

Chapter 2

Issues

2.1 This chapter lists the key topics discussed for each department and portfolio agency examined during the committee's hearings for Additional Budget Estimates 2018–19. Page numbers of the Proof Hansard for that day's hearing are indicated in brackets as a reference.¹

Parliamentary departments—Monday 18 February 2019

Parliamentary Budget Office

- Post-election report of election commitments (pp. 3–5)
- Policy costing calculations (p. 5)

Department of Parliamentary Services

2.2 The President of the Senate, Senator the Hon. Scott Ryan, made an opening statement in relation to cybersecurity, building works at Parliament House, parliamentary privilege, and conduct of Senators' staff.

2.3 Topics discussed included:

- Contract with Lendlease in relation to the provision of building works for Australian Parliament House (APH) (pp. 8–14)
- Cybersecurity incident of 8 February 2019 (p. 15)
- Perceived or actual conflicts of interest within the Parliamentary Library (pp. 15–16)
- Department of Parliamentary Services (DPS) catering arrangements and facilities (pp. 16–17)
- Staffing matters, including:
 - investigation into staff misconduct (pp. 17–18)
 - rostering of security services; (pp. 18–19) and
 - leave entitlements and outstanding leave balances (p. 21)
- Comcare's investigation into the white powder incident at Parliament House (pp. 19–21)
- Informal gathering of senior DPS executives following the previous Estimates hearing (p. 22)

1 Page numbers may vary between the Proof and the Official Hansard transcripts when published.

Prime Minister and Cabinet Portfolio—Monday 18 February 2019

Australian Public Service Commission

2.4 Topics discussed included:

- Level of employment in the Australian Public Service as part of the 'Stronger Economy, Secure Future' plan (pp. 25–26)
- Use of contractors in the public service (p. 27)
- Indigenous employment in the Australian Public Service (pp. 27–28)

Department of the Prime Minister and Cabinet

2.5 Ms Stephanie Foster, Deputy Secretary, Governance Group, made an opening statement introducing witnesses at the table.

2.6 Topics discussed included:

- Procedures within the department for handling instances of unauthorised disclosures of confidential material, particularly in regards to the *Home Affairs Legislation Amendment (Miscellaneous Measures) Act 2019* (pp. 28–35)
- Caretaker conventions and processes during an election period (p. 35)
- Payment from the department to White Ribbon Australia to become an accredited White Ribbon workplace (pp. 35–37)
- Navigation of contentious legislation through the Parliament when the government no longer has a majority of seats in the House of Representatives and constitutional advice sought by the department (p. 37–40)
- Discussions about the agreement to resettle refugees from offshore detention facilities on Manus Island and the Republic of Nauru with the United States of America (pp. 40–43; 58–62; 100–101)
- Advice from the office of the Prime Minister in relation to the passage of the *Home Affairs Legislation Amendment (Miscellaneous Measures) Act 2019* through the Parliament (p. 63)
- Issues of ministerial accountability in relation to the Australian Federal Police and its activities supporting the Registered Organisations Commission in its investigation of the Australian Workers' Union (pp. 63–68; 73–80; 82–83)
- Review of a Freedom of Information request regarding the Secretary's diary (pp. 68–69)
- Breaches of the Lobbying Code of Conduct and administration of the Australian Government Lobbyists Register (pp. 69–73)
- Issuing of ministry lists (pp. 80–81; 100)
- Review of a Freedom of Information request regarding extraordinary meetings of departments' secretaries convened by Dr Parkinson (pp. 81–82)

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- Involvement of the department in the awarding of a contract for security work and other activities at the immigration detention facility on Manus Island (pp. 83–86)
 - The Prime Minister's involvement in the selection process of a new Chair for the Australian Broadcasting Corporation (pp. 86–90)
 - Conduct of government backbenchers and the *Statement of Ministerial Standards* (pp. 90–93)
 - Digital alteration of photographs of the Prime Minister published online (pp. 93–94)
 - Resignation of the Hon Andrew Broad MP as Assistant Minister to the Deputy Prime Minister (p. 95)
 - Review of the vocational education and training system (VET system) conducted by the department (pp. 95–100)
 - Engagement of the department in the development of the government response to the report of the Royal Commission into Misconduct in the Banking, Superannuation and Financial Services Industry (pp. 101–103)
 - Review of measures in the 2018–19 Mid-Year Economic and Fiscal Outlook, including tax-to-GDP caps and upgrades to Commonwealth facilities (pp. 103–105)
 - Cabinet meetings held outside of Canberra (p. 105)
 - Review of an answer to a question on notice in relation to guidelines for official gifts received (pp. 105–109)²
 - The department's involvement in a review of the announcement of a potential move of the Australian Embassy in Israel from Tel Aviv to Jerusalem (pp. 109–116)
 - The announcement of funding to produce free television content to Pacific nations (pp. 116–121)

Workplace Gender Equality Agency

2.7 Ms Libby Lyons, Director, made an opening statement updating the committee on the outcomes of the Workplace Gender Equality Agency's activities.

2.8 Topics discussed included:

- Transition to a new computer system to manage the collection of workplace gender data (pp. 43–46)
- Narrowing of the gender pay gap and challenges facing particular industries (pp. 46–47)
- Uptake of paid parental leave by men (pp. 47–48)

2 Senate Question on Notice 689, asked by Senator Kitching on 5 February 2018.

- Review of a response to a question on notice in relation to minimum reporting standards for employers of more than 500 staff (pp. 48–49)³
- Legislative scope of the Workplace Gender Equality Agency, regarding a response to a question on notice in relation to the workplace safety gap (pp. 49–50; 51)⁴
- The comparison of actual hours worked for full-time employees between males and females (pp. 50–51)

Office for Women (Department of the Prime Minister and Cabinet)

2.9 Ms Trish Bergin, First Assistant Secretary, Office for Women, made an opening statement in relation to the activities of the Office for Women, including the National Plan to Reduce Violence against Women, the Women's Economic Security Statement, and the Second National Action Plan on Women, Peace and Security.

2.10 Topics discussed included:

- Funding for the Office for Women to meet its commitments in relation to the Women's Economic Security Statement (pp. 52–54; 55–56)
- Legislative requirements for the implementation of commitments in the Women's Economic Security Statement (pp. 54–55)
- Meetings between the Workplace Gender Equality Agency and the Prime Minister since he took office in August 2018 (pp. 56–57)
- Measures taken to deal with domestic violence (pp. 57–58)

Digital Transformation Agency

2.11 Mr Randall Brugeaud, Chief Executive Officer, made an opening statement regarding the operations of the Digital Transformation Agency.

2.12 Topics discussed included:

- The Australian National Audit Office report (no. 24 of 2018–19) into the Australian Criminal Intelligence Commission's administration of the Biometric Identification Service project (pp. 122–128)
- Industry delegation to San Francisco led by the Minister for Human Services and Digital Transformation, Hon Minister Keenan MP (pp. 128–129)

Australian National Audit Office

2.13 Topics discussed included:

- Status of audits being conducted into the Murray-Darling Basin (p. 129)

3 Question on Notice 73, Prime Minister & Cabinet Portfolio, Supplementary Estimates 2018–19 (Rates of compliance – minimum standard).

4 Question on Notice 296, Prime Minister & Cabinet Portfolio, Supplementary Estimates 2018–19 (Gender Workplace Safety Gap)

- Issuing of certificates under section 37 of the *Auditor-General Act 1997* (pp. 129–130)
- Financial position of the Australian National Audit Office (p. 130)

Office of the Official Secretary to the Governor-General

2.14 Mr Paul Singer, Acting Official Secretary to the Governor-General, made an opening statement regarding the activities of the Office and the imminent retirement of the Governor-General.

2.15 Topics discussed included:

- Funding for the Office (pp. 131–132)
- Process for the selection of the next Governor-General (p. 132)
- Details of Mr Singer's appointment as Acting Official Secretary and Mr Steve Murtagh as Acting Deputy Official Secretary (p.133)

Finance Portfolio—Tuesday 19 February 2019

2.16 Senator the Hon Mathias Cormann, Minister for Finance and the Public Service, made an opening statement in relation to his personal travel arrangements for a trip to Singapore in January 2018, which had been the subject of media reports.

ASC Pty Ltd

2.17 Mr Stuart Whiley, Chief Executive Officer and Managing Director, made an opening statement regarding the transfer of the ownership of ASC Shipbuilding to BAE Systems Australia, and the activities of ASC Pty Ltd (ASC).

2.18 Topics discussed included:

- Contract between ASC and Lurssen and the structural separation of ASC Shipbuilding from ASC (pp. 5–6)
- Changes in and demographics of the ASC workforce (pp. 6–9)
- Transfer of the ownership of ASC Shipbuilding to BAE Systems Australia for the Future Frigate Program (pp. 10–11)
- Strategies for the retention of specialised employees (p. 11)

Australian Naval Infrastructure Pty Ltd

2.19 During the hearing, officers from Australian Naval Infrastructure Pty Ltd (ANI) joined the Minister and officers from ASC at the table to jointly answer questions regarding shipyard facilities.

2.20 Topics discussed included:

- Expenditure on the Osbourne South shipyard development project (pp. 9–10)
- Construction and sustainment of the Future Submarine project (pp. 12–13)

2.21 Mr David Knox, Chief Executive Officer, made a statement regarding the activities of ANI.

Future Fund Management Agency

2.22 Mr David Neal, Chief Executive Officer, made an opening statement regarding the activities of the Future Fund Management Agency.

2.23 Topics discussed included:

- Asset management and allocation (p. 16)
- Appointment process for the Future Fund Board of Guardians and the Chair (pp. 17–18)
- Low-fee superannuation proposals (pp. 18–19)
- Target rates of return for the Education Investment Fund and the Building Australia Fund (pp. 19–20)
- Investment mandate for the Future Drought Fund (p. 21)
- Review of the Future Fund 2017–18 annual report, specifically in relation to the Future Fund voting against management of companies in which the Fund is invested (pp. 20–22)

Commonwealth Superannuation Corporation

2.24 Topics discussed included:

- Role of the Commonwealth Superannuation Corporation (pp. 22–23)
- Veterans' superannuation and veterans' complaint mechanisms and resolutions (pp. 23–26)
- Interaction of specific payments and family law disputes (pp. 26–27)
- Distribution of promotional material (p. 27)

Department of Finance

- Travel arrangements for Senator the Hon Mathias Cormann, Minister for Finance and the Public Service, and his interactions with the Chief Executive Officer of Helloworld (pp. 27–61)
- Measures in the 2018–19 Mid-Year Economic and Fiscal Outlook, including payments growth and foreign aid (pp. 61–63; 67–70)
- The announcement to bring forward the 2019–20 Budget (pp. 63–65)
- Review of a question on notice relating to measures from decisions taken but not announced (pp. 65–66)⁵
- DisabilityCare Australia Fund (pp. 66–67)
- Update on the Medical Research Future Fund (p. 70)

5 Question on Notice F012, Finance Portfolio, Supplementary Budget Estimates 2018–19 (MYEFO and Decisions Taken But Not Yet Announced).

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- Provision of funding to hold a referendum on the recognition of Indigenous people (pp. 70–71)
 - Department of Finance enterprise bargaining process (p. 71)
 - Projected dividend payments from the National Broadband Network (pp. 71–74)
 - Engagement of contractors and payment of subcontractors in the Public Service (pp. 74–78; 80–81)
 - Appointments to the board of Australia Post (pp. 78–79)
 - Government advertising campaign expenditure in the 45th Parliament (pp. 81–86)
 - Review of questions on notice relating to complaints made against Members of Parliament (pp. 86–91)⁶
 - Comcar procurement (pp. 91–93; 108–109)
 - Resolution of bullying complaints in offices of Members of Parliament (pp. 93–105)
 - Number of staff for Members of Parliament and appointments of above-the-band salary positions (pp. 105–108)

Independent Parliamentary Expenses Authority

2.25 Ms Annwyn Godwin, Chief Executive Officer, made an opening statement regarding the activities of the Independent Parliamentary Expenses Authority (IPEA).

2.26 Topics discussed included:

- Scope of IPEA's investigation capability (pp. 111–112)
- Meetings with parliamentarians (pp. 113–114)
- Staffing arrangements (pp. 114–116)
- Travel expenses of the Special Envoys for Drought Assistance and Recovery and Indigenous Affairs (pp. 116–117)

Australian Electoral Commission

2.27 Topics discussed included:

- Recent cyber-security incidents targeting major political parties (pp. 118–120)

6 Question on Notice F019, Finance Portfolio, Supplementary Budget Estimates 2018–19 (Number of Bullying Complaints against Members of Parliament); Question on Notice F020, Finance Portfolio, Supplementary Budget Estimates 2018–19 (Evaluations/Investigations); Question on Notice F023, Finance Portfolio, Supplementary Budget Estimates 2018–19 (Complaints) & Question on Notice F025, Finance Portfolio, Supplementary Budget Estimates 2018–19 (Comcare Support).

- Preparations and expectations for the 2019 Federal Election, including vote counting timeframes, digitisation of counting and trends in the use of pre-polling (pp. 120–126)
- Political consultants and donations to political parties (pp. 126–128)
- Access of electoral roll data by credit agencies (p. 128)

Cross-portfolio Indigenous matters—Friday 22 February 2019

2.28 Senator the Hon Nigel Scullion, Minister for Indigenous Affairs, made an opening statement updating the committee on matters regarding Indigenous Australians.

Indigenous Land and Sea Corporation

2.29 Mr John Maher, Chief Executive Officer, made an opening statement in relation to recent legislation changes affecting the corporation and the activities of the corporation.

2.30 Topics discussed included:

- Divestment and acquisition policies for properties held by the Indigenous Land and Sea Corporation (p. 6)
- Management of the Ayers Rock Resort (pp. 6–7)
- Reallocation of investment funds (pp. 7–8)

Indigenous Business Australia

2.31 Mr Rajiv Viswanathan, Chief Executive Officer, made an opening statement in relation to the activities of Indigenous Business Australia.

2.32 Topics discussed included:

- Properties changing ownership under sections 19 and 19A of the *Aboriginal Land Rights (Northern Territory) Act 1976* (p. 10)
- Indigenous procurement policy contracts and employment outcomes of business loans (pp. 10–12)

Office of the Registrar of Indigenous Corporations

2.33 Mr Selwyn Button, Registrar of Indigenous Corporations, made an opening statement in relation to the activities of the office.

2.34 Topics discussed included:

- Recent amendments to the *Corporations (Aboriginal and Torres Strait Islander) Act 2006*, and the technical review conducted (pp. 14–18)
- Monitoring and compliance with corporation reporting obligations (pp. 18–19)
- Process for deregistration of Indigenous corporations (p. 19–20)

Department of the Prime Minister and Cabinet

2.35 Senator the Hon Nigel Scullion, Minister for Indigenous Affairs, made an additional opening statement in relation to the activities of the department affecting Indigenous Australians.

2.36 Topics discussed included:

- Tender process for prospective providers of the Community Development Programme (CDP) (pp. 22–26)
- Consultation and funding decisions in relation to CDP provider, Rise Ventures, and its Chairman, Mr Warren Mundine (pp. 26–39)
- Employment matters for CDP providers (pp. 39–41)
- Recent events regarding the executive of the Northern Land Council (p. 42)
- Consultation and cooperation among the states in regards to Closing the Gap (pp. 42–45)
- Funding for remote housing in the Northern Territory (pp. 45–46)

Cross-portfolio: Health Issues

2.37 Ms Caroline Edwards, Deputy Secretary, Health System Policy and Primary Care Group, Department of Health, made an opening statement providing information in response to questions taken on notice by the Department of Health at a Community Affairs Legislation Committee additional estimates hearing held on Wednesday 20 February 2019.

2.38 Topics discussed included:

- Recent outbreak of syphilis in Indigenous communities (pp. 48–50)
- Indigenous comprehensive primary health care grant process (pp. 50–54; 55–57)
- Efforts to discourage smoking (p. 54)
- Petrol sniffing in Indigenous communities (pp. 54–55)
- Mental health services (pp. 57–58)

Senator James Paterson

Chair

