

Chapter 2

Issues

2.1 This chapter lists the key issues raised for each department, agency and government business enterprise examined during the committee's hearings for Budget Estimates 2018–19. Page numbers to the proof Hansard are indicated in brackets.

Monday, 21 May 2018 (Parliament)

Department of the Senate

- Consultation on the proposed Cyber Security Operations Centre (p. 3)
- Security arrangements during a function at Australian Parliament House (APH) within the President's courtyard (p. 4)
- Refurbishment and completion of building works to a Senate suite (p. 5)
- Review of response to question on notice,¹ relating to the flooding of the Chifley Library at the Australian National University and the coordination between the Parliamentary departments to assist (p. 5)
- Update on the progress of information technology projects (pp. 5–6)

Parliamentary Budget Office

- Policy Costings in relation to *Dividend Imputation Credit Refunds* (advice provided to Senator Leyonhjelm);² discussion of the behavioural responses and dataset used in the development of the costing (pp. 6–10)
- Medium-term fiscal policy and the Personal Income Tax Plan projections (p. 11–12)
- Costings of the Opposition Tax Refund Plan (pp. 13–15)

Department of Parliamentary Services

- Cleaning contract arrangements for Dimeo Cleaning Services Pty Ltd and the staffing arrangements for APH cleaners in relation to:
 - Sub-contracting (pp. 17–18)
 - Remuneration (pp. 19–21)
 - Employment engagement level (pp. 22–25)
 - Probationary periods (p. 25)

1 Question on Notice 2, Parliament Portfolio, Additional Estimates 2017–18 (Australian National University Flooding).

2 Parliamentary Budget Office, *Dividend Imputation Credit Funds*, advice provided to Senator Leyonhjelm, dated 8 May 2018, https://www.aph.gov.au/About_Parliament/Parliamentary_Departments/Parliamentary_Budget_Office/Publications/Costings

- Paper procurement and whole-of-government panel arrangements (p. 19)
- Review of response to question on notice³ in relation to the progression of upgrades to mobile phone reception within APH (pp. 25–26)
- Establishment of the Cyber Security Operations Centre (pp. 26–29)
- Application of leave entitlements for DPS staff in relation to recommendations within a KPMG audit report (p. 30)
- Security protocols of a 'powder-out-of-place' incident and engagement with the Australian Federal Police (pp. 31–38)
- 'Powder-out-of-place' incident in the Prime Minister's Office (pp. 39–41)
- Security staff uniforms for the handling of hazardous materials (pp. 41–42)
- Car parking policy (pp. 42–45)

Parliamentary Service Commissioner

- Circumstances surrounding the alleged investigation of the Australian Public Service Commissioner (pp. 46–51)

Monday, 21 May 2018 (Prime Minister and Cabinet Portfolio)

Australian Public Service Commission

- Consultation of the Australian Public Service Commission (APSC) on the decentralisation of the Australian Public Service (APS) to regional areas (p. 56)
- Knowledge of the Australian Public Service Commissioner of an alleged investigation (pp. 57–65)
- Ministerial consultation relating to a DPM&C response to a FOI request (pp. 65–66)
- Review of response to question on notice⁴ in relation to communications between the Australian Public Service Commissioner and the Institute of Public Affairs (pp. 67–71)
- APSC workflow system (pp. 72–74)
- Review of response to question on notice,⁵ in relation to flexible work arrangements and review of the *Maternity Leave (Commonwealth Employees) Act 1973 (Cth)* (pp. 75–76)

3 Question on Notice 18, Parliament Portfolio, Additional Estimates 2017–18 (Timeline of improvements to mobile phone reception).

4 Question on Notice 2, Prime Minister and Cabinet Portfolio, Additional Estimates 2017–18 (Email Records – Contact with IPA); Question on Notice 30, Prime Minister and Cabinet Portfolio, Supplementary Estimates 2017–18, (Contact with IPA and the HR Nicholls Society).

5 Question on Notice 161, Prime Minister and Cabinet Portfolio, Additional Estimates 2017–18, (Balancing the Future strategy).

- Targets in relation to Outcome 1, 'Building digital capability in the APS by partnering with the Digital Transformation Agency' (pp. 76–77)
- Domestic violence leave arrangements within the APS (p. 77)
- Involvement of the APSC in the *Independent review of the Australian Public Service* and panel arrangements (p. 78)

Office for Women

- Contingency reserve for the implementation of the economic security statement and the alignment to the Workforce Participation Strategy (p. 78)
- Personal Income Tax Plan and Budget analysis of gender equality (pp. 80–84)
- Women's Safety Package initiatives (pp. 85–86)
- Workplace participation rates and the Workforce Participation Strategy (pp. 86–87)
- Internal review of the Office for Women (pp. 87–88)
- Update on Women's Leadership and Development Strategy Grants (p. 89)

Workplace Gender Equality Agency

- Outstanding answers to questions on notice; changes to the Administrative Arrangements Orders; and Ministerial representation for the Workplace Gender Equality Agency (pp. 91–93)
- Gender pay gap analysis (pp. 93–97)
- Employer of Choice listing (p. 97)

Independent National Security Legislation Monitor

- Review of the 2016–17 Annual Report and future inquiries (pp. 99–101)
- Consultation in relation to the Attorney-General Department's review of the legislative framework of national security legislation (p. 100)

Digital Transformation Agency

- Digital Transformation Agency's (DTA) involvement in the Australian Apprenticeship Management System Program (pp. 102–110)
- DTA's current engaged projects (p. 103)
- Implementation of the Secure Cloud Strategy (pp. 110–112)
- Digital and Hardware Marketplace planning projections for the 2018–19 period (pp. 112–115)
- DTA's graduate program placement and staffing arrangements (pp. 115–117)
- Funding and rollout of the GovPass Program (pp. 117–118)
- Blockchain for government services (pp. 118–119)

Office of the Inspector-General of Intelligence and Security

- Staff funding arrangements within the Budget and update on security clearance processes (pp. 119–120)
- Submission to the Senate Foreign Affairs, Defence and Trade Committee; and consultation with the Attorney-General Department in relation to intelligence activities within Australia (p. 121)

Office of the Official Secretary to the Governor-General

- Committee's recent site visits to Admiralty House and Government House (p. 122)
- Structural damage to the Admiralty House Marine Barracks Complex due to tree root intrusion from a Moreton Bay Fig Tree (pp. 122–123)
- Participation of the Governor-General and officers in national counterterrorism exercises (pp. 123–124)
- Correspondence from the Governor-General in relation to the 65th Anniversary of the Coronation of Queen Elizabeth II (p. 124)
- Operational funding (p. 124)
- Update on the awards nominations process for women (p. 125)

Australian National Audit Office

- Australian National Audit Office (ANAO) Audit on naval construction programs and review process for confidentiality claims within contracts (p. 126)
- ANAO Audit in relation to the administration of the Regional Jobs and Investment Package Program (p. 127)
- ANAO's legislative framework (pp. 128–130)

Office of National Assessments

- Establishment of the Office of National Intelligence (to be transitioned from the Office of National Assessments) (pp. 130–131)

Office of the Commonwealth Ombudsman

- Recommendations from the Commonwealth Ombudsman Report 'Administration of reviews under the *National Disability Insurance Scheme Act 2013*' (pp. 131–132)

Tuesday, 22 May 2018 (Prime Minister and Cabinet Portfolio)***Department of the Prime Minister and Cabinet***

- Review of previous questions on notice⁶ (pp. 3; 29)
- Company Tax Cut Agreement negotiations with a One Nation Senator and the involvement of the Prime Minister in relation to:
 - Apprenticeship program appropriations (pp. 8; 12)
 - Domestic Gas Reservation Policy (pp. 8–10)
 - Petroleum Resource Rent Tax (PRRT) and the recommendations of the Callaghan Review (pp. 10; 17–24)
 - West-East Gas Pipeline (pp. 27–29)
- Establishment of the Aged Care Taskforce, framework of the Terms of Reference and budget measures (pp. 14–17)
- Briefings to the Prime Minister in relation to the Royal Commission into Misconduct in the Banking, Superannuation and Financial Services Industry (pp. 29–39)
- Tax integrity measures within the 2018–19 Budget (p. 37)
- DPM&C response to a FOI request and claim of public interest immunity relating to the alleged investigation of the Australian Public Service Commissioner (pp. 39–41; 43)
- Role of the DPM&C in national security arrangements relating to the establishment of the Office of National Intelligence (currently the Office of National Assessments) (pp. 41–42)
- Processes of the Merit Protection Commissioner (pp. 47–48)
- Independent review of the APS (Thodey Review); panel arrangements and reporting timeline (pp. 48–52)
- Role of the DPM&C in relation to the Personal Income Tax Plan (pp. 52–55)
- Expenditure Review Committee and Cabinet involvement in budget measures (p. 54)
- Open Government Partnership Commitment and the implementation of its related National Action Plan (pp. 55–58)
- Finalisation of the Religious Freedom Review report (pp. 58–63)
- Correction of evidence by DPM&C Deputy Secretary in relation to the Independent Intelligence Review (pp. 63–69)

⁶ Question on Notice 207, Prime Minister and Cabinet Portfolio, Additional Estimates 2017–18, (Departmental Liaison Officers); Question on Notice 43, Prime Minister and Cabinet Portfolio, Additional Estimates 2013–14 (Departmental Liaison Officers).

- Role of the DPM&C advising on the Ministerial Staff Statement of Standards (pp. 69; 72–73)
- Arrangements for the Prime Minister's 'Politics in the Pub' event, and the vetting of guests (pp. 69–76)
- Arrangements for Cabinet meeting catering costs (pp. 76–80)
- Media reports concerning proposals by the Department of Home Affairs and the Department of Defence to expand powers of surveillance of Australian citizens (pp. 81–91)
- Media reports concerning comments made by the Minister for Home Affairs in relation to South Africa (pp. 91–96)
- Australia's relationship with China (pp. 96–99)
- Implementation of the Australian Government Guidelines on the Recognition of Sex and Gender (p. 100)
- Aspects of the Ruddock Review (pp. 100–102)
- Stakeholder engagement with the Voluntary National Review concerning the UN Sustainable Development Goals (pp. 102–106)
- The Governor-General's involvement in invoking Australian Defence Force participation in domestic national security matters (pp. 106–107)
- Future use of lithium in Australia (p. 107)
- Involvement of the DPM&C in the establishment of the Energy Security Board and the National Energy Guarantee (pp. 107–112)
- Costs relating to the visit by the Prince of Wales and the Duchess of Cornwall to Australia (pp. 112–118)
- Gifts to the Prime Minister and other declarations under the Statement of Ministerial Standards (pp. 118–125)
- DPM&C engagement with Mr John Garnaut as a specialist speech writer (p. 119)
- Compliance with timelines set to respond to questions taken on notice (pp. 125–131).

Wednesday, 23 May 2018 (Finance Portfolio)

ASC Pty Ltd

- Announcement of ASC Pty Ltd (ASC) job losses and additional funding in the Mid-Year Economic and Fiscal Outlook 2017–18 (MYEFO) for new positions and scholarships (pp. 4–14)
- Draft discussion paper provided to the Department of Defence in relation to the potential relocation of full cycle docking (maintenance, upgrade and re-lift program) from South Australia to Western Australia (pp. 14–15)

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- Negotiations between ASC and the Naval Group Australia (formerly DCNS) in relation to the SEA 1000 Submarine Program (pp. 16–19)
 - Negotiations between ASC and Lurssen in the construction of Offshore Patrol Vessels (OPV) (p. 20)

Australian Naval Infrastructure

- Update on the establishment of the Maritime Technical College in Western Australia (p. 21)
- Progress of negotiations with Lurssen in relation to leasing arrangements of the Osborne Shipyard (p. 21)

Future Fund Management Agency

- Legislative requirements of the Education and Investment Fund and management by the Future Fund (pp. 24–27)
- Land Account Fund benchmarks during the 2014–15 financial year and the mandate for the proposed Aboriginal and Torres Strait Islander Land and Sea Future Fund (ATSILSFF) (p. 28)
- Organisational changes within the Future Fund (p. 29)
- Role of the Future Fund Board in the risk management framework (pp. 30–31)
- Update on venture capital in relation to investment management strategies (pp. 32–34)
- Consultation of the Future Fund regarding the proposed legislation for the establishment of the ATSILSFF (pp. 35–36)

Commonwealth Superannuation Corporation

- Update on the rates of return for members and fee determinations of schemes (pp. 38–40)
- Gender gap analysis of superannuation balances (p. 41)

Department of Finance

- Review of response to question on notice,⁷ in relation to offsets for the MYEFO measure for the Parliamentary Expenses Management System (p. 41)
- Unlegislated savings measures announced in the Budget (p. 42)
- Budget 2018–19 expense measures which bring funding forward to the 2017–18 financial year, including:
 - Measures of the New Payments Platform (pp. 45–47)
 - Department of Defence—re-profiling of expenditure (pp. 48–49)

7 Question on Notice 4, Finance Portfolio, Additional Estimates 2017–18 (Parliamentary Expenses Management System).

- National Research Infrastructure Investment Plan (p. 49)
- Great Barrier Reef 2050 Partnership Program (pp. 49–50)
- Commonwealth grants policy framework and processes, particularly in relation to the budget measure Great Barrier Reef 2050 Partnership Program (pp. 50–56)
- Update on the Department's implementation of the Australian Government Guidelines on the Recognition of Sex and Gender (p. 58)
- Legislated Budget repair measures (pp. 59–60)
- Other Budget 2018–19 expense measures which were the subject of questioning, included:
 - Finance—additional resourcing (p. 61)
 - Improving Access to Medicines—additional funding for new medicines and improved payment administration (pp. 61–63)
 - 250th Anniversary of James Cook's Voyage—commemoration (p. 65)
 - Delivering Australia's Digital Future—Welfare Payment Infrastructure Transformation—Tranche Three (p. 66)
- Update on the Department's processes leading to the enterprise bargaining period (pp. 63–64)
- Application of Policy Costing Guidelines and the implementation of costs in the forward Estimates (pp. 66–69)
- Commentary by government Ministers in relation to the forecast Budget surplus in 2020–21 (pp. 69–72)
- Budget measures in relation to:
 - More Choices for a Longer Life Package (pp. 73–76)
 - Infrastructure Investment Programme (Victorian infrastructure investments) (pp. 77–80)
 - Indigenous Rangers Program (pp. 80–81; 83–85)
 - Australian Film and Television Content and the transparency of ABC Funding (pp. 88–91)
- KPMG successful bid for the tender of accounting services (pp. 81–82)
- Accounting treatments in relation to the Inland Rail Project (pp. 86–88)
- Review of response to question on notice,⁸ in relation to the NBN rate of return on equity investment (pp. 92–97)

8 Question on Notice 13, Finance Portfolio, Additional Estimates 2017–18 (NBN Rate of Return).

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- Disaggregation of data on consultants and contractors in the APS (pp. 97–104)
 - Executive Remuneration (pp. 104–110)

Thursday, 24 May 2018 (Finance Portfolio)

Department of Finance

- Recommendations of the ANAO report '*Australia Post's Efficiency of Delivering Reserved Letter Services*' (pp. 4–8)
- Engagement with foreign public service departments (pp. 9–11)
- Investigation of Plutus Payroll (pp. 11–13)
- Findings of ANAO report '*Corporate Planning in the Australian Public Sector 2017–18*' in relation to the planning processes for corporate plans (pp. 13–16)
- Recommendations of the ANAO report '*Efficiency through Contestability Program*' (pp. 16–18)
- Developments on the Snowy Hydro Project (pp. 19–20)
- Statement of risks in relation to the equity of the NBN Co. Limited and Moorebank Intermodal (pp. 20–26)
- Decentralisation within the APS (pp. 27–32)
- Government Business Analytical Unit projects within the Data Integration Partnership for Australia (pp. 32–35)
- Expenditure of government campaign advertising and involvement of the Independent Communications Committee (pp. 36–37)
- Government procurement in relation to air travel (pp. 39–40)
- Above-band appointments (pp. 41–42)
- Inquiries by Parliamentarians (pp. 45–46)
- Reimbursement of Parliamentarian office costs (pp. 47–49)
- Expenses of Parliamentarians before the High Court decision in relation to citizenship (pp. 49–50)
- Movement of staff in 2017 within the office of Minister Keenan (pp. 50–52)

Independent Parliamentary Expenses Authority

- Update on meetings with Parliamentarians (pp. 53–54)
- Staffing levels within Independent Parliamentary Expenses Authority (IPEA) (pp. 54–55)
- Update on the number of IPEA inquiries (pp. 55–56)
- Audits undertaken in relation to Parliamentarians (pp. 56–58)

Australian Electoral Commission

- Timeline and proposed dates of by-elections following the resignation of Parliamentarians after the High Court decision in relation to citizenship (pp. 58–66)
- By-election timeline gaps with reference to the 2008 Gippsland by-election (pp. 66–68)
- Advice given by the Australian Electoral Commissioner to the Speaker concerning the selection of the by-election date (pp. 69–70; 87–90)
- Factors affecting the setting of the date for five by-elections (pp. 71–76)
- Selection of 28 July 2018 as the by-election date (p. 74)
- Time taken to implement new processes relevant to nominations for candidates, including independent candidates for upcoming by-elections (pp. 76–79)
- Enrolment residence requirements and enforcement issues (pp. 79–85)
- Timetable for the consideration of the electoral boundary redistribution in light of the by-election (pp. 85–86)
- Comparative costs associated with domestic air travel (p. 86)
- Whether the announcement on 23 May 2018 for the date of the by-election constitutes the calling of the by-election (p. 89)
- Electorate boundary redistribution (pp. 92–94)
- Obligations to report as an associated entity (pp. 94–96)
- Reporting requirements of section 314AEB of the *Electoral Act 1918 (Cth)* in relation to third party organisations (pp. 96–98)
- Timetable for the consideration of the electoral boundary redistribution in light of the by-election (p. 99)
- Rules for political parties for internal governance (p. 99)
- Process for prosecutions under the *Electoral Act 1918 (Cth)* (p. 100)
- Whether the Commonwealth will seek to be joined in an appeal to the Supreme Court of Queensland in relation to donation thresholds (pp. 101–102)
- Status of associated entities in relation to the Business Council of Australia and Get-Up (pp. 103–104)

Friday, 25 May 2018 (Cross Portfolio—Indigenous Matters)***Indigenous Land Corporation***

- Timeline of enterprise agreement negotiations and contained clauses within the agreement (pp. 4–6)

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- Consultation process regarding the proposed Aboriginal and Torres Strait Islander Land and Sea Account (pp. 6–7)
 - Discussion of the *Aboriginal and Torres Strait Islander Amendment (Indigenous Land Corporation) Bill 2018* (pp. 7–9)
 - Review of response to question on notice,⁹ in relation to Voyagers and operational loss expenditure (pp. 9–10)

Indigenous Business Australia

- Update of remote and regional business and home loan figures (pp. 11–13)
- Establishment of a solar facility in Western Australia (pp. 14–15)
- Home loan defaults (p. 15)
- Findings of the ANAO report into *Indigenous Home Ownership Program* (pp. 15–16)

Aboriginal Hostels Limited

- Assessment for the repair and refurbishment of hostels (pp. 17–20)
- Workforce arrangements (pp. 20–21)
- Initiatives to enhance participation of Indigenous employees (p. 21)
- Concerns in relation to Biala Hostel (p. 21)

Office of Township Leasing

- Lease arrangements for residential and community land (pp. 23–24)
- Home ownership leases (p. 24)
- Leasing arrangements in Alice Springs (pp. 25–30)

Department of the Prime Minister and Cabinet

- Funding for remote housing in Queensland, Western Australia and South Australia and the Remote Housing Strategy (pp. 33–40)
- Community Development Program (CDP) in relation to wages and the compliance with new processes (pp. 40–46)
- Level of engagement in CDP activities and comparison to the Remote Jobs and Securities Program (p. 46)
- Reforms to CDP (p. 47)
- CDP Subsidised employment (p. 47)
- Out-of-Home Care statistics (pp. 48–49)
- Adoption of Indigenous children in NSW (pp. 49–53)

9 Question on Notice 71, Cross Portfolio Indigenous Matters, Additional Estimates 2017–18 (Voyagers).

- Report recommendations of the Northern Territory Royal Commission into the protection and Detention of Children (pp. 55–57)
- Funding allocated within the 2018–19 Budget for Closing the Gap (pp. 57–58)
- Timeline of Closing the Gap Refresh (p. 58)
- Consultation process between Closing the Gap in 2007 and Closing the Gap Refresh (pp. 58–62)
- Review of responses to questions on notice,¹⁰ in relation to the Referendum Council (pp. 62–64)

Department of Health

- Update of the HTLV-1 Virus (pp. 65–67)

Thursday, 21 June 2018 (Prime Minister and Cabinet Portfolio)

Australian Public Service Commission

- Resignation of the Australian Public Service Commissioner (pp. 3–4)
- Timeline of the investigation of the Australian Public Service Commissioner (pp. 5; 7–9)
- The release of FOI documentation by the Australian Public Service Commission (pp. 5; 10–15)

Merit Protection Commissioner

- Process for the appointment of the new Merit Protection Commissioner (pp. 16; 18)
- Merit Protection Commissioner's knowledge of the alleged conduct of the Australian Public Service Commissioner and timeline of the commencement of the investigation (pp.17–23)

Department of the Prime Minister and Cabinet

- Knowledge of the DPM&C and the Prime Minister of the investigation of the Australian Public Service Commissioner (pp. 23–26)

Senator James Paterson

Chair

10 Question on Notice 86, Cross Portfolio Indigenous Matters, Additional Estimates 2017–18 (Attendance at Uluru Summit); Question on Notice 87, Cross Portfolio Indigenous Matters, Additional Estimates 2017–18 (Referendum Council–Terms of Reference).