The Senate

# Finance and Public Administration Legislation Committee

Budget Estimates 2025–26

April 2025

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ISBN 978-1-76093-828-4 (Printed version)

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Printed by the Senate Printing Unit, Parliament House, Canberra.

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# Abbreviations

APS	Australian Public Service
CEO	Chief Executive Officer
CFMEU	Construction, Forestry and Maritime Employees Union
the committee	the Senate Finance and Public Administration Legislation Committee
DPS	Department of Parliamentary Services
HMAS	His Majesty's Australian Ship
PBS	Portfolio Budget Statement
РМС	Prime Minister and Cabinet
US	United States of America

# Chapter 1 Overview

1.1 On 25 March 2025, the Senate referred the following to the Senate Finance and Public Administration Legislation Committee (the committee) for examination and report:

Particulars of proposed expenditure in respect of the year ending on 30 June 2026.

Particulars of certain proposed expenditure in respect of the year ending on 30 June 2026.

Particulars of proposed expenditure in relation to the parliamentary departments in respect of the year ending on 30 June 2026.

Particulars of proposed expenditure in respect of the year ending on 30 June 2026 [Supply Bill (No. 1) 2025-2026].

Particulars of certain proposed expenditure in respect of the year ending on 30 June 2026 [Supply Bill (No. 2) 2025-2026].

Particulars of proposed expenditure in relation to the parliamentary departments in respect of the year ending on 30 June 2023 [Supply (Parliamentary Departments) Bill (No. 1) 2025-2026].<sup>1</sup>

- 1.2 The Senate set 27 May 2025 for the committee to report on its consideration of Budget Estimates 2025–26.<sup>2</sup>
- 1.3 In accordance with a resolution of the Senate on 27 July 2022, the committee has responsibility for examining the expenditure and outcomes of the following:
  - Parliamentary departments;<sup>3</sup>
  - Prime Minister and Cabinet (PMC) portfolio;
  - Finance portfolio; and
  - Cross Portfolio Indigenous matters.<sup>4</sup>
- 1.4 Departments and agencies under the committee's oversight are listed in Appendix 1 of this report.

<sup>&</sup>lt;sup>1</sup> *Journals of the Senate*, No. 154, 25 March 2025, p. 5001.

<sup>&</sup>lt;sup>2</sup> Journals of the Senate, No. 146, 28 November 2024, p. 4497.

<sup>&</sup>lt;sup>3</sup> As a matter of comity between the Houses, neither House enquires into the operations of the other House. For this reason, neither the annual report of, nor the proposed expenditure for, the Department of the House of Representatives is referred to a Senate committee for review.

<sup>&</sup>lt;sup>4</sup> *Journals of the Senate*, No. 2, 27 July 2022, p. 73.

### **Budget documents**

1.5 The Budget Statement, Budget papers, and Portfolio Budget Statements (PBS) 2025–26 for the PMC portfolio, the Finance portfolio, and the Parliamentary departments were tabled in the Senate on 25 March 2025.<sup>5</sup>

### **Public hearings**

- 1.6 In accordance with a resolution of the Senate, the committee planned to hold public hearings for Budget Estimates 2025–26 on the following dates:
  - Thursday, 27 March 2025—Parliamentary Departments, PMC portfolio, and Finance portfolio;
  - Monday, 31 March 2025—Parliamentary Departments, PMC portfolio, and Finance portfolio;
  - Tuesday, 1 April 2025–PMC portfolio and Finance portfolio; and
  - Friday, 4 April 2025–Cross Portfolio Indigenous matters.<sup>6</sup>
- 1.7 On the morning of Friday, 28 March 2025 the Prime Minister called the Federal election for Saturday, 3 May 2025. Parliament was subsequently prorogued, and the Monday, Tuesday, and Friday hearings did not proceed.
- 1.8 On Thursday, 27 March 2025, the committee heard evidence from Senator the Hon Sue Lines, President of the Senate, and the following Ministers:
  - Senator the Hon Penny Wong, Minister for Foreign Affairs; and
  - Senator the Hon Katy Gallagher, Minister for Finance, Minister for Women, Minister for the Public Service, Minister for Government Services.
- 1.9 The committee called the following departments and agencies to appear:

### Parliamentary departments

- Department of Parliamentary Services
- Parliamentary Service Commissioner

### Prime Minister and Cabinet portfolio

- Department of the Prime Minister and Cabinet
- Australian Public Service Commission
- Workplace Gender Equality Agency

### **Finance portfolio**

- Department of Finance
- ASC Pty Ltd
- Australian Electoral Commission
- Australian Naval Infrastructure Pty Ltd

<sup>&</sup>lt;sup>5</sup> *Journals of the Senate,* No. 154, 25 March 2025, pp. 5000–5002.

<sup>&</sup>lt;sup>6</sup> *Journals of the Senate*, No. 154, 25 March 2025, p. 4983.

- Independent Parliamentary Expenses Authority
- 1.10 Australian Naval Infrastructure Pty Ltd and the Independent Parliamentary Expenses Authority were released from the hearing.
- 1.11 Documents tabled during the hearings are listed in Appendix 2.
- 1.12 Documents received as additional information are listed in Appendix 3.

### Questions on notice and Hansard transcripts

- 1.13 The committee has set Thursday, 29 May 2025 as the return date for answers to questions on notice arising from the Budget Estimates 2025–26 hearings.
- 1.14 Answers to questions on notice are published on the committee's estimates webpage as they are received, along with the Hansard transcripts of the proceedings of the hearings.<sup>7</sup>

### Timeliness and content of Answers to Questions on Notice

- 1.15 The committee set Monday, 24 March 2025 as the due date for the return of answers to questions on notice for Additional Estimates 2024–25. Due to Budget occurring in March instead of May departments and agencies only received three weeks to provide answers to Questions on Notice.
- 1.16 The committee welcomed the timely provision of some answers to questions on notice from all portfolios. As always, the committee encourages departments and agencies to provide answers to questions on notice by the due date. The timely provision of answers aids in the committee's efforts to examine the operations of departments and agencies.

### Note on References

1.17 References to the Hansard transcript are to the proof Hansard, and so page numbers may vary between the proof and official Hansard transcripts.

### **Record of proceedings**

1.18 This report does not attempt to analyse the evidence presented during the hearings. Instead, it provides a summary of some of the key issues that were examined by the committee for each portfolio.

<sup>&</sup>lt;sup>7</sup> See <u>Finance and Public Administration – Senate Estimates</u>.

# Chapter 2 Public hearings

- 2.1 This chapter lists the key topics discussed for each department and agency examined during the committee's hearings for Budget Estimates 2025–26.
- 2.2 Page numbers of the Proof Hansard transcript for each agency's appearance are included in footnotes for ease of reference.

### Parliamentary departments – Thursday, 27 March 2025

### Department of Parliamentary Services and Parliamentary Service Commissioner

- 2.3 Topics discussed with the Department of Parliamentary Services (DPS) and Parliamentary Service Commissioner included:
  - Furniture constructed for a former Deputy Secretary, spending on sit/stand desks for Parliamentarians;
  - Legal proceedings against the Commonwealth in relation to statements made by a former employee of the Parliamentary Library;
  - DPS staffing levels;
  - Relocation of DPS staff to West Block; and
  - Circumstances around the departure of the former Secretary.<sup>1</sup>

### Prime Minister and Cabinet portfolio – Thursday, 27 March 2025

### Department of the Prime Minister and Cabinet

Outcome 1: Provide high quality advice and support to the Prime Minister, the Cabinet, Portfolio Ministers and Assistant Ministers including through coordination of government activities, policy development and program delivery.

- 2.4 Topics discussed with the Department of the Prime Minister and Cabinet under Outcome 1 included:
  - Prime Ministerial communication with Prime Minister Netanyahu, and Australia-Israel relations;
  - Woodside Energy's Northwest Shelf Project;
  - Dural caravan incident, timing of the briefing of the Prime Minister by the Australian Federal Police;
  - Cabinet handbook, declaration of conflicts of interest by cabinet members under the former code of conduct, including declaration of shares;
  - Government policy settings regarding Indigenous Voice, Treaty, Truth;
  - Funding for Australian Government Consulting, ongoing resourcing;

<sup>&</sup>lt;sup>1</sup> *Committee Hansard*, 27 March 2025, pp. 2–14.

- Statements of support for Ukraine;
- PMC tweet about government being in caretaker mode;
- Briefing of Papua New Guinea government on Chinese warships in Australian waters;
- Concerns regarding integrity in the CFMEU;
- Meetings between the Prime Minister and members of the live sheep export industry;
- Communication between PMC and the Office of the Official Secretary to the Governor General;
- Communication between the Prime Minister and President Trump;
- Tariffs on steel and aluminium by the US administration; and
- Approaches and negotiations on potential exemptions on tariffs.<sup>2</sup>

### Finance portfolio – Thursday, 27 March 2025

### Department of Finance Outcomes 2.1 and 3 (SMOS)

Outcome 2: Support an efficient and high-performing public sector through providing leadership to Commonwealth entities in ongoing improvements to public sector governance, including through systems, frameworks, policy, advice and service delivery

Program 2.1 – Public Sector Governance (Electoral Policy only – SMOS responsibility)

*Outcome 3: Support for Parliamentarians and others as required by the Australian Government through the delivery of and advice on, work expenses and allowances, entitlements and targeted programs* 

- 2.5 Topics discussed with the Department of Finance under Outcome 2 (Electoral Policy) and Outcome 3 included:
  - Providing legal advice to parliamentarians on the Parliamentary Business Resources Act 2017 and the *Member of Parliament (Staff) Act 1984;*
  - Timing of the federal election; and
  - Government's staffing committee membership.<sup>3</sup>

### Australian Electoral Commission

- 2.6 Topics discussed with the Australian Electoral Commission included:
  - Resourcing for the Western Australia state election;
  - Prevalence of misleading and deceptive conduct, particularly targeted towards First Nations voters;
  - Conditions on election fundraising;
  - Impacts of the trend of increasing number of independent candidates and registered entities;
  - Political parties' collaborations with social media influencers; and

<sup>&</sup>lt;sup>2</sup> *Committee Hansard*, 27 March 2025, pp. 16–49.

<sup>&</sup>lt;sup>3</sup> *Committee Hansard*, 27 March 2025, pp. 52–62.

• Logistical contingency measures for pre-polling in condensed elections.<sup>4</sup>

### Prime Minister and Cabinet portfolio – Thursday, 27 March 2025

# Department of the Prime Minister and Cabinet—Office for Women and the Workplace Gender Equality Agency

- 2.7 Topics discussed with PMC under the Office for Women and for the Workplace Gender Equality Agency included:
  - Process for the Office of Women engaging with Departments in gender responsive budgeting;
  - Gender analysis of current and potentially new tax policy;
  - Analysis of superannuation policy measures for women; and
  - New setting targets legislation for the gender wage gap.<sup>5</sup>

### **Australian Public Service Commission**

- 2.8 Topics discussed with the Australian Public Service Commission and Department of the Prime Minister and Cabinet—Australian Government Consulting included:
  - Reemployment of an official who has been found to have breached the APS Code of Conduct; and
  - Budget allocation for Australian Government Consulting.<sup>6</sup>

### Finance portfolio – Thursday, 27 March 2025

### Department of Finance Outcomes 1 and 2

Outcome 1: Support sustainable Australia Government finances through providing high quality policy advice and operational support to the government and Commonwealth entities to maintain effective and efficient use of public resources.

Outcome 2: Support an efficient and high-performing public sector through providing leadership to Commonwealth entities in ongoing improvements to public sector governance, including through systems, frameworks, policy advice, service delivery, and managing, acquiring and divesting government investments.

- 2.9 Topics discussed with the Department of Finance under Outcomes 1 and 2 included:
  - Examination of Budget Paper No. 1, including gross debt and debt as a share of GDP;
  - Future resourcing for the APS and Australian Government Report on the Audit of Employment;

<sup>&</sup>lt;sup>4</sup> *Committee Hansard*, 27 March 2025, pp. 62–70.

<sup>&</sup>lt;sup>5</sup> *Committee Hansard*, 27 March 2025, pp. 72–78.

<sup>&</sup>lt;sup>6</sup> *Committee Hansard*, 27 March 2025, pp. 79–81.

- Government use of external consultancies;
- Decisions taken but not yet announced;
- Preparation and timing of the Pre-election Economic and Financial Outlook;
- Allocation of funding to the Clean Energy Finance Corporation;
- APS workforce composition under previous Coalition governments; and
- Processes for Commonwealth cover claims.<sup>7</sup>

### ASC Pty Ltd

- 2.10 Topics discussed with ASC Pty Ltd included:
  - Life-of-type-extension for Collins Class Submarines, specifically HMAS Farncomb; and
  - Recruitment process for a new CEO and the potential transition period.<sup>8</sup>

Senator Louise Pratt Chair Senator for Western Australia

<sup>&</sup>lt;sup>7</sup> *Committee Hansard*, 27 March 2025, pp. 84–126

<sup>&</sup>lt;sup>8</sup> *Committee Hansard*, 27 March 2025, pp. 126–136.

# Appendix 1

# Departments and agencies under the committee's oversight

### **Parliamentary departments**

- Parliamentary Budget Office
- Department of the Senate
- Department of Parliamentary Services
- Parliamentary Service Commissioner

### Prime Minister & Cabinet portfolio

- Australian National Audit Office
- Australian Public Service Commission
- Department of the Prime Minister and Cabinet
- National Australia Day Council Limited
- Net Zero Economy Authority
- Office of National Intelligence
- Office of the Official Secretary to the Governor-General
- Workplace Gender Equality Agency

### **Finance portfolio**

- ASC Pty Ltd
- Australian Electoral Commission
- Australian Naval Infrastructure Pty Ltd
- CEA Technologies Pty Limited
- Commonwealth Superannuation Corporation
- Department of Finance
- Digital Transformation Agency
- Future Fund Management Agency
- Independent Parliamentary Expenses Authority
- ITC Technologies Pty Ltd
- Parliamentary Workplace Support Service

### **Cross-portfolio Indigenous Matters**

- Aboriginal Investment NT
- Aboriginal Hostels Limited
- Anindilyakwa Land Council
- Attorney-General's Department
- Australian Institute of Aboriginal and Torres Strait Islander Studies
- Central Land Council
- Department of Education

- Department of Employment and Workplace Relations
- Department of Health and Aged Care
- Department of Social Services
- Indigenous Business Australia
- Indigenous Land and Sea Corporation
- National Indigenous Australians Agency
- Northern Land Council
- Office of the Registrar of Indigenous Corporations
- Office of Township Leasing
- Outback Stores Limited
- Tiwi Land Council
- Torres Strait Regional Authority
- Wreck Bay Aboriginal Community Council

# Appendix 2 Tabled documents

### **Parliamentary departments**

### Thursday, 27 March 2025

• Opening Statement, tabled by Jaala Hinchcliffe, Secretary, Department of Parliamentary Services.

### Prime Minister and Cabinet portfolio

### Thursday, 27 March 2025

- Opening Statement, tabled by Senator the Hon Penny Wong, Minister for Foreign Affairs.
- ABC, WA Environment Minister Reece Whitby approves 50-year extension of North West Shelf gas project, 13 December 2024, tabled Senator the Hon Michaelia Cash.

### **Finance portfolio**

### Thursday, 27 March 2025

- Personal Employee Positions as at 1 March 2025, tabled by Ms Jenny Wilkinson, Secretary, Department of Finance.
- The Australian Government's report on the Audit of Employment, tabled by Senator Deborah O'Neill.
- Sydney Morning Herald, *Coalition takes aim at public servants as Dutton looks to cut 40,000 jobs, 26* March 2025, tabled by Senator Deborah O'Neill.

# Appendix 3 Additional information

### **Parliamentary Departments**

• Committee activity – March 2025 Budget Estimates from Richard Pye, Clerk of the Senate (received 19 March 2025).

### **Prime Minister and Cabinet**

• ANAO Audit Summary March 2025 from Rona Mellor, Deputy Auditor-General (received 24 March 2025).