



Australian Government

Department of the Prime Minister and Cabinet

SECRETARY

DR MARTIN PARKINSON AC PSM

Ms Ann Palmer
Secretary
Senate Finance and Public Administration
References Committee
Parliament House
CANBERRA ACT 2600

Dear Ms Palmer

Thank you for your letter of 25 July 2019 inviting me to make a written submission in relation to the Senate Finance and Public Administration References Committee's inquiry into the **Compliance by former Ministers with the requirements of the Prime Minister's statement of Ministerial Standards.**

On 3 July 2019, the Prime Minister requested my advice under clause 7.4 of the *Statement of Ministerial Standards* (the Standards) in relation to the application of the Standards to former Ministers.

I provided advice to the Prime Minister on 19 July 2019 in relation to the former Minister for Defence, the Hon Christopher Pyne, and the former Minister for Foreign Affairs, the Hon Julie Bishop. The Prime Minister and the Leader of the Government in the Senate, Senator the Hon Mathias Cormann, tabled my letter in the Parliament on 22 July 2019.

A copy of my letter to the Prime Minister is attached for the Committee's information. In addition to the matters raised in my 19 July letter, I wish to provide the following details in relation to Ms Bishop.

Video featuring Ms Bishop and posted on Palladium's Facebook page

As the Committee would be aware, during Question Time on Monday, 22 July 2019, the Manager of Opposition Business, the Hon Tony Burke MP, raised questions about Ms Bishop's involvement with Palladium. During questions, Mr Burke mentioned a video featuring Ms Bishop, which appeared on Palladium's Facebook page – 'Palladium: Make It Possible'.

The Department of Foreign Affairs and Trade (DFAT) has advised that the video featuring Ms Bishop was created for the Shared Value Leadership Summit in New York in 2017. The video appears on the Shared Value Project's YouTube page (<https://www.youtube.com/watch?v=JVFyRnjRbiU>).

The Shared Value Project is the peak body for shared value in Australia and the Asia Pacific, and assists its members to promote and advance the shared value concept. Shared value is a business strategy focused on companies creating measurable economic benefit by identifying and addressing social problems that intersect with their business.

During the video, Ms Bishop mentions a range of aid related activities that the Australian Government is associated with and she also refers to the Business Partnerships Platform (BPP). At no point in the video does Ms Bishop refer to Palladium by name.

I understand that the BPP is a DFAT initiative that partners with business to deliver Australia's aid programs. BPP is a \$24 million program that provides up to \$500,000 in matched funding to business and their partners (which can include not-for-profits, NGOs and academia) for projects that undertake a shared value approach, where business deliver sustainable social impact in developing countries while also achieving commercial returns. The program finishes at the end of 2019.

DFAT conducted a tender process in 2015 for the implementation of the BPP. DFAT sought a Request for Quotation from large suppliers on the DFAT Aid Advisory Services Panel. One submission was received for the tender, which was from Palladium. The submission from Palladium was assessed by an evaluation committee within DFAT, and the application was evaluated on the basis of technical competence to undertake the work and value for money objectives. Palladium was assessed as the preferred tenderer and awarded the contract.

I am advised that Ms Bishop had no part in the procurement process that awarded the contract to Palladium and this is consistent with the information Ms Bishop provided to me in my recent discussion with her on matters relating to the Statement of Ministerial Standards and her board position with Palladium.

I am also advised that DFAT provided the video to the Shared Value Project Summit event organisers on 8 May 2017. The video that appears on the Palladium: Make It Possible Facebook page links to an article on Palladium's website written by one of its 'Staff Writers'. The article, dated 7 June 2017, is titled *Australia's Foreign Minister, Julie Bishop, commends Shared Value and the Business Partnerships Platform*.

The article details the purpose of the BPP, transcribes (almost exactly) the words spoken by Ms Bishop and references the 2017 Shared Value Leadership Summit in New York. The article ends with "[t]o view the full video, please visit the Shared Value Project on YouTube."

General observations

The Committee may be aware that I have commented publicly about the Standards and the assessments that I can give as the Secretary of the Department of the Prime Minister and Cabinet. While the Standards are a matter for the Prime Minister of the day, I consider that the Standards are reasonably well structured. They provide sufficient ability for a Prime Minister to ensure a Minister is held to account for their actions. There are mechanisms available to the Prime Minister in dealing with possible non-compliance of the Standards by a Minister.

In terms of post-ministerial employment, I believe that a former-Minister should have the ability to gain employment after they have left the Parliament – whether or not that employment relates to the matters they dealt with as a Minister. As I mentioned in my 19 July letter to the Prime Minister, Ministers – and parliamentarians for that matter – gain experience and knowledge in subject matters during their time in the Parliament. Extinguishing that experience is impossible. However, it is important that former Ministers do not misuse the knowledge and information they have gained from their ministerial position(s) to benefit themselves or others.

I would like to thank the Committee for the opportunity to comment on this matter. The contact officer in the Department of the Prime Minister and Cabinet is Mr John Reid PSM, First Assistant Secretary, Government Division, who can be contacted on

Yours sincerely

12 August 2019