use of hash matching, amongst other things, on some of those services, but we did also identify then that there were still significant safety gaps in terms of addressing the online live streaming of CSAM. Our next report is due out in around July this year, and the team is currently analysing information received in responses to that. We will have an update for you on that around July, and we're definitely happy to talk more about that at the next estimates.

Senator HENDERSON: Commissioner, have you provided government with any advice as to what more the government can do to combat CSAM?

Ms Inman Grant: Obviously, in the context of talking through the Online Safety Act review recommendations. This has been a huge priority for us for some time. We continue to do the work. We're updating our technology infrastructure and our technologies to be able to classify these more quickly, and we're working with organisations like the Canadian Centre for Child Protection to be able to classify more new images and making sure that we have safety and wellness provided for our investigators through greater image-masking technologies.

Senator HENDERSON: Sorry, can I just go specifically to my question. Have you provided government with any advice as to what more can be done to combat child sexual abuse material online?

Ms Inman Grant: I think the Attorney-General has just opened a new consultation around that, and that's where we will be providing that information based on what our intelligence team has seen, based on the huge preponderance of the about-50,000 reports we get every year that are largely around child sexual abuse material. We're looking at trends as well—the focus on both sadistic and financial sexual extortion. The use of AI to generate synthetic CSAM in schools is a huge concern to us. We still have a high success rate in terms of getting that content taken down, and, as I said, we're going after some of those nudifying sites. I would like to also target a range of nudifying apps that are being used. Again, the app stores do serve as gatekeeper services. We expect them to enforce their own policies and to not, essentially, fund or give them a distribution network.

Senator HENDERSON: In relation to child sexual abuse material and the ways in which the government might act to improve the combating of such material online, could you provide on notice any advice you've given to government since 1 July last year.

Ms Inman Grant: Sure, we can take that on notice.

Senator HENDERSON: Thank you.

Ms Inman Grant: You may have seen that Australia was No. 1 in the Out of the Shadows Index global study. It was just released in Geneva, I believe, at the World Health Organization. That's based on the proactive work we are doing on child sexual abuse material.

Senator HENDERSON: That's a great credit to you; thanks very much, Commissioner. Just quickly, before I finish up—the antisemitism envoy made very special mention of the vile spread of antisemitism online, including via social media, amplified by bots and AI. Have you developed any plans to combat antisemitism online that are not already public? Have you made any submissions or proposals either to the antisemitism envoy or to the government?

Ms Inman Grant: I've been speaking extensively to the antisemitism envoy and her team, including this week. She has a policy action plan that we have commented on. We've seen the recommendations in the Online Safety Act review, and there are no current proposals to expand the Adult Cyber Abuse Scheme. I actually believe

that using something like the digital duty of care and having an online hate code that requires the platforms—who have these very sophisticated linguistic and symbolic content moderation systems—to detect, deter and prevent the hosting, sharing, amplifying and generation of this content and it going viral so that we're not on the back end playing a game of whack-a-mole would be one of the best ways that we could stem this horrendous, vile tide of antisemitism and other forms of online hate. We put the onus back on the platforms to prevent them from hosting and sharing it in the first place.

Mr Fleming: Each of the major platforms has policies against online hate, yet here we are.

Ms Inman Grant: I'd also like to mention something I think would be of concern to you. When we are trying to prevent the virality of extremely violent content, what we consider to be class 1 content—as you know, we're tied to the national Classification Board—we've seen the companies pushing back on taking down online hate or violent extremism that they normally would have taken down in the past. One of those was the Charlie Kirk assassination video. The other was a very violent killing of a Ukrainian student on a Charlotte train. The third piece of content was of post-mortem Bondi shootings.

We needed to get those classified as 'refused classification' by the Classification Board. That was the basis on which we were able to issue removal notices, particularly in the wake of Bondi, the day after, to prevent that virality. Unfortunately, X Corp has challenged the classification of all three sets of content. The Classification Review Board decided to downgrade the classification of the Charlie Kirk assassination video and the Iryna Zarutka video to R18+, which means we had to remove the removal notice. So we had the success of stemming the virality, but now they're free to monetise it and amplify it. I'm not at liberty to say where the Classification Review Board has come down on the post-Bondi footage, but I can tell you that, when we saw that they had applied to be able to show it, we applied as the defendant. We think it would be very horrific, obscene and damaging to the community if that were to continue to be shared.

So there are many different manifestations of this. There are all these sites, whether you're talking about Gab or Kiwi Farms or 8chan, that are hosting manifestos and videos. We've run a recent own motion investigation called Operation Catalyst to remove as many discoverable manifestos as we can. Almost all of them have antisemitic, Islamophobic and misogynistic content in there, and they, again, serve no purpose other than to normalise, desensitise and sometimes radicalise.

Senator HENDERSON: Thank you, Commissioner. Could you provide on notice any advice that you've provided to the minister or to government in relation to how we make changes to the current law to combat antisemitism online, in particular. I obviously refer particularly to any advice following the Bondi terrorist attack. If you could provide that on notice, I would be most grateful.

Ms Inman Grant: Thank you.

Senator HENDERSON: Thank you very much. I don't have any further questions.

CHAIR: On that note, we can excuse the eSafety Commissioner and your team. Thank you very much.

Ms Inman Grant: Out by nine? Let's call that a win!

Proceedings suspended from 20:47 to 21:00

Australian Postal Corporation

CHAIR: Welcome, officers, and welcome, Mr Paul Graham, group chief executive officer and managing director. Do you wish to make an opening statement?

Mr Graham: Yes. Thank you. I would like to start by acknowledging the traditional custodians, the Ngunnawal and Ngambri peoples, and pay my respects to their elders. I join you today as Australia Post continues to face challenging times. Structural declines in letter volumes and intensifying parcels competition driven by global marketplaces have been further compounded by the largest oil shock on record. The Middle East conflict has triggered extreme fuel market volatility, with a direct and material impact on Australia Post. Like for many Australian businesses, fuel is an integral component of our operating costs and is not a cost we can simply absorb. I want to take some time to provide the facts on how we are responding to this situation.

Since the crisis began, our fuel costs have risen sharply, from \$35.7 million in February to \$50.3 million in March and higher again in April to \$56.5 million. To put that into perspective, our April fuel costs were significantly higher than December last year, despite volumes being a third lower than our busiest peak period. To address these significant cost increases caused by the fuel crisis, we've had to adjust our fuel surcharge for our larger contracted corporate customers. A fuel surcharge is a standard, industry-wide mechanism for recovering fuel costs from contract parcel customers. It's based on a rigorous formula which is externally benchmarked and reviewed by our auditors and is consistently fluctuated on a monthly basis.

We've had a fuel surcharge mechanism in place since 2017 for Australia Post and since 2005 for our StarTrack customers. I want to stress that 94 per cent of our parcel customers are not subject to the fuel surcharge. Last month it applied to 17,000 contract customers, which is six per cent of all of our customers. Claims in the media that it will increase parcel prices by over 300 per cent are simply wrong. In practical terms, the cost to send a \$10 parcel for these customers has gone from \$10.48, including the fuel surcharge before the crisis, to \$11.95, a 14 per cent increase in cost, which will come down once fuel volatility eases.

Despite the increase in fuel, the Australia Post surcharge remains one of the lowest in the transport industry. We delayed the increase for as long as possible, but, ultimately, we had little choice. Given the highly volatile nature of this fuel crisis, we do not expect that the fuel surcharge will cover the significant additional cost increases of recent months, so we will suffer significant losses on fuel, despite the charge. However, I am pleased to report there is some better news for fuel on the horizon. As we have seen fuel prices stabilise, remembering our surcharges are on a lag, tomorrow our July surcharge will reduce to 12.3 per cent. We are laser focused on ensuring our rates remain competitive in a very tight market. Despite the inflationary environment, the annual price review last year saw our rates increase by just 1.95 per cent, far less than the annual inflation rate. We're doing what we can to support Australian businesses in these tough times, and the wider team deserves great credit for their efforts. We have to be careful not to erode community trust in our business and give a leg up to international competitors.

We're also futureproofing our business and reducing our reliance on fuel by accelerating the electrification of our fleet. The government's recent announcement of a \$40.5 million investment for electric vehicles for Australia Post, which builds on our existing fleet of more than 5,100 EVs, is expected to cut diesel use by nearly 900,000 litres and reduce our carbon emissions.

Despite tight margins and rising costs, we are investing to ensure we remain a vital part of our critical national infrastructure, particularly in rural and regional Australia, where we provide essential postal and banking services, and support local ecommerce businesses. We've recently opened a new delivery facility in Corowa, New South Wales, with further sites at Murray Bridge, Kadina, Port Pirie and Tanunda to open across regional South Australia.

Over the past few months, we've opened a number of post offices in regional areas, including community postal agencies in Greta in New South Wales, Eton in Queensland, Cooe in Tasmania, Torquay North in Victoria and Waterloo in Western Australia. This month we officially opened the Brisbane-North parcel facility, Mookin-Yaba, and announced a new facility next to Hobart airport. These complement major projects already underway, including the new Sunshine Coast parcel facility and our half-a-billion-dollar Adelaide parcel super hub, as we build safer, more efficient facilities that support our teams and deliver for customers now and into the future.

Our licensed post offices play a vital role in supporting communities, especially in regional Australia. Last year, commissions rose to \$604.2 million to support our LPO partners. Updated Bank@Post agreements will further boost future payments, and we continue to invest in technology and services to help more than 2,600 licensees adapt as customer needs evolve.

We're acutely aware of the financial challenges facing some licensees as over-the-counter transactions continue to decline year on year and more customers shift to digital channels. I've raised these challenges with this committee multiple times over the years, and we recently negotiated fairer and more appropriate agreements with our banking partners, which secured higher commissions for our licensees. Over the past 18 months, Australia Post has been in active engagement with our LPO network and conducted multiple rounds of consultation with the licensee representative council, POAAL and LPOG to present a program that better supports the long-term sustainability of small businesses, particularly in regional, rural and remote Australia.

Australia Post is focused on presenting practical measures to improve the overall sustainability of individual licensees and the broader LPO network. Our latest discussions have focused on modernising operations and updating agreements to provide greater clarity and commercial certainty—alongside a simpler, more predictable payment model, with a fixed base component that better rewards licensees and reflects that over 60 per cent of post office visits are now parcel related—so we can continue to meet the needs of customers now and into the future.

I've said before that letters will never return to profitability, and continued digitisation of services will further reduce over-the-counter transactions. Our parcel business is growing, but our community service obligations, rising costs and unprecedented competition point to a very challenging financial outcome. Further reform of our business is essential.

In closing, I'd like to thank our team members, licensees and delivery partners, who are the beating heart of the communities that we serve, and our hundreds of thousands of customers, who support us every day. By fighting hard and planning for the future now, we're building a modern, sustainable Australia Post that will continue to serve all Australians for generations. I'm happy to take your questions.

CHAIR: Thank you, Mr Graham. If you would also table a copy of that opening statement, that would be wonderful. I'll go to Senator Henderson.

Senator HENDERSON: Mr Graham—and to your team—good evening, and thank you very much for your attendance. First of all, I want to ask you about post office closures. I sought some information through your government affairs office, asking what post offices Australia Post is planning to close and for what reasons. I was stymied; I was not given any information whatsoever. I think I made my views pretty clear to Mr Gale—that I didn't think this was acceptable.

The statement of expectations makes it clear that, whenever there is a proposed post office closure, the government expects the community to be consulted and there to be at least a 60-day notification period where practicable. So can I again ask you to table or provide us with a list of proposed closures or recent closures, certainly since 1 July 2022; I'll ask for that on notice. I don't think it's good enough that Australia Post is not cooperating, because post offices, particularly in regional communities, are the lifeblood of those communities. If a licensed post office or a corporate post office is under threat, that is not good enough, when communities so depend on their local post office.

Mr Graham: We are not stymieing your request for information; we simply do not have a list of closures. We can provide, as you said, the information dating back to 2022. I'm happy—

Senator HENDERSON: To be fair, I didn't ask for that, but I did—sorry, I don't want to interrupt you. I am seeking your advice as to what post offices you are closing across the country and for what reason. I was told, 'We don't have a list.' I'm asking for that information. Even the government has made it clear that there should be proper transparency when a post office is proposed to be closed.

Mr Graham: There is. You mentioned the 60-day notice period. We've now extended that notice period to 90 days and we have doubled down on consultation with communities. What I would say, and it relates to my opening statement, is that we recognise that the licensees in particular have got some challenging financial situations in front of them. We are seeing a demographic shift in the ownership of licensees. The vast majority of licensees, particularly in regional Australia, are only in retirement.

What we have seen is the vast majority of closures that have been undertaken have been taken by the licensee handing back their licence, usually at very short notice, which puts us in a difficult situation with those communities by having to react very quickly to that notice. This may be due to financial situations, retirement or indeed illness. We do not have an active list for anticipated post office closures. We have a regulatory obligation to maintain 4,000 post offices—with 2½ thousand being in regional, rural and remote Australia—and we are extremely committed to that. What we face is—

Senator HENDERSON: Sorry, Mr Graham, I'm going to cut in here, because I've asked for that list.

Mr Graham: We don't have a list.

Senator HENDERSON: I've asked for you to compile that list, and I actually wrote to Mr Gale—

Mr Graham: Sorry—a list of closures or anticipated closures?

Senator HENDERSON: Both.

Mr Graham: We don't have a list of anticipated closures; we have a list of previous closures. Again, I'm happy to provide it. I think in a previous QON that information may have been provided, but I'll double-check that.

Senator HENDERSON: What I'm also seeking is a list of proposed—where you are actively consulting with the community, where there are threatened or likely closures, where the local LPO is saying: 'I can't continue to keep the doors open anymore. My post office is not viable.' I did write to Mr Gale last Friday to put Australia Post on notice that I would be expecting you to bring this material forward.

Mr Graham: As I said, I'm happy to provide you a list of closures that have been issued to date. The closures that you mentioned, where a licensee is handed back, are in the public domain because they usually garner publicity from the local community. We, unfortunately, in the vast majority of cases, are as surprised as the community when these closures take place. They happen literally overnight, and we find out through the community channel the same way the community does.

We do not have a list of active closures that we are forcing to close, apart from our buyback program, which I've talked to you and this committee about on numerous occasions. That was a program targeted at metropolitan areas where we have a significant overlap of post offices, and in consultation and full agreement with the licensee associations we launched a buyback program. That program has been halted.

We are considering, again, in consultation with the licensees, to reactivate that program, but we have no active closure program in place other than those closures that take place due to the circumstances that you referred to, where a licensee hands back either through financial stress, illness or retirement, or a combination of all three.

Senator HENDERSON: Are you able to bring any of that information that I asked for last Friday forward now?

Mr Graham: I don't have the information in front of me. We have a previous QON, I think, in relation to post office closures. Is that right, Mr Macdonald?

Mr Macdonald: There have been previous responses to questions on notice. There wasn't one in the previous round—

Senator HENDERSON: I'm sorry, Mr Macdonald, but I'm well aware of what you've provided to the committee on notice. Mr Graham, I am disappointed about this.

Mr Graham: I'm unsure what information you're asking for.

Senator HENDERSON: I don't know how many more times I've got to say it. I referred to my email, twice, that I wrote to Mr Gale last Friday, which said that I was seeking information—let me tell you, when I was last the shadow minister in this portfolio, I went down dale and up hill to get this information. The reason I'm pretty annoyed about this, Mr Graham, is that Australia Post has a track record of stymieing information in relation to post office closures, and I am determined that that not continue to happen. I think it's fair, particularly on behalf of regional communities and smaller communities who love and depend on their post office—on behalf of all of those communities we, the coalition, are and I am asking for full transparency.

Mr Graham: Thank you, Senator. Again, I would like to clarify what information you're seeking. If you're seeking a list of past closures, I'm happy to provide that information. We do not have a list, an active list, of future closures. We have not closed, to my knowledge, any regional post offices. Yes, we have in metropolitan areas—and I fully agree with you about the critical role that those post offices play in those communities. When these licensees hand back their licence at short notice, we activate our team on the ground and work with that community to either issue an expression of interest for someone else to take up that licence—

Senator HENDERSON: Okay, Mr Graham, I'm going to stop you here. I am really unhappy about this.

Mr Graham: I'm still not sure what you're unhappy about, Senator.

Senator HENDERSON: I am going to put to you that, in Australia Post, you do hold this information. I've just received some information saying that you do hold this information. I would ask you to be very careful with the evidence you are giving right now because you are under oath. I just received a message right then.

Mr Graham: In relation to what?

Senator HENDERSON: It says that you do hold this information.

Mr Graham: What information are you talking about specifically?

Senator HENDERSON: Mr Graham, I'm not going to put up with this; I'm sorry.

Mr Graham: I'm seeking clarification, Senator. We do not have an active list of closures. I've made that clear.

Senator HENDERSON: You have information in Australia Post as to threatened closures, as to licensed post office owners who are saying, 'I can't keep the doors open any longer.' You have information at Australia Post about correspondence from owners who are saying, 'I am going to have to close the doors.' There is public information as well. I'm asking for that information, Mr Graham, and I'm asking for it urgently. On notice, if you could provide all post offices which have been closed since 1 July 2022. I will now go to my next question. How many licensed post offices have closed, handed back their license, sought to hand back their license, failed to sell or moved onto short-term or non-standard licence arrangements since 1 July 2022?

Mr Graham: I'll take that question on notice.

Senator HENDERSON: Do you have any information at all—say in the last 12 or 18 months?

Mr Graham: We have a large network of over 4,082 post offices. There is activity with those licensees in an open market which Australia post does not get involved in, where those licensees put their businesses up for sale and they negotiate with prospective buyers. When that buyer is in the formal process of obtaining that business, one of the things that the licensee has to do is seek Australia Post's permission to transition that licence, and then

we get involved with the existing licensee and do our due diligence on the new licensee. We do have licensees who come to us from time to time, usually through the association, expressing the fact that they are either retiring, going through illness or cannot make a go of it, and we work with the associations and with those licensees to either facilitate the transition of that license to another party or some other exit process—indeed, in the case of those in metropolitan areas, we would offer a hand-back and agree with a 1.5 multiple for that hand-back.

Senator HENDERSON: Does Australia Post keep any list, dashboard, risk register or internal record of licensed post offices at risk of closure, hand-back, failed sale, licence expiry, nonrenewal or short-term licence uncertainty, or any other documents or correspondence in relation to those matters?

Mr Graham: There's no licence expiry. The licence is a perpetual licence, so the licences do not expire. If there's a short-term lease taken by the licensee, that is on their behalf; it's not in relation to Australia Post—

Senator HENDERSON: Well, that's what I'm referring to as a 'short-term licence'. Anyway, just tell me the nature of the records that you hold.

Mr Graham: We do a number of things. Obviously, we keep a review of licensees and the general financial health. We see the commissions that we pay. Where they are in a business that is a mixed business, we don't see the other half of that business, so we don't know if that business is trading well or not well, all we can see are the commissions that we apply. We have, in relation to those that we looked at in metropolitan areas as part of the licensee buyback, we targeted initially those licensees that we felt were below the headline, to use a term, because of the low level of commissions that they had. We have—I wouldn't say a risk register—an indication of those we believe are doing it tough based purely on the amount of commissions that they get, and we keep a watching brief on those. That will be through what we call our field agents, who go out there and talk to those licensees and say, 'Hey, do you have any future plans?' We do know of those licensees who have been talking about retirement. For example, we ran a survey last year of licensees. Two-thirds of our licensees said that they were considering retirement in the next three to five years. Again, that increases the risk for our network. Therefore, we stay close to those licensees so we can proactively manage if they do, indeed, decide to hand back their licences.

Senator HENDERSON: I want to raise serious concerns from multiple licensed post office operators, including in regional Queensland, about declining viability due to Australia Post's policy and operational changes. I'll run through the list. There has been removal of services. There have been multiple removals of various transaction and other services from some LPOs. There have been reduced banking and financial services. In some communities, where they rely on their post office for their basic banking, declining customer activity is a huge issue. There is slower letter delivery, loss of key services, including the withdrawal of services such as Western Union, contract uncertainty and geographical disadvantage. What is Australia Post's plan to boost the viability of licensed post offices? I'm going to ask you to keep your answers short. What operational or policy decisions have been taken by Australia Post since 1 July 2023 which affect services provided by the LPOs, including things like Bank@Post, Billpay, identity services, parcel collection, Safe Drop and StarTrack traffic or remuneration—all of the changes which have affected viability?

Mr Graham: It's a long question. I will try and keep my answers brief. We have done nothing but improve and increase banking services to licensees. We negotiated with the four major banks. We took an agreement that was in place for 10 years, and we said that that agreement was not acceptable. We renegotiated that agreement, which resulted in 30 per cent more commissions for licensees. It also introduced the ANZ. We have seen those commissions and transactions go up quite significantly for licensees in relation to Bank@Post. We haven't withdrawn any Billpay services. We have not withdrawn any significant services, or any over-the-counter services, that have been in place with licensees. I'm a little bit confused as to the claims that are being made.

In regard to Western Union, yes, we are withdrawing from Western Union. We have concerns in relation to the integrity of the checks and balances that Western Union have in place, and we feel that that is too great a risk for Australia Post to take on. We have said to licensees that, if they wish to have an individual agreement with Western Union to continue that service, they are more than welcome to do that.

We have seen some of the over-the-counter services reduced, but this is nothing to do with Australia Post. This is to do with state or federal governments digitising those services. For example, a fishing licence in Queensland is still available over the counter, but the Queensland government have completely digitised it. So we've seen a drop in those services.

We are focused on continuing to make sure that post offices, particularly licensees and particularly in regional and rural Australia—we have a regulatory commitment of 2½ thousand licensees that remain present—remain viable. It's critical that they remain viable. Indeed, in the 183 towns where we are the only banking service in

town, we are committed to keeping that banking service. We know that without that those towns face huge hurdles. We are continuing to look at the range of services we provide. We've met with every federal government department and every state government department to look at over-the-counter services. The simple fact is that there are not many of them available, and those that are available are sunset services because they are becoming digitised.

We will continue to look at other opportunities to increase revenue. The growing part of our business is, indeed, the parcel business, and we have seen significant growth in that business. That has been to the benefit of Australia Post and licensees. We have said to both licensee associations that, if they have any specific ideas in regard to services that we can provide, we would be happy to provide them. We have talked to the banks about increasing some of the over-the-counter services that we can provide, but these are not going to be the magic bullet that will sustain post offices, because they are limited. Once we get beyond that, we are then getting into what I would call personalised or more complex banking services, which we are simply not capable of providing. Likewise, when we talk to federal departments, most of the services that they would discuss with us are case management—veteran affairs or Medicare—and we are not equipped to do that from a skills or technical area. Indeed, I know you've been to many of our post offices. The physical nature of those post offices does not lend itself to a private conversation. So we are absolutely committed to the sustainability of our licensed network. It is key to Australia Post. But we are facing a generational change in relation to the ownership of those post offices and also the way that customers are interacting with what we regard as traditional postal services. The only service that has grown is parcels. Billpay, Bank@Post and passports are in decline.

Senator HENDERSON: Why did Australia Post refuse to issue the Tharwa LPO a new licence? My understanding, based on the public reports, is that Post proposed replacing this with a community postal agency, apparently because Billpay was rarely being used, and that has caused enormous grief in that community, which is just near Canberra. The Tharwa post office has served its local community for 132 years, and I understand tomorrow will be its last day.

Mr Graham: That's correct. Again, that was not a decision Australia Post made but a decision the licensee made. Tharwa has 82 residents. We have seven transactions a week in that post office. We have looked at alternatives, but there is no-one interested in taking on that business. We have put in place what we call a parcel agent, a post office agent, that will provide mail and parcel services to that community. But that is not a viable business, with eight transactions a week. As you mentioned—

Senator HENDERSON: Hang on. Are you saying it's not a decision of Australia Post?

Mr Graham: We didn't—the licensee handed the licence back.

Senator HENDERSON: That's because you basically forced their hand.

Mr Graham: In what way?

Senator HENDERSON: You wouldn't extend their licence?

Mr Graham: The licence is perpetual, as I've mentioned before. It's not time barred; it's a perpetual licence. That licensee decided to retire, I believe, and handed back the licence.

Senator HENDERSON: And so why is it now becoming only a community postal agency?

Mr Graham: Because no-one is interested in taking on the licence to provide eight transactions a week. What we are providing are mail and parcel services to that area, and we will also continue to consult with that town to understand if there are additional needs. At this point in time, the community seem satisfied that they will get their mail. I think the first concern they had is that they would not be able to get a regular mail service. We've eased that concern by committing to that, as we would with all towns, and the same with parcels. But, on eight transactions a week for a town of 82 people, it is not a viable business.

Senator HENDERSON: Here's the issue: they've lost their post office. That post office was and has been for a very long period of time the lifeblood of the community. What consultation was undertaken with the community?

Mr Graham: As soon as we were made aware that the licensee was handing back the licence, we engaged with the community in relation to their needs, and we made sure that we reassured them that mail and parcel facilities would be continued. You talk about it being the lifeblood of the community centre, and I don't doubt that, but, on eight transactions a week, it's not an active business.

Senator HENDERSON: So, as I said, what consultation was undertaken? Did you meet the requirement for the minimum amount of notice?

Mr Graham: We didn't have any notice from the licensee. We were notified when the community was notified. This is not something that we have actioned or caused to take effect. It was the licensee who did that. Once we were made aware of that, we worked with the community to reassure them that essential mail and parcel services would continue as is. However, for other services, like Billpay, which had eight transactions a week, we said we would find it difficult to find someone who was willing to step up and make an investment to provide services, for eight transactions a week.

Senator HENDERSON: So how many post offices at the moment, LPOs, are currently threatened with closure? How many negotiations or consultations are currently underway?

Mr Graham: I don't have any active at the moment, except those that are in the media. We've had Coleambally. We've had Tharwa, as you mentioned. We don't have any that are actively on the go. We haven't closed a post office since December last year. As I say, we are sensitive to those post offices, particularly in regional and rural Australia, where we have a commitment to 2½ thousand. We do keep a watching brief and we have our field service agents out in these communities on a regular basis, validating and ensuring that these post offices remain viable. But, as I say, we've got a number of factors working against us, unfortunately, and working against the licensees. One is the ageing demographic of the licensees; two is the financial sustainability caused by an ongoing reduction in visits to post offices because of digitisation; and three is the changing needs of consumers in those communities. They simply don't go into the post office like they used to.

Senator HENDERSON: Can I clarify one thing: you said that all LPO licences are perpetual. Isn't it the case that LPO owners are being required, or some are being required, to enter into fixed term contracts?

Mr Graham: No, that's not the case. We are in discussions with—

Senator HENDERSON: Hang on. Every single licence runs in perpetuity, does it?

Mr Graham: For a licensed post office. We have some CPA licences, which are for a fixed term—

Senator HENDERSON: Okay. So they're not all—

Mr Graham: but that's a different category. They're not licensed post offices; no, they are CPAs and that's generally—

Senator HENDERSON: They're community post offices—

Mr Graham: Correct.

Senator HENDERSON: but they're still run by a licensed post office operator, aren't they.

Mr Graham: No, they're not. They are a different classification. They provide basic—

Senator HENDERSON: Yes, I know, but they're still licensed by an independent business owner.

Mr Graham: But they run a very narrow range of services. The reason why we put fixed term licences in place is that either we are conducting an EOI for a full LPO—because the LPO is closed, so it's a temporary measure—or there is a change in circumstances for that owner, such as moving premises or a lease expiry. The CPA works well in a very small town where there is not a requirement for services other than mail and parcels.

Senator HENDERSON: I'm looking forward to receiving the information from you. Do you have anything that you can hand up to us now in terms of post office closures? Has anyone got that information now?

Mr Graham: We have historical information that's on the QONs of post office closures. We'll provide you with an up-to-date list, to today's date from 2022, as you have requested.

CHAIR: Senator Roberts.

Senator ROBERTS: Thank you, Mr Graham, and your fellow officers, and Minister. Is the 2,500 limit still in place for the minimum number of post offices in rural and regional areas? I'm assuming from your comments that it is.

Mr Graham: That's correct. That is a requirement under the act that we maintain 4,000 post offices, of which 2½ thousand must be in regional, rural and remote Australia.

Senator ROBERTS: How many closures to go before you hit your target?

Mr Graham: We currently have 4,082 post offices. We don't have a target to reduce that number. It is simply a mechanism of an organic large network that ebbs and flows with openings and closings. We are very committed to the 4,000 and 2½ thousand and, as I said in my opening statement and have said in this room a number of times, we recognise the challenge and difficulty of maintaining those numbers in an environment where we have licensees retiring or, indeed—because of the change in consumer behaviour—finding that those businesses are not as financially viable as they historically have been.

Senator ROBERTS: What happens when you hit your target? Do you still keep closing so the number is lower than 2,500? It looks to some people, possibly me, like you intend to close many more branches using the device of sending them broke so you can wash your hands of the closures.

Mr Graham: We have a—

Senator ROBERTS: It's a pretty bleak picture you're painting.

Mr Graham: We have a regulatory commitment of 4,000 and 2½ thousand and we are absolutely committed to that number.

Senator ROBERTS: When would you start keeping LPOs that fail or retire? Would you start adopting them?

Mr Graham: Sorry, Senator?

Senator ROBERTS: When would you start taking over LPOs that have shut up shop?

Mr Graham: We don't have a plan to take over licensed post offices. Occasionally we do, where there is no alternative, but it is not our policy to increase our corporate post offices. It is our policy to sustain and promote our licensed post offices.

Senator ROBERTS: What I meant was, when you get to 2,500, what will you do?

Mr Graham: We will look to preserve that figure because that is the regulatory—

Senator ROBERTS: How would you do that?

Mr Graham: Sorry?

Senator ROBERTS: How would you do that?

Mr Graham: We would continue, as we do when licensees hand back their licence, to run an expression of interest for someone else to take on that licence and ensure that we maintain those services in that community.

Senator ROBERTS: You told us that some of them are pretty bleak in their future; no-one wants to take them on. So what would you do then?

Mr Graham: We will work on alternatives. For example, if you take Coleambally, where we have put in services again, that was a licensee who handed back with no notice. We immediately put services in the local pharmacy for mail and parcels, and we are working with that local pharmacy to see what interest they may have in taking on a full range of postal services. Likewise, we're working with the local council, which may have an interest in taking on the financial side of postal services.

But these are difficult situations because, obviously, the commercial viability of these businesses is challenging. That is why we have had an 18-month consultation process with the licensee associations to look at how we can sustain post offices, particularly in regional Australia, and that is potentially by lifting the minimum fee that we provide to these post offices or, indeed, by changing the commission mechanism, to make it more sustainable for them to operate. We are also looking to work with businesses that have other businesses other than just a licensed post office, because, obviously, that provides another stream of income, which then makes those businesses more viable. But it is a difficult and challenging situation and one that we work closely with the associations on.

Senator ROBERTS: Thank you. Minister, in May 2024, the Rural and Regional Affairs and Transport References Committee's inquiry into bank closures in regional Australia handed down its report, with eight recommendations given. It's now been two years, with no official response from your government. Are you able to provide an update on this response, or will we have to wait until all the closures are completed?

Senator Green: I'm sorry. I don't have any information about that report or response. I'll have to ask the minister and get back to you on that.

Senator ROBERTS: Will you take it on notice?

Senator Green: Yes, I can take it on notice for you.

Senator ROBERTS: Thank you. Since the handing down of this report, how many regional bank branches have closed—for clarity, since 1 May 2024?

Mr Graham: I will take that question on notice. I do know that, since 2017, 47 per cent of all bank branches in Australia have closed. We had some difficult discussions with the banks in relation to the new Bank@Post agreement. We provide banking services in 3,300 post offices and LPOs across the country. There are 183 towns where we are the only bank in town. The banks estimated that a branch costs them about \$1.5 million to run, so providing access to 3,300 post offices would cost the banks billions of dollars, and, obviously, they don't pay us

billions of dollars. But the banks currently have a moratorium until 2027 on branch closures, and we will see what happens once that moratorium is lifted.

I will say that, despite that moratorium, there was a branch that closed for a major bank in Kingscliff recently which they classified as a metropolitan branch. Last time I was in Kingscliff, it wasn't in a metropolitan area. So we do need to watch that, because, obviously, every time a branch closes, it puts more burden upon Australia Post and, particularly, our licensee. There is a short sugar hit where we get an increase in transactions, but what generally happens is that that traffic goes away because those people switch to digital channels or, indeed, take up alternative banking arrangements with another bank.

Senator ROBERTS: Have you been able to model the loss of jobs in regional communities due to closures of branches?

Mr Graham: No, that's not something that we have modelled. All we know is that we have sustained banking services to where either there's no bank or a vast majority of the banks have closed.

Senator ROBERTS: You've painted a pretty bleak picture. Apart from increasing fees, what can you do to increase customer traffic? Are there other things you can explore to revitalise the business?

Mr Graham: Thank you, Senator. As I think I expressed to Senator Henderson, we continue to look at any revenue stream that we think fits the capability that we have in a licensed post office or a corporate post office, whether they be government services or other over-the-counter transactions. The sad fact is that the vast majority of these are being digitised and therefore are declining. We continue to look at the items that we stock in our post offices for people to purchase, and we have done a lot of work on ensuring that we develop our own products that have a higher margin for licensees. For example, for our greeting cards—birthday cards, wedding cards or whatever you may wish—we had an agreement with Hallmark that was very onerous on us and our licensees. When that agreement ended, we concluded that we should actually produce our own greeting cards, which we do, and we manage that ourselves directly with a significantly increased gross margin that is obviously far more attractive to the bottom line of the licensees. We continue to look at products. For example, photocopy paper is a popular item in our post offices. We have our own direct photocopy paper brand. Again, what that does is provide the licensees with the ability to make good profit on that product, because we are purchasing that in bulk and giving them access to that product, obviously at a wholesale cost.

Senator ROBERTS: Here's an email from the Agnes Waters Post Office in Queensland: 'Hi, my name is Kylie. I managed this outlet for 14 years before buying it 18 months ago. We are 1½ hours from the next nearest full-service post office. In my community, our post office is the only practical point of access for banking, bill payment, retail, parcel services and government related business. This business is under significant pressures from several areas of operation'—which I'll now ask about. Are BPAY options being reduced inside Bank@Post?

Mr Graham: No, they're not. What we are finding is that telecommunications companies are encouraging their customers to digitise payment as opposed to going into a branch and paying over the counter—indeed, people are now incurring penalties or higher costs. One telco in particular has increased its fee for those people paying manually over the counter, which is a deterrent to those customers, because they're trying to encourage them to pay online.

Senator ROBERTS: Is Western Union being withdrawn? I think you said it is because—

Mr Graham: It is being withdrawn. After a thorough review in relation to the risk of that product, we have decided, with the support of the licensees, to withdraw that product. But we have done an arrangement with Western Union that the individual licensees can have an agreement directly with Western Union to continue providing those services. We've also highlighted to those licensees the risks in relation to that service.

Senator ROBERTS: Are government and agency services available over the counter reducing in number?

Mr Graham: They are reduced in number, through no action of Australia Post but through the actions of those agencies or those governments by making it available only through a digital channel, or increasing fees for over-the-counter transactions, or, indeed, removing the service altogether. For example, in the Northern Territory, the NT government has removed the ability to provide that service over the counter at a post office. That service is only available at a Northern Territory government office. We are continuing to work with the NT on reintroducing those services to an over-the-counter service.

Senator ROBERTS: The retail structure that once supported LPOs has been replaced with a new system, I'm told, that provides less profit for the post office. We've spoken about this before. They must have lost revenue. When I go into a post office, no matter where it is, there's less merchandise available for sale. Do you accept that change has cost LPOs revenue and profit?

Mr Graham: No, I don't. The LPOs have a licence to go and sell whatever product they think is appropriate for their post office. In our corporate post offices, yes, we have reduced the range quite a lot. We no longer sell air fryers or electric guitars or whipper snippers or flat-screen TVs. When we did sell them, we sold them at significant loss. We have focused on five key categories, based on significant surveys from our customers about what they want to buy in a post office, including greeting cards, and travel is a big one because we obviously provide passport renewal. We provide travel insurance and other things related to travel, cheap mobile phones and SIM cards, and then a small range of general merchandising. But we continue to provide the licensees with access to Australia Post products. As I said in my earlier statement, with things like photocopy paper or our greeting cards, we have dramatically increased the margins available to licensees through our collective purchasing power and are making those available as an Australia Post branded product. The product's called JoyUp—that's not my choice; I'm not a marketing person—but the licensees have the ability to put whatever product they feel they can sell within their Post Office. Indeed, I've been to many licensed post offices where there's a broad array of products that they make money on.

Senator ROBERTS: There's nothing to stop them putting their own arrangements in place?

Mr Graham: Provided it complies with Australian safety standards and Australian copyright standards, correct.

Senator ROBERTS: I've got Kylie's letter in front of me. I was going to read some out, but in the interests of time I won't do that. Kylie talks about uncertainty around contract terms making it hard to plan for the future. Is this something you're familiar with?

Mr Graham: No. Again, if it's a licensed post office, it's a perpetual licence. As I said, we have been in consultation with the licensed post office council and both licensee associations to look at modernising the agreements we have in place around commissions. These were set up many, many years ago and, again, aren't really fit for purpose, and both licensees agree. We continue to be in consultation as to how we can modernise those agreements and look at things like creating a larger fixed fee to provide greater sustainability and greater certainty. However, I go back to the previous comments—the nature of a post office, and how it is used today, is dramatically different from how it was 10 years ago, even five years ago. We continue to work with licensees in relation to the sustainability of these outlets, but it is challenging.

Senator ROBERTS: Well, I've been watching, in the last 10 years—since I've been in the Senate—just how dramatically your letter traffic has gone down. Your parcels are picking up, but you've got increased competition. So your traditional services are now a small proportion of your overall services.

Mr Graham: Correct. As I said, 60 per cent of the reason someone goes into a post office today is parcel related; next is Billpay, then Bank@Post and then things associated with passports, but all three of those are in decline.

Senator ROBERTS: And there's a huge community impact from a post office being shut.

Mr Graham: Indeed. I've been to regional towns where the licensee has handed back the post office. Again, as Senator Henderson mentioned, in the case of Tathra it's been in place for 123 years. It's been in place for that long because it was one of the stops where Cobb & Co used to refresh the horses. That's how we ended up with post offices in these small country towns. But, again, that community is using that post office for eight transactions a week.

Senator ROBERTS: So why did Coleambally Post Office close? I understand it was out of the blue, sudden, and now the only service is the pharmacy, running the mail service—with no attempt on your part, apparently, to reopen the location. I checked, and the population at Coleambally in 2016—that's the latest figure I could get—was 1,330. So it's not a tiny town, and it's an irrigation area, which means there should be good money around.

Mr Graham: Yes, I agree. We literally had no notice, nor did the town. The licensee literally walked away—put a lock on the doors and didn't come back—and we continued to pursue that licensee. We immediately set about ensuring that people could get access to mail and parcels, because that was the priority for the town. We worked with the local pharmacy, who stepped up to the plate and was able to provide those services under a CPA arrangement. We continue to work with that pharmacy. Indeed, we met with council again this week to look at how we can reintroduce financial services, and we are committed to doing that in Coleambally. But this is a good example of what happens when a licensee vacates with no notice. We are as blindsided as the community.

We recognise that Coleambally requires these services, and we're working with the community to make sure these services are available. We do see the association with pharmacies as a good partnership. Pharmacies, like Australia Post, are a trusted brand in the community. They have extended opening hours. Unlike Australia Post, most of them open seven days a week, generally. They, also, are under threat from changes within their industry

and are looking at additional foot traffic to generate sales. We now have 82 post offices in conjunction with pharmacies. It's proven to be a successful model, which is why, when Coleambally came up, we immediately defaulted to talking to the local pharmacy, with the support of the pharmacy.

Senator ROBERTS: So you're in partnership with some pharmacies in some areas?

Mr Graham: With 82 pharmacies, yes.

Senator ROBERTS: What do you say to rural customers who say that your level of care about the plight of rural customers is a scandal? How far is it to your local post office?

Mr Graham: I live in the city. My local post office is probably 1½ kays, two kays.

Senator ROBERTS: What do you say to customers who are concerned about the plight?

Mr Graham: We agree with their concerns. That's, again, why we're happy to have the regulatory commitment of 2½ thousand post offices in regional, rural and remote areas. We do have some significant difficulties, particularly in the remote locations where we continue to fund a presence because it's the right thing to do, and we'll continue to do that. Again I call out the difficult nature of these licensees and their viability. Where a town has a need, we will make sure we satisfy that need.

Senator ROBERTS: I want to touch on banks quickly. Freedom-of-information requests revealed part of the terms for the government to approve a ANZ's acquisition of Suncorp Bank was for the ANZ to make the best endeavours to join Bank@Post on commercial terms for a minimum of three years. Can you provide the date they joined so I can ensure that they at least stay for the three years?

Mr Graham: I'm pleased to say that, after some intensive negotiations, we convinced ANZ to join. Their original premise was that they didn't have a lot of customers interested in the service. However, they were active from 1 October last year as a member of Bank@Post, and we have seen a significant activity with ANZ customers in relation to using those services both in metropolitan areas and regional areas. Again, this has provided an additional income stream to licensees because, obviously, ANZ was not part of Bank@Post previously.

Senator ROBERTS: How many banks now participate in Bank@Post?

Mr Graham: We have 81 financial institutions and banks participating. Obviously the big four banks are the bulk of the transactions, but there are 81 institutions, credit unions, smaller banks and other financial services in relation to which we can perform over-the-counter services.

Senator ROBERTS: I think the only question I've got left is: will One Nation get into government and create a people's bank using Bank@Post for a full range of banking services before you shut down every branch in the bush?

Mr Graham: Well, first of all, we are not shutting branches in the bush. We have no intention of being a full-service bank. We believe that the over-the-counter services we provide are a valuable community service, and we will continue to sustain those services. Moving from an over-the-counter service provider to a full bank is a large undertaking and not one that we are considering at Australia Post.

Senator ROBERTS: Thank you very much for attending. Thank you for your answers and punctuality.

CHAIR: Thank you, Senator Roberts. Senator Henderson.

Senator HENDERSON: Mr Graham, you and I have discussed the profound concerns that I had on behalf of many Australians over your fuel levy. This is the basic levy for contracted customers. It went from 4.8 per cent up to 19.5 per cent over a period of two months—an increase of 306 per cent, which was nowhere remotely close to the increase in fuel during that period. I note that you've now determined to bring the fuel levy down. What's the methodology that you used to calculate the fuel levy?

Mr Graham: We have a tried and tested methodology that's industry standard. We take, basically, the base price of fuel—the factory gate price, if you want to take it at that. We look at what the original base price was—the base price from 2017 for Australia Post and 2005 for StarTrack. We then subtract that from the factory gate price. We then calculate fuel as a total percentage of the parcel cost, and that gives us the fuel surcharge increase. So in relation to—

Senator HENDERSON: Could you provide that to us on notice, with the calculations.

Mr Graham: Absolutely, yes. We have a simple calculation. I'm happy to provide that to you.

Senator HENDERSON: I have raised concerns, Mr Graham, that this was nothing less than a gouge of customers that used Australia Post services and those who were contracted being hit with the most massive increase in the fuel levy. Do you have any long-term fuel purchase contracts?

Mr Graham: Yes, we spend about half a billion dollars a year on fuel, so we have significant contracts in place for the supply of fuel with our major providers.

Senator HENDERSON: Could you provide, on notice, details of those contracts? Could we have a copy of those contracts?

Mr Graham: I will refer to Mr Macdonald. Those are very commercially sensitive contracts, given the extent of the fuel purchases that we make.

Senator HENDERSON: You've got long-term fuel purchase contracts in place covering how much of your fuel? All of the fuel that you use?

Mr Graham: Well, for the diesel fuel that we use, yes. Obviously a large part of our network is also through subcontractors or through third parties, particularly in regional Australia, and we have ensured that they are compensated for the increase in fuel. The contract—we do not hedge, for example, so we don't have a forward view of the cost of fuel, and the contracts have the same mechanism we have with our customers where it does vary the cost of the base price depending on the actual volatility in the market.

Senator HENDERSON: Do your contracts have rise-and-fall clauses?

Mr Graham: Yes, they do.

Senator HENDERSON: I'm asking for copies of those contracts on notice, please. I appreciate there may be some commercial sensitivities, and you can consider those. The other concern that I have, Mr Graham, is that, while you were charging a 19.5 per cent fuel levy, not all of that levy was being passed on to third-party contractors.

Mr Graham: That's incorrect. We have ensured that, for any request our third-party contractors have made for an increase in fuel that is in line with the market volatility, we have paid—

Senator HENDERSON: Hang on. They had to make a request?

Mr Graham: We don't just pay them more money on the basis—

Senator HENDERSON: You just haven't passed on the benefit of the fuel levy to your driver contractors?

Mr Graham: Yes, we have.

Senator HENDERSON: The full 19.5 per cent?

Mr Graham: Yes. We have passed whatever request they have made in relation to their fuel, and they have different mechanisms because they are buying obviously from different sources than we are buying. We have reviewed that and we have passed it on. They are a vital part of our network, and we want to make sure that they remain viable and that they are not out of pocket. We will be out of pocket in relation to the current market volatility.

Your comment around gouging is incorrect. We have one of the lowest fuel surcharges in the industry. It applied to only six per cent of all our customers. Indeed the impact of a 306 per cent—and the percentage does sound high. I'll give you an example. On a \$10 parcel, there's actually a 14.7 per cent increase in the cost. Our focus and the focus of our customers is not on the percentage of the fuel levy; it's actually on what they pay in relation to that parcel cost.

Senator HENDERSON: There are many small businesses who are contracting with Australia Post, and they are struggling to keep the doors open in many cases, Mr Graham. If you run an ecommerce business, parcel delivery is just fundamental to the operation of the business. Can I ask about parcel delivery revenues since 1 March?

Mr Graham: Yes.

Senator HENDERSON: How do you report those revenues? Do you have a daily—

Mr Graham: We get what we call a daily flash of billable revenue. What I will say is, despite the volatility—

Senator HENDERSON: Have parcel revenues gone up?

Mr Graham: They have gone up, yes.

Senator HENDERSON: And how much have they gone up by since 1 March?

Mr Graham: I would have to take that on notice to give you it specifically.

Senator HENDERSON: You don't know or have some idea?

Mr Graham: I would not want to give you a number that would be incorrect. What I can tell you is that, despite the volatility in fuel, we believe we have picked up market share because, indeed, we have one of the lowest fuel surcharges in the industry.

Senator HENDERSON: Hang on, Mr Graham. You increase the fuel levy after the fuel excise was halved. As you and I discussed—and that was based on the available figures at the time—diesel went up on average by some 41 per cent. Your fuel levy went up by 306 per cent in that same period.

Mr Graham: And the actual cost to a customer was 14 per cent, based on a \$10 parcel.

Senator HENDERSON: I would welcome any further information that you have in that regard and could provide us on notice.

Mr Graham: I'm happy to do that.

Senator HENDERSON: Of course, there are many customers who don't pay the fuel levy when they use Australia Post parcel services. Of the 30,000 contracted businesses, how many of those are small businesses?

Mr Graham: I'd have to give you that breakdown, but the vast majority of the 17,000, or six per cent of our customer base, who had a fuel levy imposed are what we call contract customers. They are the larger corporate customers that we have. We have hundreds of thousands of small customers, and no fuel surcharge was imposed on those customers.

Senator HENDERSON: That's right, because it only relates to those with a parcel-sending contract; I understand that. Australia Post said at the time it concerned some 30,000 customers.

Mr Graham: There are 17,000 customers, six per cent of our customer base, that have been charged a fuel levy and that have actually processed a parcel with us since the fuel surcharge went off—

Senator HENDERSON: So what happened to the remaining 13,000?

Mr Graham: They may be customers in our systems, but they're not trading with us.

Senator HENDERSON: You stated at the time that this involved 30,000 contracted customers.

Mr Graham: I believe we stated it involved contract customers. I don't know whether we were specific in saying it was 30,000 customers.

Senator HENDERSON: Yes, you made public announcements about that.

Mr Graham: There may be 30,000 customers who fit in that category, but—

Senator HENDERSON: No, 30,000 customers impacted—

Mr Graham: Of which 17,000 traded.

Senator HENDERSON: Well, that wasn't clear in your public statements. So, of the 30,000 businesses with a parcel-sending contract—I'm talking about every business that has a parcel-sending contract—how many of those are small businesses?

Mr Graham: What would you classify as a small-business customer?

Senator HENDERSON: I appreciate there are different definitions—a business that turns over under \$10 million a year.

Mr Graham: I'll have a look at how we categorise that, and I'm happy to give you a breakdown of those customers, for example, that trade under \$10 million and that are part of that 30,000 category—or the 16,000 that have actually traded.

Senator HENDERSON: Thanks very much, Mr Graham. Can I also ask you about the provision in the budget for—I think it was \$40.5 million for the electrification of your fleet. In March, Australia Post announced a plan to increase its electric motorbike and truck fleet. When you made that announcement, was that a fully funded announcement?

Mr Graham: No, and I'll refer to Ms Anderson, who's got the specific details, given that our sustainability agenda resides with her.

Ms Anderson: You're asking about the \$40 million announcement relating to—

Senator HENDERSON: That's right.

Ms Anderson: We were asked by the government to consider ways that we could accelerate the electrification of our fleet, and we looked at a range of options. Obviously, we've done a lot of planning on what the fleet looks like today and what it would take to increase the electrification of the fleet in order to do two things: firstly, reduce our reliance on fuel and reduce our fuel risk and, secondly, help us towards our target carbon emissions.

We went back with a proposal of what we thought would increase our fuel security and reduce those emissions, and then we found out on the day of the budget that we'd been allocated \$40.5 million.

Senator HENDERSON: But you made the announcement to electrify—or plan to increase your electric motorbike and truck fleet, which is already the largest in Australia, I understand. On what basis did you make that announcement? Was there already an agreement in place to provide that funding to you?

Ms Anderson: No. In fact, we haven't made an announcement; it was in the budget, but we haven't made any announcement. We're still going through the process of understanding which vehicles we would purchase, what's available in Australia and how they would integrate into our fleet. The announcement covers not just the purchase of the vehicles but also the electrical infrastructure that will be required to charge them. We do have the largest electric fleet in Australia today. That is mainly last-mile delivery vehicles. It does involve some larger vehicles. What this will allow us to do is buy larger trucks and some prime movers.

Senator HENDERSON: Just on that, you said you didn't make an announcement. I'm looking at an announcement in a publication called the Driven, on 4 March 2026: 'Australia Post expands electric fleet as parcel boom continues'. That looks like an announcement to me, Ms Anderson.

Ms Anderson: Sorry, I thought you were talking about the recent budget announcement.

Senator HENDERSON: No, I'm talking about the announcement in March.

Ms Anderson: Sorry.

Mr Graham: I'm familiar with that announcement.

Senator HENDERSON: So you made an announcement. That was obviously an announcement which you had planned to fund.

Mr Graham: Correct.

Senator HENDERSON: On what basis did you require \$40 million from the government?

Mr Graham: That announcement was primarily focused on what we call our Gaius range, which is the new range of our last-mile delivery vehicles. We have purchased those as the next generation of what we call our last-mile EVs. That was related to that. We have had an ongoing investment schedule in relation to the electrification of our fleet, particularly the last-mile vehicles. As Ms Anderson said, the government approached us on how we could continue to accelerate the electrification of our fleet, both in terms of fuel security, given the current oil crisis, as well as, obviously, helping us meet our sustainability goals. We have worked with the government on what types of vehicles we believe would be appropriate to help us achieve that, including the charging infrastructure, and we will finalise those arrangements with the government in due course.

The area that we are looking at—the larger vehicles—is moving quite rapidly in terms of technology, so we want to make sure we get the right vehicles that are sustainable in relation to the work that they will do because some of these vehicles are continuing to develop new technology all the time. But we have an ongoing commitment and focus in relation to the sustainability of our fleet, and hence we welcome the government's investment.

Senator HENDERSON: It looks like you announced a plan to further electrify your fleet in March. You announced that plan. That was clearly a plan that you intended to fund. So why does Australia Post now need this additional money from the government to deliver a plan it's already announced?

Mr Graham: This investment from the government accelerates that plan. It gives us the opportunity to move faster in relation to the electrification of our fleet. Based on our work to date and what we believe we will conclude with the government, it will reduce our diesel usage by about 900,000 litres. So it's simply an opportunity to accelerate, as you say, an existing strategy that we had in place.

CHAIR: Senator Smith.

Senator DEAN SMITH: What is Australia Post's contribution to combating illicit tobacco at the moment?

Mr Graham: I think we've discussed this topic before. It is a challenging situation. We have many facilities and we are the largest parcel carrier in the country. We have some challenges in that, obviously, we don't know what is in a parcel when it is shipped and so that makes it very, very difficult for us to detect it. As I think we've spoken about before, when it comes to international inbound shipments, we have facilities that are staffed by AQIS and Border Force where there is detection equipment in place to identify organic material, but that equipment is not across our domestic network. We continue to work with the Federal Police when we see suspicious activity or deliveries to places where we believe illegal tobacco may be involved. We have had a

number of actions taken with the Federal Police in relation to that. But I think, as we've seen in the media and the press in general, this is a societal issue and one that's not unique to Australia Post.

Senator DEAN SMITH: Do you work with state law enforcement agencies?

Mr Graham: Yes, we do. Because we're a federal government owned entity, we tend to start with the Federal Police, but we certainly have also worked closely with state police forces.

Senator DEAN SMITH: Do you have any dedicated internal mechanisms or forums dealing specifically with illicit tobacco?

Mr Graham: We have quite an extensive security operation within our business teams that work both in public view and not in public view. We have had regular dialogues with both the Federal Police and state authorities in relation to the movement of tobacco. As I say, when we have suspicions based on the observations that our team members make, we involve the authorities on those suspicions. That may be when we absolutely know that it is tobacco or we have seen a cluster of deliveries or pick-ups that we suspect may involve illegal tobacco and, therefore, we work with the authorities to validate that and then let them take their own actions.

Senator DEAN SMITH: Are Australia Post employees encouraged to be active when it comes to being eyes and ears in combating the illicit tobacco trade?

Mr Graham: Indeed, they are. Part of the training program for our team members is to identify both illegal substances and also substances or items that could be dangerous. Obviously, quite a number of our parcels go on aircraft, so our team members are trained to identify items that are suspicious, that may breach safety or that are illegal in terms of being carried through the post.

Senator DEAN SMITH: Is Australia Post formally involved in any state and federal government forums aimed at combating illicit tobacco?

Mr Graham: Our security team has attended some forums in relation to activity that is being undertaken to help identify and squash the movement of illegal tobacco. That's more in an observatory capacity. As we are involved in the chain—albeit we don't know to what extent—that is a natural forum for us to show interest in and to be invited into.

Senator DEAN SMITH: An observer status sounds quite informal to me.

Mr Graham: We're not a law enforcement agency because we are—

Senator DEAN SMITH: No, but you've got the biggest fleet in the country, lots of eyes and ears and all these LPOs across regional and metropolitan areas.

Mr Graham: It's a matter for the agencies—

Senator DEAN SMITH: Have you asked to be formally involved, or are you waiting for an invitation?

Mr Graham: We are at these forums, but it is a matter for the agencies. A lot of the work that they conduct is sensitive and confidential; therefore, because we are not an enforcement agency—

Senator DEAN SMITH: They don't trust Australia Post?

Mr Graham: I wouldn't say it's a trust factor. I think they follow their own processes. We are heavily involved in a number of investigations. We have worked very successfully with the AFP in relation to undercover operations. We provide extensive information to law enforcement in relation to delivery or pick-up addresses or suspicious movements that we see in the network, but we leave it to the authorities who have the skills and the powers to pursue those investigations.

Senator DEAN SMITH: Can you identify the number of successful law enforcement activities that Australia Post has been involved in?

Mr Graham: I would have to take that on notice. We are involved in a wide range of different activities, but I will take that on notice—

Senator DEAN SMITH: No doubt, but I'm focusing here on illicit tobacco.

Mr Graham: I'll take that on notice. Happy to provide that.

Senator DEAN SMITH: Earlier, you talked about various detection devices. Are those detection devices unsuitable to be used for illicit tobacco tracing, tracking or identification activities? Are there regulatory impediments to the use of those devices?

Mr Graham: I don't know if there are regulatory impediments. Again, I would take that on notice. It's fair to say that the scanning technology is expensive from an investment perspective. By installing that technology at our major facilities, it would significantly slow down the velocity of parcels and therefore impact service, never mind

the significant capital cost that would go with that. Rather than putting that detection equipment in place—which really does identify it, but it's already been shipped from somewhere, to somewhere—the focus of the authorities is to try to stop it at its source.

Senator DEAN SMITH: Rather than new investment, I'm thinking more about the utilisation of existing scanning technologies and infrastructure.

Mr Graham: We have that in our inbound gateway—the international gateways—where we have product coming in by air and by ocean through the mail agreements that we have with the overseas countries. That technology continues to be invested in and upgraded by both AQIS, which is looking for material that is dangerous to the Australian ecosystem, and the AFP, which is looking for illicit material.

Senator DEAN SMITH: I'm curious to know to what extent that existing infrastructure is being utilised for illicit tobacco. Perhaps you could just take that on notice.

Mr Graham: I can give you comment directly on our international gateways. As I think I said last time, I'm happy to arrange a visit for you to these gateways where you will see the ongoing detection—

Senator DEAN SMITH: My brother is a policeman, so I hear a lot about illicit tobacco.

Mr Graham: Sorry?

Senator DEAN SMITH: I hear a lot about illicit tobacco. My brother is a policeman, so I come to this issue with a—

Mr Graham: We do detect it, and I've seen it in our facilities, where it is isolated and it's then destroyed by the AFP. But it is considerable, and the detection equipment does work.

Senator DEAN SMITH: Finally, then, have you met with the commissioner that's been appointed in regard to combating illicit tobacco?

Mr Graham: No, we have not, to my knowledge.

Senator DEAN SMITH: Are you about to meet with them?

Mr Graham: I will check. I know that our head of security is actively involved with the AFP. In this particular space, whether he has made arrangements to meet with the commissioner—you say it's only recently announced—I will take on notice and check. From your question, I think you're suggesting it would be a good idea that we do meet, and I would agree with that.

Senator DEAN SMITH: I'll just save someone else asking the question in a less timid environment than this one. I too have received a variety of representations from LPOs. I won't mention which regional towns they're from, but I might just use the codes CG and VJF so they know that I've taken up their representations. I've heard a lot from you in regard to questions from Senator Henderson and Senator Roberts. What struck me is that I remember there being an intensity around these issues a number of years ago, and now there's an intensity around these issues again. There's no doubting the significant market transformation that is happening. Even in your own opening statement, you talk about the competitive pressures that post is under. I particularly note your comment about Western Union, which is common to the correspondence that I've received. I'm not wanting to dismiss in any way the difficulties that LPOs face—it's a challenging environment—but are these representations part of a campaign more than they might be representing the individual and unique experiences of some LPOs? Again, it's not to diminish what is being said to me in this various correspondence, but, as someone who follows the ebb and flow of issues, I'm just curious to know. In your opening statement, you talk about the POAAL, the LPOG and the conversations that are happening with the Licensee Representative Council. Are we coming to a key decision point or something in those negotiations?

Mr Graham: No. We are in consultation and have been for 18 months and we continue to be in consultation with the Licensee Representative Council, which is the main body that Australia Post interacts with. That is a representative of all licensees across our network. We then have two associations, POAAL and LPOG. I would say that LPOG is behind a campaign. That letter that you and other senators have received is what I would classify as a boilerplate letter that has been issued by LPOG to licensees to have them fill in from their personal perspective. We agree with the perspective that this is a tough business and services and foot traffic are declining, but it is a goal of the LPOG to agitate for their licensees, and we appreciate that. They also have a stated goal that they would like us to become a full-service bank, which we don't agree with. Again, they have the right to express their opinion. We work closely with both associations and have had some great success in a licence hand-back situation and in looking at additional services or increasing commissions, like we have with Bank@Post. We'll continue to work proactively with them; they are a critical part of our network. But we are, as you say, in an environment where the viability of them has been called into question more so than at any time in their history.

Senator DEAN SMITH: I really appreciate that additional commentary. That's very helpful. I do have some other questions, but I will put them on notice, and I will follow up with you for that briefing on some of those postal union matters we discussed at previous estimates. That's still top of mind for me as well. Thank you very much.

CHAIR: Senator Henderson.

Senator HENDERSON: Thanks very much, Chair. I want to come back to you on the Tharwa post office. I've just received some information confirming that the new owner does want to take on an LPO licence. You gave evidence earlier this evening saying that the new owner did not wish to do so. That's not the case, based on the advice that I've just received.

Mr Graham: There was no new owner.

Senator HENDERSON: There was someone negotiating, wanting to take on the licence.

Mr Graham: That is not with Australia Post at this point in time. They may be negotiating with the owner of the business, but not with Australia Post.

Senator HENDERSON: The new owner wants to continue to operate as an LPO.

Mr Graham: Well, if they approach us, then we'll be happy to have that conversation.

Senator HENDERSON: I'm going to ask you to provide us with all correspondence in relation to this post office between yourselves and the minister's office, the department and with any prospective or current licensee. And if I could ask for all correspondence since 1 July last year in relation to any other post office which is under threat or facing the threat of closure or handing their licence in, because I am concerned that the representations you gave earlier on are not accurate. There was a great deal of interest in continuing to operate the post office as an LPO.

Mr Graham: I would challenge your assertion that the information was not accurate. As I say, Tharwa is a town of 82 people with five transactions a week.

Senator HENDERSON: But you said, 'We've looked at the alternatives, but there was no-one interested in taking on that business.'

Mr Graham: That was the information I had as of yesterday. You've obviously got additional information, and we'll be happy to have a discussion with someone in relation to that.

Senator HENDERSON: Thank you, Mr Graham, if you could, and I'll look forward to receiving that information on notice. Can I ask you to confirm whether you hold any commercial delivery contracts with Temu, SHEIN or Amazon for inbound or domestic parcel delivery?

Mr Graham: We have some contracts with certainly Amazon and a limited contract with Temu. We don't, to my knowledge today, at the moment, do a lot of work with SHEIN, but we have in the past. They remain a very small percentage of our overall volumes. But given the fact that those three platforms control a significant amount of the ecommerce market, it makes sense that we as the national carrier provide those services, particularly into regional, rural and remote areas, where we are to some extent the only carrier who provides services to those areas.

Senator HENDERSON: In the financial year ending 2025, the parcels and services revenue was \$7.64 billion. What proportion of that revenue was derived from those three platforms directly or indirectly?

Mr Graham: I'll take that on notice. But I would say it's a very, very small proportion, and that's due specifically to a strategy that we've had in place. We have seen other postal operators around the world rely heavily on significant volume from those platform players, only to have that volume withdrawn or, indeed, in the case of Amazon, to actually take it back in-house. So part of our strategy has been to focus on making sure that we provide services so that Australian retailers can compete against these global platforms, and we have minimised our involvement with these three platform players.

Senator HENDERSON: I would appreciate it if you could provide that information on notice.

Mr Graham: I would be happy to do so.

Senator HENDERSON: I just want to also ask you some questions about your end-of-year 2025 annual report, which shows letters revenue increased to \$1.82 billion, which I understand is the highest level in five years. Letter service losses reduced from \$361.8 million in 2023-24 to \$230.4 million in the financial year 2025, and the cost of the community service obligation fell from \$447 million to \$391 million. So here we have a situation where letters revenue is rising, losses are falling and the CSO cost is reducing. Can Australia Post

explain on what basis it continues to argue the letters service represents a structural threat to its financial sustainability, because, on those numbers, things are improving.

Mr Graham: A quarter of a billion dollars is still a lot of money, but we have had an increase in the stamp price, so that has helped obviously offset the losses. We also had a federal election in that particular year that you mentioned. We continue to focus on driving efficiencies in our network, which is also part of that reduction. But as I've said, and I said again in my opening statement, our letter business will never be profitable. We continue to add 200,000 delivery points a year to our letter network, and our letter volume is declining between 10 and 14 per cent per annum. So as fast as we can chase efficiencies and savings, we are seeing the volume drop, but we have a fixed cost network to ensure that we deliver to 12.8 million households on a regular basis.

Senator HENDERSON: I'm going to put more questions on notice about some other related matters. I've raised this with you before. Can you advise where you're up to in relation to ongoing requests—this particularly relates to the viability of LPOs—to remove restrictions on licensees offering last-mile parcel lodgement or collection on behalf of carriers other than Australia Post.

Mr Graham: As I've said before, we handle over 80 million parcels on behalf of our competitors. Those parcels flow to our licensees. Those licensees get commissions on handling those parcels. We see no value in providing a service other than that to our competitors. We have a market share, particularly in regional Australia, that ensures that the licensees get the bulk of parcels that move into that region, and we believe that that is a suitable arrangement.

Senator HENDERSON: So has the board made a determination in relation to that?

Mr Graham: It has, yes.

Senator HENDERSON: When was that decision made?

Mr Graham: Well, that decision has been in place since I joined Australia Post.

Senator HENDERSON: So that wasn't under consideration at any point in time?

Mr Graham: No, it has not. We have an intensely competitive market. Opening our network up so that we would be providing a service for a failed delivery on behalf of our competitors makes no commercial sense. We are able to move 80 million parcels on behalf of our competitors, which ensures that we control that parcel from the point of origin to last-mile delivery and that the commissions for those parcels go into the hands of our licensees. That is a satisfactory and indeed a positive arrangement for the licensee, for Australia Post and for our competitors.

Senator HENDERSON: I will leave my questions there. I will have more on notice, but thank you very much to you and your team for your attendance this evening.

Mr Graham: Thank you. I appreciate it.

CHAIR: Thank you very much to the officials from Australia Post. I appreciate your attendance and your evidence here today. We will now call officers from NBN Co Limited.

NBN Co Limited

[22:27]

CHAIR: We appreciate your attendance at this late hour. I understand you've tabled an opening statement, Ms Sweeney. In the interest of time, I would either request that you leave it there or keep any opening remarks very brief.

Ms Sweeney: Let me keep it very brief then. I've done this before. Let me try and hit some highlights. Again, it's fabulous to be back in Canberra with my colleagues here today. I would suggest maybe just a couple of quick things. It's fair to say NBN has had a solid year. That is probably how we would position it. As we look to the half-year results, we grew our revenue at two per cent to \$2.9 billion. Our EBITDA was 2.2 and our operating expenses actually decreased by about seven per cent. We remain on track to deliver the guidance for the full year. Again, that's a revenue position between \$5.8 billion and \$6 billion. It is also a EBITDA between 4.2 and 4.4, so we're delighted with those numbers. We're seeing strong momentum across our business. The last time we were here we represented some of the results we were seeing out of Accelerate Great. If I can just land a couple of numbers here, we are continuing to see demand for high-speed tiers accelerate. To give you a couple of data points, today, about 43 per cent—actually, I think today it's 44 per cent—of services on NBN are on plans 100 megabits and above. We have about 34 per cent of our customers on plans that are now 500 megabits and above. The reason that's important is because when I quoted that number—34 per cent—a year ago, it was three. It is important to make clear to the committee that, if we look at the number of customers who are on our fibre network, we are at an absolute inflection point. Today more than 3.2 million, or 37 per cent, of our active

premises are on fibre to the premise—so on that fibre solution—and that is more than the combined fibre to the kerb, fibre to the node and fibre to the basement. That is the first time we have really hit that inflection point. That's great news for Australians. It's great news for our communities. It's great news for NBN as well. We are delivering this transition at scale. Again, maybe just a quick data point: we will upgrade more than 560,000 customers this year from copper to fibre.

So we're seeing the resilience benefits of this transition. We've seen it a lot during the recent high-risk weather season. Fibre networks consistently outperform legacy networks and legacy technologies with fewer points of failure, with less resilience in power and with faster service restoration. Over the past year, our fibre-to-the-prem solution has delivered something like a 99.8 per cent availability, and we've seen customer complaints decrease by 69 per cent.

I know there's a little bit of interest in our final 622,000 customers, so let me just finish with that point. A year ago or more, we began the final 622,000 upgrades. We have again reached a milestone there, which we're delighted to announce, that we have now laid more than 100,000 kilometres within that final 622,000 customers moving from FTTN, of which half are in regional Australia. Just to give a couple of dot points there: around 84 per cent of that 622,000 have progressed to a detailed design, around 30 per cent are in construction and around 35,000 premises can now order a fibre upgrade, and more premises are coming online every month.

So at the completion of December 2030, this program, together with the prior 3.5 million upgrade, will see about 94 per cent of fixed-line footprint capable of multigig speeds. Importantly, in regional Australia, multigig speeds will be available to around 2.78 million premises on fibre and will see 99 per cent of the regional footprint multigig.

So on that note, hopefully that was a quick run through of just some of the results. We'd be delighted to take your questions.

CHAIR: Thank you very much. That was well done.

Senator HENDERSON: Good evening. Apologies that we have held you up a bit. It was only a 1½ hour wait, which is better than some other witnesses. I want to cut to the chase and ask you about your rollout. I refer to the article in the *Australian* 'NBN "finish" 14 years away in nation's longest infrastructure build'. That was published on 8 February of this year. The picture that this story tells is not good—that the full rollout is going to take another 14 years. The overall delivery of the NBN, particularly compounded by the relatively low take-up of Australians—about 69 per cent of Australians are taking up the NBN—means that this is a project that won't be delivered until about 2040. Can I ask you to just respond to that?

Ms Sweeney: Absolutely. A couple of things: we dispute that comment from the *Australian*. We did go back to clarify the commentary there around 2040. If I can be clear, those final 622,000 will be completed by December of 2030. I'll throw to Mr Ljubanovic in a minute, just to give a bit more—

Senator HENDERSON: I understand that. You've given us information on that. But what is wrong? When will the rollout of the entire network be delivered?

Ms Sweeney: I know we talk about a lot of numbers here, so my apologies. For the rollout of that final 622,000, it was the \$3.8 billion investment that was announced which was referenced in that article. That \$3.8 billion investment, we believe, will be brought in on time and under budget, and it will be brought in by December of 2030. Indeed, we'll have 85 per cent of that footprint delivered by July of 2029. Again, we saw the article. We did try to correct it. The *Australian* didn't publish that, but I might ask Dion to give a further update for some more colour in terms of how that is progressing.

Senator HENDERSON: I'd welcome your response to the *Australian* in relation to what you said about their report. You're talking about one limited rollout, clearly, of those 622,000 homes. I'm asking about the complete delivery of the NBN.

Ms Sweeney: I suppose it depends on how you determine the complete rollout. Maybe if I can answer it this way: we will see the completion of those 622 which will be the customers who will have that fibre down their street. Eighty-five per cent of that 622 will be completed by July of 2029. Then we'll have that 622 finalised by December of 2030. Again, the next step for us is those fibre upgrades. Maybe if I can answer it this year.

Senator HENDERSON: Yes. There are still some three million households on FTTN and fibre-to-the-kerb connections. It's estimated to be another 12 years or so for all of those households to be—

Ms Sweeney: That's not the number that we've been providing. Maybe if I can answer it this way: at the moment, today, we still have 2 million customers on fibre to the node, and we have about 745,000 on fibre to the kerb.

Senator HENDERSON: How many?

Ms Sweeney: That's 745,000 customers—active homes and businesses on those two technologies. Today we have an upgrade path for those technologies, and the stat I've just provided to you was, over the last year, we expect, by the end of this financial year, to upgrade more than 560,000. At the moment, we're seeing—

Senator HENDERSON: You're talking about 2.745 million—

Ms Sweeney: In that footprint to go. We're forecasting that out. Again, we'll need to have all of that completed for us to be able to complete that. We're not forecasting out to 2040. I can't give you the final number. It's really going to be dependent on customers who, at the end of the day, want to move.

We've had great success over the last year of more than 560,000 customers wanting to move. We are putting in place facilities and consultation with the RSPs and with the wider community around being, at a certain stage, able to ask customers to move to fibre where it makes sense.

Senator HENDERSON: I just want to go back to the 2 million on fibre to the node and 745,000—

Ms Sweeney: That's correct.

Senator HENDERSON: on fibre to the kerb. What is the forecast for when those customers will be able to go to fibre-to-the-premise upgrades?

Ms Sweeney: The majority of those customers can go to an upgrade now. It is only the final 622,000 that we're working through at the moment.

Senator HENDERSON: Have they all got the ability to go straight to FTTP upgrades right now?

Ms Sweeney: There are outside of 622,000. The rest would have that capability to go.

Senator HENDERSON: But there's no proactive fibre migration program now?

Ms Sweeney: There are a couple of things. There have been, as I've just suggested, the close to 560,000 customers who have elected to move. There have been, over the lifetime to date of those upgrades, about 1.3 million customers move from copper to fibre. Further upgrades have happened. About 20 per cent of that upgrade base have been customers who have been what we've classed a 'UPL', an underperforming line, or a poor performing line. They have been proactively migrated.

On 1 July, we're about to announce, and we have rather announced, a change to high-speed tiers for customers on fibre to the kerb. That's that 745,000. You might remember previously, outside of the underperforming and poor performing lines, you needed to go to a higher speed tier. That's going to be removed for that 745,000 customers. That's great for that customer base. Whatever plan you're on, you can stay on that and we'll move you to fibre. Finally, we have been consulting about a more targeted migration where it just makes sense for us to move customers off that copper network.

Senator HENDERSON: That's the point that I'm raising, Ms Sweeney. You've said they can all move now, but they're no longer being migrated. These customers that we were talking about that are currently on FTTN and fibre to the kerb are no longer proactively being migrated. So the timeline to push all of those customers onto fibre to the premises is being pushed out dramatically. In fact, the timeline for the second stage of the rollout will require more than \$1 billion more expenditure, which has not yet been provided. So there is a very, very long tail to deliver this project—and I'm talking at a high level—and complete the delivery of the NBN.

Ms Sweeney: We probably have a different view. Our view is that by 2030 about 87 to 88 per cent of customers in the fixed line footprint will be on the two dominant technologies, which will be HFC and FTTP—so fibre. The remaining customers are actually quite a smaller number around that footprint. We're actively working with the RSPs to again put in place incentives for people to move. But there are some customers who, quite frankly, we will need to incentivise or actually target to move off copper and onto fibre. I can give you a stat here. By the end of 2030, we expect to have only 100,000 customers left on FTTC. So—

Senator HENDERSON: If you're saying that this report is wrong—and I think this report seems like it's underpinned by a great deal of research on of the rollout—then I would welcome detailed advice as to the infrastructure rollout of the NBN, including in relation to the proactive migration of those who are currently on non-fibre-to-the-premises connections.

Ms Sweeney: We'd be delighted to do that. If I can, I'll just correct one thing. I think you referenced that it's going to cost us more on the 622,000. I'll be delighted to be back here in February of 2027 to give you the final costings of that, and we will be bringing that in under budget.

Senator HENDERSON: I'm not talking about that. I'm talking about everyone. I'm talking about finishing delivering the project.

Ms Sweeney: We've got an upgraded road map for all customers on fibre to the node and fibre to the kerb. I've just given you the number. It's close to 2.745 million customers. We'll be delighted to be able to help those customers move onto fibre because of all the benefits. Just one thing is that you mentioned an extra billion dollars for the rollout. Quite frankly, we're seeing the cost of lead-ins come down. I think previously when we've been asked in the Senate what the cost of a lead-in has been it's been close to \$1,600. Today, we're tracking at under \$1,000.

Senator HENDERSON: I would welcome it if you could provide us with detailed information in relation to not just the delivery or completion of the NBN but also the additional costs required.

Ms Sweeney: Definitely, as far as I can. Obviously we do have a debt market. We provide as much data as we can, but we are restricted on some of that. But I'll take that on notice and we'll be delighted to give you more information.

Senator HENDERSON: Thank you. I raised this briefly before. The NBN uptake is now sitting at about 69 per cent of eligible households.

Ms Sweeney: Across all of the seven technology centres. It's a bit higher in the fixed line footprint than it is in satellite and fixed wireless.

Senator HENDERSON: What's the breakdown? Do you have that breakdown?

Ms Sweeney: Yes, sure. In fixed line it's roughly 71 per cent. The number for the uptake of fixed wireless hasn't changed; it sits at about 50 per cent. Satellite is sitting at about 25 per cent.

Senator HENDERSON: So fixed wireless is 50?

Ms Sweeney: Yes.

Senator HENDERSON: And satellites is at 25. Is that because everyone's gone over to Starlink?

Ms Sweeney: Some of it is. We've got about 65,000 customers in the satellite footprint. That's off a potential base of about 300,000. There has been decline in that market, as you'd imagine. Starlink has come in with an offer. It's great for Australians to have that competitive environment and that dynamic environment that we're seeing, but we continue to offer a great service with Sky Muster. As I think you're aware, we are progressing to move off Sky Muster onto a low-Earth-orbit satellite.

Senator HENDERSON: Ms Sweeney, that's taking a very positive view—that you continue to offer a great service with Sky Muster. I don't know whether you've been in the bush lately. Sky Muster's getting a pretty bad rap in the bush.

Ms Sweeney: I might throw to Gavin, maybe just to give a bit of—

Senator HENDERSON: Well, Gavin and I have chatted about this—in fact, quite a few years ago, when I suggested that you should have a look at Starlink and look at what was going on. I think things are just getting worse on the Sky Muster satellite. I know you are moving to LEOsat. Can I ask, though: what are the NBN and the government doing to try and raise take-up of the NBN by Australians?

Ms Sweeney: Across the board or in regional—

Senator HENDERSON: Across the board, yes.

Ms Sweeney: I think we've done a lot. If I can go back, before I throw to my colleagues here—if you think about Accelerate Great and if you think about us being able to provide a greater level of speed and capacity to customers, that was a fantastic initiative. You might remember that, if you were on a 100 plan—if you were on the HFC network and fibre to the premises—you went to 500. If you were on 250, you went to 750. From 500, you went to a gigabit. So, if you start to think about the use of this fabulous network and being able to drive more value, I think, for Australians, you're seeing that very clearly demonstrated there. Overnight, in September, we saw close to 31 per cent of our customer base move to a higher speed tier. We've seen the Ookla rankings in Australia go from 98 to 48, so you're starting to see real benefits there. You're seeing those upgrades, I think, in terms of fibre. Again, one of the biggest benefits is—in your parlance, how do we move more customers from copper onto fibre? It's the ability for us to migrate those customers and to make that available.

Senator HENDERSON: Can I raise this concern—and this is raised by the ACCC. I know you have rejected this, but in March the ACCC said:

We hold concerns that NBN Co's demand forecasting appears to reflect its planned spending and pricing and does not sufficiently incorporate its information on customer willingness-to-pay.

This could be part of, perhaps, the lower than ideal take-up. So the ACCC has raised concerns—of course, it plays a very important role in the regulatory landscape in this country—suggesting that NBN is exaggerating its customer forecasts to justify its spending plans. Can I ask you to respond to those criticisms.

Ms Sweeney: Yes, of course. We've been participating, as you know, in the replacement module application for almost the last year. Again, when the SAU, the special access undertaking, came into play, there were three regulatory cycles. The first one was 2024 to 2026. The next one is 2027 to 2029. We've been asked to provide a number of business cases, close to 10 business cases, to assess against the prudence and efficiency of the investments that we're making, and the ACCC has come back with a finding that, once you take into place the government public policy notice on the final 622,000, recommends 99.7 per cent of the investments that we have made. So I think we have a difference of opinion with HoustonKemp, who were the ACCC adviser there. We've gone back, as part of that consultation process, to provide, I think, a different point of view regarding that. What I would say is, again, we have seen a significant take-up, 560,000 in the last year—well performed the previous forecast that we had had regarding the NBN and the active number of premises that we have. But we continue to work, if I can say, very constructively with the ACCC. We've responded to the replacement module determination draft, and we'll look forward to their final determination.

Senator HENDERSON: On notice, could we have a copy of the correspondence between NBN, the minister's office and the ACCC in relation to this matter.

Ms Sweeney: I can take that on notice.

Senator HENDERSON: Thank you. It was a pretty severe lashing by the ACCC, and, if you're exaggerating customer forecasts to justify your expenditure, then that is a real issue. The growth of people taking up the ABC has been fairly sluggish. Perhaps it's because more people are just relying on their mobile phone, using their phone for everything.

Ms Sweeney: I'd say we work in a very competitive landscape, if you think about what we're seeing from low-earth orbit, if you think about 5G, if you think about other providers providing fixed wireless access. I don't want to hark back to Australia Post, but we do work, similarly, in a very competitive landscape.

Senator HENDERSON: You've got some monopoly though, like Australia Post. Do you have any forward projections as to take-up of the NBN? Have you done any modelling on forward consumer take-up of the NBN? I would have thought that things are only going to get more competitive.

Ms Sweeney: We obviously have forecasts. We provide guidance for a year ahead. The reason we provide guidance just for one year—and that takes into account the number of customers that we have, the speed tiers we expect them to be at and the pricing component as well. We will provide a forecast as we go into next financial year of the revenue and also the EBITDA for our business. We are restricted in terms of how far we can provide guidance, because we do have, as you know, a debt issuance position and we have a book that's close to \$27.5 billion. It's a huge number. We are restricted in terms of how much guidance we can provide. But we do work through that in a lot of detail, and we have forecasts out to 2040.

Senator HENDERSON: I have been seeking to meet with you, Ms Sweeney, and, surprisingly, I was advised that I could only do so if I had a representative from the minister's office in the meeting. This is very unusual. I've not had that situation happen before. The previous minister, Minister Rowland, didn't require that. I fully expect that any meeting that I have with any agency will probably be reported back to the minister. That's not unusual. That's not a requirement of Australia Post, and I'm wondering if you could perhaps reconsider that. It's just an unusual request that you've made of me, and, certainly, the minister can't direct you in that respect. You are a government business enterprise; you're not a department of the minister. So you've got a lot of independence. I would just suggest that, perhaps, it's appropriate for that to be reconsidered.

Ms Sweeney: I think we were scheduled to meet on 19 May, which would have been fabulous—I know you had a funeral and you had to move that—but I'll take that on notice. Obviously, an expectation's been set, and I'm happy to work with you on that.

Senator HENDERSON: I would be most grateful, thank you. I'll look forward to receiving that further information on notice, and I will have other questions on notice to ask, but I might leave my questions there.

CHAIR: Senator Smith, do you have any questions?

Senator DEAN SMITH: No, that was fascinating. You should apply for the job at Snowy Hydro!

CHAIR: Well, putting that aside, I think you're doing wonderful work at the NBN—

Senator DEAN SMITH: Actually, I do have a question. I'm very curious with the bold statement about coming in under budget. What are the factors or the conditions that give you confidence of being able to make

that statement? I'm genuinely curious, because elsewhere we hear about costs of doing business and inflationary pressures.

Ms Sweeney: I might throw that to Mr Ljubanovic, who's heading up that program. We have a good level of confidence in that. Maybe, prior to the war, given the impact on some of the inflationary costs we're seeing, we would have had very high confidence. Dion, I will ask you to briefly comment.

Mr Ljubanovic: We put a lot of effort into innovation, in terms of construction methodologies, and, when we start looking at the FTTN network, it does start from a desktop basis, so you have to model out what you expect the network will look like. Reuse of infrastructure is so important down street ways where pit-and-pipe network exists. That's really important for us to reuse. We've got new flushing techniques, high-pressure flushing, that we use through ducts that may be damaged or ducts that may be impacted with sand and soot where, generally, if you just used a rodder, you wouldn't be able to get through. We've created new techniques over the rollout of the last couple of years to really reuse infrastructure so what would be new civil build and horizontal directional drilling, with large, horizontal drill rigs, are avoided. Depending on the reuse of infrastructure—how we have to remediate pits and other pipes—that changes the cost base quite significantly, because civil infrastructure is one of the largest cost bases for the NBN as we roll out. That, aligned with the procurement processes we've gone through—we've gone through national tenders here in the ACT. We've got two delivery partners working in the north and the south, so we can do parallel investments of workforce and working with the industry to increase workforces at the right time, so we can bring the rollout in as early as possible. The connection between the rollout, how we minimise civils and what that means in terms of both the timeframes, as Ms Sweeney has mentioned—we are looking to bring a majority of the 622 in early, by 18 months. That is a combination of that. So we are confident—

Senator DEAN SMITH: Eighty-five per cent.

Mr Ljubanovic: Eighty-five per cent of the 622 in by July 2029; that's 18 months earlier than December 2030. But we still have quite a way to go in terms of construction. We have to manage rock in a number of areas. The ACT, for instance, is quite rocky. Parts of WA, as you're aware, are sand. There are different challenges there. We've got cultural heritage that we need to manage very carefully, and the controls we put around culturally sensitive lands are variable over that period of time. We've also got waste management in regional Australia that we have to manage very carefully. Those variabilities can change the cost base as we go through the rollout. As we continue to get further detailed designs back, reduction of civils and progress construction—we're putting more and more into construction on a monthly basis—we'll get more evidence and more cost base to update those internal projections. As Ms Sweeney said, we'll get to a good point probably over the next 12 months where we'll be able to provide a further view on what that \$3.8 billion cost outlook looks like.

Senator DEAN SMITH: I'll ask you about risks at next estimates.

CHAIR: Thank you to officials from NBN Co Ltd. That concludes today's hearing. Thank you to all witnesses who appeared and to Hansard and Broadcasting for their assistance. I remind senators that the committee has agreed that any questions on notice should be lodged with the secretariat by 5 June 2026, in writing.

Committee adjourned at 22:56