

# Chapter 2

## Issues

2.1 This chapter lists some of the key issues raised for each department, agency and statutory office holder examined during the committee's hearings on the Additional Estimates 2016-17. Page numbers to the proof Hansard are indicated in brackets.

### **Parliamentary departments, 27 February 2017**

#### ***Department of the Senate***

- Status of the department's enterprise bargaining process and the ability to move outside the bargaining framework (3-4)
- Response to question on notice no. 46 from the Supplementary Budget Estimates 2016-17 round concerning the release of a letter from former Prime Minister Abbott to the Presiding Officers relating to a proposed extension to the Ministerial Wing [while dealt with under the Department of the Senate's examination, the President noted that this issue relates to the Department of Parliamentary Services] (4-6)
- Level of Senate committee activity and resourcing (6-9)
- Adequacy of staffing at security points and whether deficiencies which were indicated in a response to question on notice no. 13 from Department of Parliamentary Services had been brought to the attention of the Security Management Board of which the Usher of the Black Rod is a member (9-10)
- Assessment of department's paper procurement and criteria used (11)

#### ***Parliamentary Budget Office (PBO)***

- Discussion of recent PBO publications: *Future Fund drawdown scenarios: Budget implications*; and *Unlegislated measures carried forward in the budget estimates – February 2017 update* (11-13)

#### ***Department of Parliamentary Services (DPS)***

- Incident report of 25 June 2016 involving a Parliamentary Security Service officer and supervisors (14-17, 19-20)
- Licence renewal process for Aussies coffee shop (17-19, 22-26, 41)
- Level of Indigenous employment in DPS (20-21)
- Contracts awarded to Aboriginal and Torres Strait Islander businesses (21-22)
- Decision to bring the Queen's Terrace and Coffee Cart in-house contrary to recommendations of a food strategy report commissioned by DPS, including the number of former IHG staff engaged by DPS (26-27)

- Security staffing, including numbers, recruitment, funding, breakdown by levels, instances where operational demand had exceeded available resourcing (27-31)
- Report of the review into the security incident in the House of Representatives chamber (31)
- Functional review of security by DPS Security Branch and the Australian Federal Police (31)
- Conduct of a Ministerial press conference in a courtyard outside the Parliament House childcare centre (31-33)
- Construction of a security fence around Parliament House, including update on the project, consultation processes, and consistency with the original design principles of the building (33-35, 40-41)
- Implementation of revised recruitment merit selection processes concerning declarations of conflicts of interests managed externally and a requirement for an independent selection panel member (35-37)
- Laptop allocation policy for DPS staff (37-38)
- Consideration of public access wi-fi in electorate offices (38-39)
- Update on enterprise bargaining process (39-40)
- Consideration of constructing a security barrier around Parliament House (40)
- Rent levels and consideration of increases for license holders within Parliament House (42-43)

#### ***Parliamentary Service Commissioner***

- Role of Parliamentary Service Commissioner in the bargaining processes for parliamentary departments (43)

#### **Prime Minister and Cabinet Portfolio, 27 February 2017**

##### ***Department of the Prime Minister and Cabinet (PM&C)***

###### ***Outcome 1***

- Role of the Cabinet Secretary position and appointment of a *Members of Parliament (Staff) Act 1984* (MOP(S) Act) staff member from the Prime Minister's Office; Cabinet processes, including compiling the Cabinet list, notetaking and authorisation of Cabinet minutes, requirement to update the *Cabinet Handbook* 9<sup>th</sup> edition to reflect changes in positions since January 2017 (46-50)
- Consideration of economic costs, in addition to the red-tape regulatory costs, when assessing regulation impact statements, particularly in relation to the VET FEE-HELP scheme (50-52)
- Status of the deregulation agenda, including the release of the three year assessment of the economic impact of the agenda (52-54)

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- Omission of the estimates hearings on Cross Portfolio Indigenous Matters on the Parliamentary Sitting Calendar (55)
  - Details of the Prime Minister's phone calls to President-elect Trump on 10 November 2016 and President Trump in 29 January 2017 (55-59)
  - Operation of, and compliance with, Senate Order 20C Former Ministers – Meetings (59-63)
  - Statement of Ministerial Standards in relation to the clause concerning post-ministerial employment, particularly in application to former Minister Jamie Briggs in his role as a director with PricewaterhouseCoopers and former Minister Ian Macfarlane in his role as Chief Executive of the Queensland Resources Council (63-65, 67-69)
  - Disclosure of the findings of the investigation by Dr Martin Parkinson PSM into former Minister Ley's use of entitlements (65-67, 109, 120-121)
  - Function for Coalition members at The Lodge on 17 July 2016, and Kirribilli House function on 21 January 2017 (70-74, 108)
  - Prime Minister Abe's visit to Sydney on 14 January 2017 and the department's involvement in finalising the attendees on the Australian side (75)
  - Services provided to the Prime Minister's Point Piper residence and associated costs (75-78)
  - Operating costs for The Lodge and Kirribilli House since September 2015 (78)
  - Details of the Prime Minister's telephone call to Prime Minister May on 23 February 2017 (80)
  - Freedom of Information request to the Prime Minister's Office from a media organisation for exchanges between the Prime Minister and Mr Rudd using the Wickr app (80-82)
  - Application of section 24 of the *Archives Act 1983* in relation to messaging applications used by the Prime Minister and Ministers in the conduct of business (80-82)
  - Engagement with Treasury and the preparation of a departmental briefing in relation to capital gains tax (82-83)
  - Government's Climate Change Review 2017 terms of reference and involvement of PM&C in provision of advice to the Prime Minister's Office (83-84)
  - December 2016 COAG meeting and involvement of PM&C in preparation of documents (84-85)
  - Occasions where advice was sought by the Prime Minister in regard to his investments from the Secretary of PM&C (106-108)

- Error in the contract notice published on AusTender on 9 September 2010 which incorrectly listed a contract with Turnbull & Partners when it should have been listed as being with Ms Lucy Turnbull (110-114)
- Corrections to earlier PM&C evidence on the installation of the luggage lift at The Lodge (115-118)
- PM&C staff seconded to the Prime Minister's Office (118)
- Abolition of the COAG Reform Council and arrangements for the continuation of a COAG performance report (118, 121)
- Role and functions of the Infrastructure Financing Unit in PM&C (119)
- Coordination of the Sustainable Development Goals (122)
- City Deals program, including funding, staffing, processes, the development of the National Cities Performance Framework, the Smart Cities Summit in April 2016 and updates on the Western Sydney and Launceston city deals (123-127)

#### ***Independent National Security Legislation Monitor (INSLM)***

- Appointment of new Monitor, Dr James Renwick SC (85, 87-88)
- INSLM work schedule and immediate priority areas (85-86)
- Resourcing (86)
- The INSLM's view on the recommendations of the former INSLM's report entitled *Certain questioning and detention powers in relation to terrorism*, October 2016 (86-87)
- The new INSLM's approach to considering referrals (87)

#### ***Australian Public Service Commission (APSC)***

- Negotiations between the Australian Taxation Office and the Community and Public Sector Union on the issue of an increase of the work day by nine minutes (89)
- Process for moving outside the bargaining policy framework (89-90)
- Policy and initiatives that support gender equality in the Australian Public Service (90)
- Brand It! competition (91-93)
- Update on enterprise bargaining across the public sector, including the number of agreements voted up and down (93-94)
- Comparison of the public sector wage price index to the consumer price index and the employee living cost index (94)

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***Office for Women (PM&C)***

- Gender balance on boards, including performance in achieving targets and reporting (96-97)
- Update on the development of a national domestic violence order database (97)
- Implementation of the third action plan to reduce violence against women and children (98)
- Work by the Office on the impact of penalty rates on women in the workforce and the gender pay gap (98-100)
- Funding for National Women's Alliances (101-102)
- Availability of data on female genital mutilation (102-103)
- The Office's focus on the issue of domestic violence which relates to women (103-104)
- Involvement of the Office in the tender process for 1800RESPECT (104-105)

***Remuneration Tribunal (APSC secretariat)***

- Processes and criteria for determining pay levels for principal executive offices, particularly in relation to the Government's decision to require the Remuneration Tribunal to set the pay for the Managing Director of Australia Post (127-129)

***Digital Transformation Agency (DTA)***

- New remit for the agency (129-137)
- Processes leading to the decision to change the role and scope of the agency, including the PM&C functional efficiency review which looked at the operation of the former Digital Transformation Office (DTO) (130-131)
- Executive engagement with the Assistant Minister under the former DTO and current DTA (132)
- Decision to pause the project to have a single gov.au domain (132-133)
- Establishment and role of the Digital Investment Management Office (135)

***Office of the Inspector-General of Intelligence and Security (IGIS)***

- IGIS role in looking at the authorisation of intelligence operations of former governments (137-139)
- Staffing (139-140)

## **Finance Portfolio, 28 February 2017**

### ***ASC Pty Ltd (ASC)***

- Staffing levels by category of employment, job losses, projected reductions, workforce planning and training requirements (4-6, 9)
- Update on the bargaining process for the new collective agreement (6-7)
- Ms Sophie Mirabella's directorship, including expenses claimed (7-8)
- Decision to start the offshore patrol vessel build in South Australia (10-11)
- Details of submarines currently with ASC for maintenance (11)
- Power outages experienced by ASC (11)
- Appointment of Mr Jim McDowell, a director of Austal Ltd, as government advisor for the Naval Shipbuilding Plan Development (12)

### ***Future Fund Management Agency (FFMA)***

- Process to withdraw funds from the Education Investment Fund and the requirement to amend the current legislation to give effect to the Government's policy decision announced in Mid-Year Economic and Fiscal Outlook (MYEFO) (91-92)
- Request from the Chair of the Future Fund for Government consideration of lowering the investment mandate (92)
- PBO report: *Future Fund drawdown scenarios – Budget implications, Report no. 01/2017* (92-93)
- Office extension and fitout (93-94)
- Reporting of executive remuneration (94-95)
- Tax havens (95)

### ***Department of Finance (Finance)***

#### ***General***

- Protocols for displaying flags inside the Finance building, particularly in relation to the alleged display of a rainbow flag (26-27)
- Priorities for the new Secretary of Finance, Ms Rosemary Huxtable, which included co-locating staff and the establishment of the Project Office (39-40)
- Graduate recruitment video *Game Changers* (60-61)

#### ***Outcome 1***

- Difference between figure for aggregate deficit projections between the Pre-election Economic and Fiscal Outlook 2016 (PEFO) and MYEFO 2016-17 (13-15)
- Budget line for decisions taken but not yet announced and criteria for this categorisation (15-16)
- Government's Budget repair strategy as set out in MYEFO (17)

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- Difference in wages growth forecasts between Australian Bureau of Statistics and that contained in MYEFO, and the impact on the models used to calculate program expenditure (19-22)
  - MYEFO – lower projected childcare payments over the forward estimates (22-24)
  - Finance's role in the Centrelink debt recovery program (24-26)
  - Funds intended for the Asset Recycling Fund which will be used for other purposes following the Government's decision not to proceed with the establishment of the Fund (30-32)
  - Finance's role in providing advice to Government on the WestConnex project (32-33)
  - Difference between unlegislated measures listed in the PBO report *Unlegislated measures carried forward in the budget estimates—February 2017 update* and those reflected in MYEFO (33-34)
  - Finance's role in verifying costings and assumptions contained in measures put forward by individual portfolios (35-39)
  - Consultancies, including those associated with the Medibank privatisation (42)
  - Update on the Central Budget Management System Redevelopment Project (43-44)
  - Government's 'pay on time policy', including Finance's performance (44-45)
  - School funding treatment in MYEFO (45-46)
  - MYEFO measure regarding the revised arrangements for Commonwealth dental funding (47)

### *Outcome 2*

- Initiatives to identify, monitor and report on waste across government (17-19)
- Terms of the Government's loan to NBN Co (28-30)
- Finance's role in managing the digital agenda and the distinction from that under the responsibility of PM&C and the new DTA, including the number of Finance staff transferred to the DTA (41)
- Finance role in the Australian Public Service transformation, including information on framework and programs (42)
- Selection process and appointment of former Minister Jamie Briggs to the board of Moorebank Intermodal Company (48-51)
- Revised revenue forecast for NBN Co and effect on the rate of return (51-53)
- NBN Co medical alarm subsidy scheme (53)

- Executive remuneration reporting requirements for government business enterprises (GBEs), particularly in relation to the Managing Director of Australia Post (54-60)
- Finance's role and interaction with GBEs (57-58)
- Size of the public service (62, 66)
- Minister's involvement in major infrastructure funding announcements, particularly in relation to the Perth FreightLink project (63-66)
- Public Governance, Performance and Accountability (Location of Corporate Commonwealth Entities) Order 2016 (67-70)
- Paper procurement (70-71)
- Changes to the Commonwealth Procurement Rules which came into effect on 1 March 2017 (72-79)
- Finance advice to Government on the Clean Energy Finance Corporation's investment mandate (80-82)
- Department of Immigration and Border Protection's lease proposal for office accommodation (82-85)
- Lease of Malabar Headland to the NSW Rifle Association (87-89)
- Government advertising campaigns expenditure for year to date (96)
- Government campaigns currently underway (96-97)
- Independent Communications Committee processes (97)

### *Outcome 3*

- An Independent Parliamentary Entitlements System – Review (Conde and Tune report) (99-101)
- Report concerning the investigation by Dr Martin Parkinson PSM into former Minister Ley's use of entitlements (101-104)
- Consideration of a different form of travelling allowance for federal members of Parliament and an outline of the future approach/proposed changes to the entitlements system (104-105)
- New Independent Parliamentary Expenses Authority, including the number of Finance staff required to move and additional costs (105-107)
- Additional staff allocation for cross-bench senators, including for Senator Bernardi (108-110, 112)
- Appointment of former member the Hon Philip Ruddock as Special Envoy for Human Rights and application of relevant sections of the *Parliamentary Contributory Superannuation Act 1948* regarding beneficiaries who take up offices of profit under the Crown and the reduction of pensions commensurate with their remuneration (110-111)



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- Details and costs for new electorate offices for Senators McKim and Bushby (112-113)
  - Complaints about the ballot process for the MOPS Act enterprise agreement (114-115)
  - Outcome of trial of the extension of hours for the help desk in Western Australia (115)

#### ***Australian Electoral Commission (AEC)***

- Increase in the Senate informal vote at last election and possible impacts, including the closure of polling booths and the increase in the level of pre-poll voting (116-119)
- Scrutineering accessibility, including the impact of the counting processes which utilise cryptographic technology, restrictions on number of scrutineers per candidate, and the application of relevant sections of the *Commonwealth Electoral Act 1918* (119-123)
- AEC's compliance review of the NSW Greens resulting in an amended disclosure return (123-124)
- Harmonisation of state and federal electoral rolls (124-125)

#### **Cross Portfolio Indigenous Matters, 3 March 2017**

##### ***Indigenous Land Corporation (ILC)***

- Amalgamation of back office functions of the ILC and IBA (4)
- Property purchases, including the Kings Run property in Tasmania (5, 7)
- Exploration of future joint venture arrangements (5)
- ILC discussions with the Noongar group about future partnerships (6)
- Government loan for the Ayers Rock Resort (6-8)
- National Indigenous Pastoral Enterprises, including staffing, budget and operating performance (9-10)
- Legal advice provided to ILC on its role in regard to Sea Country (10)

##### ***Indigenous Business Australia (IBA)***

- Amalgamation of back office functions of ILC and IBA (11-13)

##### ***Office of the Registrar of Indigenous Corporations (ORIC)***

- ORIC Report: *Complaints involving Aboriginal and Torres Strait Islander corporations - 1 July to 31 December 2016* (13-15)
- Corporate governance training (15-16)
- Corporate governance issues in relation to the Julalikari Council Aboriginal Corporation and ORIC's decision to place it under special administration for six months (16-17)

- Updated figures on incorporation of bodies under the *Corporations (Aboriginal and Torres Strait Islander) Act 2006* (CATSI Act) as a requirement of organisations receiving grant funding of \$500,000 or more under the Indigenous Advancement Strategy (17-18)
- Incorporation of the Tasmanian Aboriginal Corporation under the CATSI Act (18)

### ***Australian National Audit Office***

- Findings of the *ANAO Report No. 35 2016-17 Performance Audit - Indigenous Advancement Strategy* (38-49)

### ***Department of Prime Minister and Cabinet***

#### ***Outcome 2- Indigenous***

- Federal Court decision to dismiss an appeal by the Minister for Indigenous Affairs against the previous decision to allow the Machado Joseph Disease (MJD) Foundation to keep a \$10 million grant committed under the previous government (19)
- Community Development Program, including complaints by jobseekers; performance of service providers; status of the Social Security Legislation Amendment (Community Development Program) Bill 2015; statistics on breaches, penalties and job placements; and changes in income occurring in remote stores (20-30)
- Update on progress of implementing measures to address the rate of Indigenous incarceration, including use of Centrepay for payment of fines and mandatory custody notification scheme (30-33)
- Funding for the RECOGNISE campaign and the Referendum Council (33-37)
- Findings of the *ANAO Report No. 35 2016-17 Performance Audit - Indigenous Advancement Strategy* (38-49)
- Funding arrangements for the Aboriginal and Torres Strait Islander children and family centres and the Budget Based Funded Program childcare centres (49)
- Progress on the evaluation of the Stronger Communities for Children program (50)
- Funding for Empowered Communities 'backbone' organisations (50-52)
- Issues concerning the Barkly Region Alcohol and Drug Abuse Advisory Group, including allegations of mismanagement of funds (61)

### ***Department of Health***

- Change in funding arrangements for the delivery of services and programs in the area of Indigenous sexual health and a move to a nationally consistent approach (52-55)
- Review of the rheumatic heart disease program (55-56)

- Membership of the working group arising from the Kimberley suicide roundtable and role of the Country WA Primary Health network to lead a suicide prevention trial in the Kimberley Region (56-57)
- National Aboriginal and Torres Strait Islander Health Plan 2013-2023 (57-59)
- Indigenous ear health, including work on programs as part of the Closing the Gap outcomes, funding, and the current arrangements for hearing checks for Indigenous children (59-60)
- Representation on primary health network boards (61-62)

**Senator James Paterson**  
**Chair**

