



AUSTRALIAN SENATE

**Finance and Public Administration
Legislation Committee**

Additional Estimates 2001-2002 Report

March 2002

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MEMBERS OF THE COMMITTEE

Senator Brett Mason (<i>Chair</i>)	LP, QLD
Senator George Brandis	LP, QLD
Senator the Hon John Faulkner	ALP, NSW
Senator Michael Forshaw	ALP, NSW
Senator Ross Lightfoot	LP, WA
Senator Andrew Murray (<i>Deputy Chair</i>)	AD, WA

Other Senators who attended the public hearings:

Senator Lyn Allison
Senator Jacinta Collins
Senator Stephen Conroy
Senator Peter Cook
Senator Christopher Evans
Senator Alan Ferguson
Senator Joe Ludwig
Senator Sue Mackay
Senator Shayne Murphy

Secretariat

Sue Morton	Committee Secretary
Dr Kathleen Dermody	Principal Research Officer
Ian South	Principal Research Officer
Dr Erika Kerruish	Senior Research Officer
Cheryl Hardiman	Estimates Officer
Kylie Davidson	Executive Assistant

SG.60
Parliament House
CANBERRA ACT 2600
Tel: 02 6277 3530
Email: fpa.sen@aph.gov.au

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ADDITIONAL ESTIMATES 2001-02

INTRODUCTION

1.1 On 14 February 2002, the Senate referred to the Committee for examination and report the following documents:

- Issues from the Advance to the Finance Minister as a final charge for the year ended 30 June 2001;
- Particulars of proposed additional expenditure for the service of the year ending on 30 June 2002 [Appropriation Bill (No. 3) 2001-2002];
- Particulars of certain proposed additional expenditure in respect of the year ending on 30 June 2002 [Appropriation Bill (No. 4) 2001-2002];
- Particulars of proposed additional expenditure in relation to the parliamentary departments in respect of the year ending on 30 June 2002 [Appropriation (Parliamentary Departments) Bill (No. 2) 2001-2002];
- Statement of savings expected in annual appropriations made by Act No. 64 of 2001 [*Appropriation Act (No. 1) 2001-2002*], Act No. 65 of 2001 [*Appropriation Act (No. 2) 2001-2002*], and Act No. 66 of 2001 [*Appropriation (Parliamentary Departments) Act (No. 1) 2001-2002*]; and
- Final budget outcome 2000-2001.

1.2 The Finance and Public Administration Legislation Committee has responsibility for the following portfolios, departments and agencies:

- Parliament;
- Prime Minister and Cabinet; and
- Finance and Administration.

1.3 The Committee received evidence from the President of the Senate, Senator the Hon Margaret Reid; Senator the Hon Robert Hill, Minister for Defence representing the Prime Minister; Senator the Hon Nick Minchin, Minister for Finance and Administration; and Senator the Hon Eric Abetz, Special Minister of State responsible for Outcome 3 of the Department of Finance and Administration and for the Australian Electoral Commission, and also representing the Prime Minister and the Minister for Finance and Administration, together with officers of the departments and agencies concerned.

1.4 The Committee held public hearings on 18 and 19 February 2002. Copies of the *Hansard* transcripts of evidence are tabled for the information of the Senate. Further written explanations furnished by departments and agencies will be tabled, when received, in volumes entitled Additional Information.

1.5 In this report, the Committee presents a number of the specific matters raised during its examination of the additional estimates of the portfolios it oversees, along with a few general issues on which it wishes to comment.¹

1.6 The Committee is required to report to the Senate by 13 March 2002.

PARLIAMENTARY DEPARTMENTS

Department of the Senate

1.7 The Department of the Senate did not seek any additional appropriations in the 2001-2002 financial year and therefore did not prepare a Portfolio Additional Estimates Statement.

1.8 The outcome-output structure of the Department of the Senate is:

Outcome: Effective provision of services to support the functioning of the Senate as a House of the Commonwealth Parliament.

Output 1: Senate support;

Output 2: Committee support;

Output 3: Senators' services; and

Output 4: Public education and awareness.

1.9 Issues raised by members of the Committee and other Senators in attendance included:

- guidelines applying to the use of cameras in the Senate Chamber;
- powers of Senate Select Committees; and
- security in Parliament House.

1.10 The President of the Senate, Senator Reid, explained the guidelines pertaining to the use of both still and television cameras in the chamber, as well as the process by which permission to act outside those guidelines is granted. The President reported that, in her view, the current arrangements are satisfactory and that there is no plan to change the current regime.

1.11 In response to the Committee's questioning, the Clerk of the Senate, Mr Evans, advised that the Select Committee into a Certain Maritime Incident had the power to summons witnesses and call for documents. This power extends to the ability to summons

¹ In presenting the outcome-outputs framework for each department or agency which appeared before the Committee during these Additional Estimates, the Committee has relied upon Portfolio Budget Statements where there was no Portfolio Additional Estimates Statement, in order to present a more complete overview of the responsibilities of the departments and agencies.

Defence personnel and the former Minister for Defence, Mr Reith, and to call for documents in electronic form.

1.12 The Committee questioned the Department as to whether the increased security at Parliament House had resulted in an extra cost to the Senate. The Usher of the Black Rod, Ms Griffiths, told the Committee that this was not, so far, the case. The President further informed the Committee that a review of security was completed late last year, the report of which will be shortly examined.

Department of the Parliamentary Library

1.13 The Department of the Parliamentary Library (DPL) was the only parliamentary department seeking additional appropriations in the 2001-2002 financial year. In its Portfolio Additional Estimates Statement 2001-2002, the Department outlined the proposed additional appropriation of \$0.474 million to meet the expected increase in expenses arising from the revaluation of the Library collection at 30 June 2001.

1.14 The outcome-output structure of DPL is:

Outcome: To contribute to a more informed Parliament and, through it, to the Australian community.

Output 1: Provision of commissioned information services and policy advice and analysis to Senators, Members, parliamentary committees and parliamentary departments; and

Output 2: Provision of self-help information services for Senators, Members, parliamentary committees and parliamentary departments.

1.15 Issues raised by members of the Committee and other Senators in attendance included:

- the *Briefing Book for the 40th Parliament*; and
- the use by a former Parliamentary Fellow of material developed while employed by the Parliamentary Library.

1.16 Concerns were raised about the balance of views contained in the DPL's publication, *Briefing Book for the 40th Parliament*. Dr Verrier, the Head of Information and Research Services, explained that a large number of people were involved and consulted during its production and that she was satisfied that its presentation of issues was balanced.

Department of the Parliamentary Reporting Staff

1.17 The outcome-output structure of the Department of the Parliamentary Reporting Staff (DPRS) is:

Outcome: The Commonwealth Parliament to have international standard broadcasting, transcription and information technology services and the Australian community to be able to see, hear and read the work of the Parliament.

Output 1: Broadcasting and transcription services; and

Output 2: Support and technology services.

1.18 The DPRS did not seek any additional appropriations in the 2001-2002 financial year and therefore did not prepare a Portfolio Additional Estimates Statement.

1.19 Members of the Committee and other Senators in attendance asked questions surrounding the provision of non-proprietary software of the Hansard Production System to the Parliament of New Zealand. The Department intends to provide this software at no cost in order to facilitate the Parliament of New Zealand.

1.20 Senators inquired as to the cost of developing and maintaining the software, and about the consultation process the Department engaged in prior to making such a decision. The Department informed the Committee that while unions and staff had been consulted when developing the software, there had been no concern expressed by staff or unions regarding the provision of the software.

Joint House Department

1.21 The outcome-output structure of the Joint House Department (JHD) is:

Outcome: An effectively functioning legislative building for the Parliament of Australia which preserves its value as a heritage complex and raises public awareness of the Australian Federal Parliamentary system and the Parliament House building.

Output 1: Total asset management services;

Output 2: Building occupant services; and

Output 3: Information, interpretation, access and marketing services.

1.22 The JHD did not seek any additional appropriations in the 2001-2002 financial year and therefore did not prepare a Portfolio Additional Estimates Statement.

1.23 Issues raised by members of the Committee and other Senators in attendance included:

- security within the building in light of thefts from Senators' and Members' offices;
- adequacy of the protection of the Parliamentary computer network; and
- security arrangements for protection of occupants within the building.

1.24 The Department was questioned about the theft of computer hard drives from within the building during 2001-2002 and its response to the thefts. Mr Lucas, the Security Controller, said that a number of systems were being examined to resolve the problem.

PRIME MINISTER AND CABINET PORTFOLIO

1.25 No departments or agencies in the Prime Minister's portfolio sought additional appropriations in the 2001-2002 financial year and therefore a Portfolio Additional Estimates Statement was not prepared.

1.26 Witnesses from the Public Service and Merit Protection Commission and the Office of the Commonwealth Ombudsman were not called to give evidence on this occasion.

Office of the Official Secretary to the Governor-General

1.27 The outcome-output structure of the Office of the Official Secretary to the Governor-General (OOSGG) is:

Outcome: The Governor-General is enabled to perform the constitutional, statutory, ceremonial and public duties associated with the appointment.

Output 1.1: Support of the Governor-General; and

Output 1.2: Administration of the Australian Honours and Awards system.

1.28 Issues raised by members of the Committee and other Senators in attendance included:

- the maintenance and use of the Governor-General's Canberra residence and of Admiralty House in Sydney;
- an incident concerning the language used by rowers on Lake Burley Griffin; and
- the Office's response to allegations that the Governor-General had mishandled child sex abuse allegations while Archbishop of Brisbane.

1.29 The Committee questioned Mr Bonsey, the Official Secretary to the Governor-General regarding his role in responding to claims that the Governor-General had mishandled child sex abuse allegations during his time as the Archbishop of Brisbane. Mr Bonsey was examined as to the media and legal advice provided to the Governor-General by himself and others, particularly in relation to Australian Broadcasting Corporation and Channel 9 television programs.

1.30 Responding to questions about the time and resources consumed by the need to respond to the claims, Mr Bonsey informed the Committee that it meant an increased workload for himself, the Media Adviser, and Mr Davidson, the Manager of Executive Support. The Secretary told the Committee that a hotline for victims of child sexual abuse had been established that had received twenty to thirty calls and resulted in a small number of meetings between the Governor-General and victims and their families. These meetings were not an expense to the Commonwealth, as they were arranged in conjunction with official duties.

1.31 The Committee was also told that the Governor-General did not use Commonwealth resources in seeking legal advice.

Department of the Prime Minister and Cabinet

1.32 The outcome-output structure of the Department of the Prime Minister and Cabinet (PM&C) is:

Outcome: Sound and well coordinated government policies, programs and decision making processes.

Output 1: Economic policy advice and coordination;

Output 2: Social policy advice and coordination;

Output 3: International policy advice and coordination; and

Output 4: Support services for government operations.

1.33 Members of the Committee and other Senators in attendance examined PM&C's role in relaying and investigating the claims that on 7 October 2001 children had been thrown overboard from a suspected illegal entry vessel, SIEV 4, which had been intercepted by HMAS Adelaide north of Christmas Island. Matters discussed included:

- the adequacy of the monitoring, investigation and reporting of evidence by the Department;
- the nature and chronology of communications between and within Defence, PM&C and the Prime Minister's office, including the transmittal of photographs and accompanying information;
- the Department's response when it became aware that there was no evidence supporting the claims;
- taskforces and committees set up to examine aspects of people smuggling, including staffing arrangements, the dates and times of meetings, terms of reference, agencies represented and minutes;
- the report prepared on behalf of the People Smuggling Task Force, 'Investigation into advice provided to Ministers on SIEV 4', including the advice sought before undertaking the inquiry, evidence considered, and the independence of the inquiry; and
- the maintenance of relevant tapes of e-mail and phone logs by the Department.

1.34 In light of the publicity surrounding the claim that children were thrown overboard, members of the Committee were concerned with the timeliness and accuracy of information provided to the Prime Minister and his office during the lead up to the Federal election.

1.35 The Committee sought to establish PM&C's precise role in relaying and investigating information before and after it became aware that there was no evidence to support such a claim. The Committee encountered difficulty in establishing an exact account of events surrounding the incident.

1.36 The Committee notes that this matter will be pursued further by the Select Committee on a Certain Maritime Incident, which is due to present its report by 16 May 2002.

Office of National Assessments

1.37 The outcome-output structure of the Office of National Assessments (ONA) is:

Outcome 1: Enhanced government awareness of international political and leadership developments, international strategic developments, including military capabilities, and international economic developments.

Output 1.1: Product;

Output 1.2: Briefing; and

Output 1.3: Coordination.

Outcome 2: Enhanced intelligence support for Defence planning and deployments, in peacetime and conflict, to maximise prospects for military success and to minimise loss of Australian lives.

Output 2.1: Product;

Output 2.2: Briefing; and

Output 2.3: Coordination.

1.38 Issues raised by members of the Committee and other Senators in attendance included:

- the inclusion in an ONA periodical report of reference to the throwing of children overboard SIEV 4; and
- plans to establish a transnational branch to address areas such as terrorism and people smuggling.

1.39 The Committee questioned the ONA regarding its inclusion in a periodical report of reference to the throwing of children overboard SIEV 4. The ONA told the Committee that it generally included sources of information in such reports and had erred in omitting the source on this occasion. It was explained to the Committee that the material was not intended to be presented as new information, but was drawing on information already in the public domain as to techniques that may be used by people smugglers. On learning that the claims that children were thrown overboard were wrong the ONA did not pursue any action, because the investigation of such matters was being pursued elsewhere.

1.40 The Committee sought to establish whether there had been a breach of security when the Prime Minister publicly quoted from the ONA report on 8 November 2001. The ONA was unable to tell the Committee the security classification of the periodical report. The Committee asked if there were any precedents for a Prime Minister publicly quoting from an ONA report and was advised that an ONA report had been publicly quoted in the mid-1980s.

Australian National Audit Office

1.41 The outcome-output structure of the Australian National Audit Office (ANAO) is:

Outcome 1: Improvement in public administration:

Output 1: Performance audit services;

Output 2: Information support services; and

Output 3: Assurance audit services.

Outcome 2: Assurance:

Output 1: Performance audit services;

Output 2: Information support services; and

Output 3: Assurance audit services.

1.42 Members of the Committee and other Senators in attendance discussed issues surrounding:

- the ANAO's lease on Centenary House;
- whether the ANAO could audit the expenditure of a Royal Commission;
- Audit Report No. 5 2000-2001 *Parliamentarians' Entitlements: 1999-2000*; and
- Audit Report No. 29 2001-2002 *Audits of the Financial Statements of Commonwealth Entities for the Period Ended 30 June 2001*.

1.43 The Committee sought clarification of issues raised in the report *Audits of the Financial Statements of Commonwealth Entities for the Period Ended 30 June 2001*, in particular the claim that 'the government breached accounting standard 31 in terms of its accounting for revenues and expenditures'.² Mr McKean, Executive Director, Assurance Audit Services, explained to the Committee that this accounting standard largely affected the treatment of general taxation revenue and the Goods and Services Tax. In the ANAO's view the Government's approach resulted in the consolidated statements of financial performance being overstated by \$5.4 million on an accrual basis. The Committee also discussed with witnesses difficulties in the reconciliation of statements using international standards for Government Financial Statistics with those based on Australian Accounting Standards.

Office of the Inspector-General of Intelligence and Security

1.44 The outcome-output structure of the Office of the Inspector-General of Intelligence and Security (OIGIS) is:

Outcome: An environment in which Australia's intelligence agencies act legally, ethically and with propriety.

Output 1: Monitor the activities of the intelligence agencies; and

Output 2: Provide a complaint service.

1.45 Members of the Committee and other Senators in attendance discussed issues surrounding:

- the Inspector-General's concerns that, in order to meet certain reporting requirements, the financial statements contained in his Annual Report 2001-02 were not comprehensible;
- the inquiry into allegations that Defence Signals Directorate (DSD) improperly monitored telephone calls between the *MV Tampa*³ and Australian citizens, including who would receive the report and events leading up to the decision to conduct the inquiry; and

2 Committee, *Hansard*, 19 February, p. 118.

3 The *MV Tampa* is a Norwegian freight vessel that picked up survivors from a sinking vessel, believed to be a suspected illegal entry vessel, in September 2001.

- the Inspector-General's role in inspecting the activities of DSD, including changes to rules governing DSD's conduct of surveillance, the impact of the *Intelligence Services Act 1999*, and the approval required for DSD to conduct a surveillance.

1.46 The Committee sought background information concerning a *Canberra Times* article of 28 January 2002 referring to a letter from the Inspector-General, Mr Blick, to Dr Watt, Secretary of DOFA. In this letter, also reprinted in the OIGIS's *Annual Report 2000-01*, Mr Blick stated that, as a result of reporting requirements, 'the [financial] statements are incomprehensible to the lay reader, even with nearly a dozen pages of explanatory notes'.⁴ Mr Blick arranged to provide the Committee with a copy of Dr Watt's response to the letter, as he was keen to explore ways of introducing some 'real concise financial reporting'.⁵

1.47 The Committee noted that the Inspector-General was conducting an inquiry into complaints about the DSD's monitoring activities, and indicated that it would look forward with interest to the outcome of that inquiry. Mr Blick advised that he hoped to complete the inquiry 'quite quickly' and that he has the power to recommend whether such a report should be made public.

FINANCE AND ADMINISTRATION PORTFOLIO

Department of Finance and Administration

1.48 The Department of Finance and Administration (DOFA) was the only agency within the Finance and Administration portfolio to seek additional appropriations for the financial year 2001-2002. Approximately \$14.7 million is sought to reimburse DOFA for:

- expenses on the Royal Commission into the Collapse of HIH Insurance Group incurred up until the transfer of responsibility for the Commission to the Attorney-General's Department (\$7.6 million);
- expenses on the Royal Commission into the Building and Construction Industry incurred up until the transfer of responsibility for the Commission to the Attorney-General's Department (\$6.9 million); and
- expenses on the Sugar Industry Assistance package up until the transfer of responsibility for the function to the Department of Transport and Regional Services (\$0.3 million).

1.49 The outcome-output structure of DOFA is:

Outcome 1: Sustainable government finances.

Output 1.1: Budget.

Outcome 2: Improved and more efficient government operations.

4 Committee, *Hansard*, 19 February, p. 121.

5 Committee, *Hansard*, 19 February, p. 122.

Output 2.1: Asset Management;

Output 2.2: Financial Framework; and

Output 2.3: Business Services.

Outcome 3: Efficiently functioning Parliament.

Output 3.1: Ministerial and Parliamentary Services.

1.50 Issues raised by members of the Committee and other Senators in attendance included:

- the preparation of monthly financial statements and Consolidated Financial Statements (CFS);
- Departmental staffing matters, including salary structures and dismissals or disciplinary conduct within DOFA over the past year;
- the provision of costings on Opposition policies;
- guidance provided by DOFA to agencies on the developing outcomes and outputs and ANAO Report No. 18 2001-2002, *Performance Information in Portfolio Budget Statements*;
- the role of the Management Advisory Committee;
- advances to agencies, under the Advance to the Finance Minister, including the criteria for advances;
- asset sales, including the sale of National Railway and Freight, the deferred sale of Sydney airport, and the sale of Telstra;
- the management of Commonwealth property, including the rate of return on property and Audit Report No. 4 2001-2002, *Commonwealth Estate Property Sales*;
- probity advice in competitive tendering and contract processes;
- the establishment of the Private Financing Unit within DOFA;
- DOFA's response to Audit Report No. 45 1999-2000, *Commonwealth Foreign Exchange Risk Management Practices*;
- Ministerial and Parliamentary Services' administration of travel and communications entitlements, including Comcar staff working conditions and the use of hire car companies;
- Parliamentarians' entitlements, including DOFA's response to recommendations contained in the Audit Report No. 5 2000-2001 *Parliamentarians' Entitlements: 1999-2000*; and
- Members of Parliament Staff (MOPS).

1.51 Senator Conroy inquired into the timeliness of the release of monthly financial statements. Mr Kerwin, Manager of Financial Reporting, acknowledged that the monthly statements had been released about six weeks after the period close, rather than the 30 days recommended by the International Monetary Fund. Senator Conroy also raised concerns about the trends in the cumulative underlying cash balance as presented in the statements for the last quarter of 2001.

1.52 DOFA was also examined regarding its preparation of the Consolidated Financial Statements (CFS) in accordance with Australian Accounting Standards and the late tabling of the CFS in December 2001. The Committee canvassed issues surrounding the differing views of DOFA and ANAO regarding the treatment of taxation revenue and the Goods and Service Tax, referring to Audit Report No. 29 2001-2002, *Audits of the Financial Statements of Commonwealth Entities for the Period Ended 30 June 2001*. Commenting on the Committee's observation that the Australian Taxation Office and the Treasury use the approach preferred by ANAO, Dr Watt maintained that it was 'important to distinguish the accounts of an agency, which are one thing, and the accounts of the Commonwealth as a whole'.⁶ Mr Kerwin explained to the Committee that:

the difference of view between us and the Auditor-General is in the order of a couple of billion dollars a year. We have taken a view that it is an amount, particularly in relation to a bottom line and the effect on a bottom line, that could quite likely mislead. Because of that, we are of the view that the more cautious approach ... would be to identify the revenue on the other basis.⁷

1.53 With respect to staff engaged under the *Members of Parliament (Staff) Act 1984* (MOPS), the Committee questioned DOFA about staff turnover, staff training and staff currently employed at the Government Members' Secretariat. Clarification was sought by the Committee concerning MOPS staff entitlements with regard to travel and accommodation, particularly during the election period.

1.54 The Committee was also concerned to ensure that the current guidelines on the use of Parliamentary entitlements, such as printing and postal entitlements, were consistently applied. Senator Faulkner questioned DOFA regarding the possibility that entitlements had been used to print and distribute campaign material in the lead up to the election, a practice which could be interpreted to be outside the guidelines. Commenting on DOFA's processing of such payments, Ms Mason told the Committee that:

in the absence of a clear definition from the Remuneration Tribunal or a clear ruling from the Courts, we need to rely on the certification of the relevant senator or member as to whether or not their consumption of entitlements is within the rules.⁸

1.55 Senator Murray observed that the three political parties present had a common interest in resolving such issues and suggested that DOFA construct a discussion paper that begins to do so. The Committee welcomed the undertaking of the Special Minister of State, Senator Abetz, to prepare such a document and noted that the Minister sought input from all parties.

Australian Electoral Commission

1.56 The outcome-output structure of the Australian Electoral Commission (AEC) is:

Outcome 1: Australians have an electoral roll which ensures their voter entitlement and provides the basis for the planning of electoral events, and electoral redistributions.

6 Committee, *Hansard*, 19 February 2002, p. 145.

7 Committee, *Hansard*, 19 February 2002, p. 143.

8 Committee, *Hansard*, 19 February 2002, p. 177.

Output 1.1: Electoral roll management.

Outcome 2: Stakeholders/customers have access to and advice on impartial and independent electoral services and participate in electoral events.

Output 2.1: Elections, ballots and referendums.

Outcome 3: An Australian community which is well informed about electoral matters.

Output 3.1: Electoral education.

1.57 The Committee and other Senators in attendance examined issues surrounding:

- funding disclosure in annual returns;
- the registration of political parties;
- the financial returns of associated entities; and
- the effect of the cessation of the provision of newspapers to divisional returning officers in regional areas.

1.58 The Committee examined the AEC about funding disclosure requirements, examining compliance, and the auditing, timeliness and publication of returns. Difficulties surrounding disclosure when funds or trusts are donors were noted. Ms Mitchell explained to the Committee that audits were conducted after public availability, not when returns were lodged, and that the details of audits and the audit programs were not usually revealed. When the Commission finds that a return is inaccurate, an amended return is placed on the website.

1.59 Witnesses from the Commonwealth Grants Commission and ComSuper were not called to give evidence on this occasion.

GENERAL ISSUES

Correction of evidence

1.60 Subsequent to her attendance at the hearing of 18 February, the President corrected her evidence as to the number of still photographers allowed in the galleries at any one time from three to four. The Committee registers its appreciation of such a rapid correction of evidence, and notes that, as Senator Faulkner stated during the hearings, ‘the Senate has a very good record of correcting matters like this at the earliest available opportunity’.⁹

1.61 The Secretary of PM&C, Mr Max Moore-Wilton, during the hearing of 18 February, corrected his evidence concerning how the People Smuggling Task Force recorded its deliberations and what written communications were provided.¹⁰ On 20 February Mr Max Moore-Wilton wrote to the Committee and further corrected his evidence in relation to the reprioritisation of the Papua New Guinea aid program. The Committee also registers its appreciation of this timely correction of evidence.

9 Committee, *Hansard*, 18 February 2002, p. 38.

10 Committee, *Hansard*, 18 February 2002, p. 39.

1.62 The Committee reminds witnesses that pursuant to Parliamentary Privilege Resolution 6(12)(c) the giving of false or misleading evidence to the Committee may constitute a contempt of the Senate. The Committee therefore welcomes the timely correction of evidence by witnesses.

Committee response to a Minister's refusal to answer a question to the Committee's satisfaction

1.63 During the DOFA hearing, Senator Faulkner requested the names of staff currently employed in the Government Members' Secretariat. The Minister, Senator Abetz, initially declined to provide the names of MOPS staff employed in the Government Members' Secretariat on the grounds of protecting their privacy. However, he subsequently agreed to take the question on notice. Senator Faulkner protested and called for a private meeting, noting that the information had been provided in previous years and was publicly available in the Parliament House Occupants Directory. At a private meeting the Committee passed the following resolution:

As the Committee views the Minister's response to a question of this nature asked by Senator Faulkner as unprecedented the committee has determined to report this matter to the Senate.¹¹

1.64 This resolution, including dissent from it by Government members on the Committee, was conveyed to the public on the resumption of the public hearing.

Responses to Questions on Notice

1.65 The Committee observes that a number of Questions on Notice directed towards PM&C and DOFA at the May 2001 Budget Estimates hearings remained outstanding at the week prior to the Additional Estimates hearings. Answers were due by 27 June 2001.

1.66 DOFA supplied answers to most outstanding questions the afternoon before its attendance at the hearings on 19 February 2002. The Committee notes the lateness of the answers and observes that the provision of answers immediately before a Department's appearance does not allow the Committee sufficient time to adequately examine the answers. Three questions still remain unanswered relating to the following areas:

- proceeds from the sale of the datacasting spectrum included in the 2001-02 Budget;
- the final cost of the sales following the dismemberment of Department of Administrative Services; and
- staffing in the Prime Minister's office.

1.67 PM&C supplied all answers, with the exception of one, by the conclusion of the week before the 18-19 February 2002 hearings. The remaining unanswered question related to the cost per unit of minting the sports medal.

1.68 The Committee further reminds PM&C that two questions remain outstanding from the Additional Estimates hearing of February 2001 relating to the following areas:

- Ms Carnell's appointment; and

¹¹ Committee, *Hansard*, 19 February 2002, p. 189.

- the Ombudsman's *Annual Report 1998-99*: 'Improper access to information'.

1.69 Answers to these questions on notice were due 23 March 2001.

1.70 The Committee is concerned with the practice of submitting late answers, or not submitting answers at all. The Committee reminds agencies of Standing Order 26(9) that empowers Committee to set a date for the receipt of Questions on Notice. Failure to comply with a requirement of a Senate committee may constitute a contempt.

Acknowledgments

1.71 The Committee expresses its appreciation of the service provided by the Department of the Parliamentary Reporting Staff in recording and broadcasting the Committee's hearings and transcribing them so promptly; and the service provided by Committee Room attendants in preparing the rooms and providing refreshments for witnesses during the hearings.

1.72 The Committee also wishes to thank all ministers and departmental and agency officers for their assistance.

1.73 Prior to the Additional Estimates hearings, officers from the two departments that tabled Portfolio Additional Estimates Statements (PAES), DOFA and DPL, provided an informal briefing to the Committee on the contents and significance of their PAES. The Committee found the briefing to be most useful, enabling the Committee to gain a greater understanding of the structure and content of the Portfolio Additional Estimates Statements. The Committee appreciates the assistance provided by the officers of these departments.

Other issues

1.74 In its last report on Portfolio Budget Statements, tabled in November 2000, the Committee recommended that all committees comment on the adequacy of both the PBS provided for their use and in each Additional Estimates report on the performance information examined. As noted above, there were only two PAES provided in this round of Additional Estimates. These contained very simple variations to the appropriations sought and the Committee found the explanations to be readily understood.

1.75 The Committee will comment further on the performance information provided by departments and agencies in its report on annual reports, which is due to be tabled by 21 March 2002.

Questions on Notice

1.76 The Committee has set 27 March 2002 as the date by which responses to Questions on Notice should be received.

Senator Brett Mason

Chair

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