

The Senate

---

Standing Committee on  
Finance and Public Administration

---

Additional estimates 2007–08

March 2008

ISBN 978-0-642-71892-1

This document was prepared by the Senate Finance and Public Administration Committee and printed by the Senate Printing Unit, Parliament House, Canberra.

## Membership of the Committee

Senator Helen Polley (Chair)	ALP, TAS
Senator Mitch Fifield (Deputy Chair)	LP, VIC
Senator Carol Brown	ALP, TAS
Senator Concetta Fierravanti-Wells	LP, NSW
Senator Michael Forshaw	ALP, NSW
Senator Claire Moore	ALP, QLD
Senator Andrew Murray	AD, WA
Senator John Watson	LP, TAS

### Participating members

Senators Abetz, Adams, Barnett, Bernadi, Birmingham, Bishop, Boswell, Boyce, Brandis, Bob Brown, Bushby, Campbell, Chapman, Colbeck, Coonan, Cormann, Crossin, Eggleston, Ellison, Fisher, Heffernan, Hogg, Humphries, Hurley, Hutchins, Johnston, Joyce, Kemp, Kirk, Lightfoot, Lundy, Ian Macdonald, Sandy Macdonald, Marshall, McEwen, McGauran, McLucas, Mason, Milne, Minchin, Nash, Nettle, O'Brien, Parry, Patterson, Payne, Ray, Ronaldson, Scullion, Siewert, Stephens, Sterle, Troeth, Trood, Webber, Wortley

### Secretariat

Stephen Palethorpe	Committee Secretary
Tim Watling	Principal Research Officer
Jane Thomson	Senior Research Officer
Michael Masters	Research Officer
Katie Meyers and Kelly Martin	Executive Assistants

### Committee address

---

Finance and Public Administration Committee

SG.60, Parliament House

CANBERRA ACT 2600

Tel: 02 6277 3530 Fax: 02 6277 5809

Email: [fpa.sen@aph.gov.au](mailto:fpa.sen@aph.gov.au) Internet: [www.aph.gov.au/senate\\_fpa](http://www.aph.gov.au/senate_fpa)



# TABLE OF CONTENTS

<b>Membership of the Committee .....</b>	<b>iii</b>
<b>Abbreviations .....</b>	<b>vii</b>
<b>Recommendations .....</b>	<b>ix</b>
<b>Additional Estimates 2007–08.....</b>	<b>1</b>
<b>Introduction .....</b>	<b>1</b>
Portfolio coverage .....	1
Restructure of portfolios.....	1
Hearings.....	4
General issues .....	5
Efficiency dividend .....	5
Improving the transparency of Portfolio Additional Estimates Statements.....	7
<b>Parliamentary Departments .....</b>	<b>11</b>
Department of the Senate .....	11
Department of Parliamentary Services.....	14
<b>Prime Minister and Cabinet Portfolio .....</b>	<b>19</b>
Department of the Prime Minister and Cabinet.....	19
Australian Public Service Commission.....	23
Australian National Audit Office .....	23
Australian Institute of Family Studies.....	25
Department of Climate Change.....	26
<b>Finance and Deregulation Portfolio .....</b>	<b>31</b>
Department of Finance and Deregulation .....	31
ComSuper and the Australian Reward Investment Alliance.....	32
Future Fund.....	33

Australian Electoral Commission.....	33
<b>Human Services Portfolio.....</b>	<b>35</b>
Department of Human Services.....	35
Centrelink .....	36
<b>Appendix 1 .....</b>	<b>39</b>
<b>Departments and agencies under the Committee's oversight .....</b>	<b>39</b>
Parliamentary departments .....	39
Prime Minister and Cabinet Portfolio .....	39
Finance and Deregulation Portfolio.....	39
Human Services Portfolio.....	40
<b>Appendix 2.....</b>	<b>41</b>
<b>Outcome / Output Structure.....</b>	<b>41</b>
Department of the Prime Minister and Cabinet.....	41
Department of Climate Change .....	42
Department of Finance and Deregulation .....	42
<b>Appendix 3 .....</b>	<b>45</b>
<b>Index to Hansard Transcripts .....</b>	<b>45</b>

# Abbreviations

AEC	Australian Electoral Commission
AIFS	Australian Institute of Family Studies
ALP	Australian Labor Party
ANAO	Australian National Audit Office
ARIA	Australian Reward Investment Alliance
COAG	Council of Australian Governments
DCC	Department of Climate Change
DHS	Department of Human Services
DPS	Department of Parliamentary Services
Finance	Department of Finance and Deregulation
FOI Act	<i>Freedom of Information Act 1982</i>
Future Fund	Future Fund Management Agency
GCU	Government Communications Unit
IT	Information Technology
MRET	Mandatory Renewable Energy Target
ORER	Office of the Renewable Energy Regulator
PAES	Portfolio Additional Estimates Statements
PBS	Portfolio Budget Statements
PM&C	Department of the Prime Minister and Cabinet
QON	Questions on Notice
The committee	Senate Finance and Public Administration Committee





# Recommendations

## Recommendation 1

**1.31 The committee recommends that the Department of Finance and Deregulation report to the government and the Parliament on: the long term effect of efficiency dividends on the outcomes and services provided by different types of government agencies. This report should be completed by the last Parliamentary sitting fortnight of 2008.**



# Additional Estimates 2007–08

## Introduction

1.1 On 13 February 2008, the Senate referred to the Finance and Public Administration Committee (the committee) for examination and report the following documents:

- Particulars of proposed additional expenditure in respect of the year ending on 30 June 2008;
- Particulars of certain proposed additional expenditure in respect of the year ending on 30 June 2008;
- Final Budget Outcome 2006–07; and
- Issues from the Advance to the Finance Minister as a Final Charge for the year ended on 30 June 2007.<sup>1</sup>

### Portfolio coverage

1.2 The committee has responsibility for examining the expenditure and outcomes of the:

- Parliamentary departments;<sup>2</sup>
- Prime Minister and Cabinet portfolio;
- Finance and Administration portfolio; and
- Human Services portfolio.

Appendix 1 lists the departments and agencies under the portfolios mentioned above.

### Restructure of portfolios

1.3 The committee notes that two portfolios under its purview have undergone structural reorganisation since the committee last reported on estimates.

#### *Prime Minister and Cabinet*

1.4 The *Administrative Arrangements Order* of 3 December 2007 make a number of changes to the Prime Minister and Cabinet (PM&C) portfolio structure including the:

---

1 *Journals of the Senate*, 13 February 2008, p. 111.

2 As a matter of comity between the Houses, it is traditional that neither House inquires 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.

- transfer of the Australian Institute of Family Studies to the portfolio from the Families, Housing, Community Services and Indigenous Affairs portfolio;
- transfer of the Office of the Privacy Commissioner to the portfolio from the Attorney-General's portfolio;
- creation of an Office of National Security within the department;
- creation of an Office of Work and Family within the department, incorporating some functions formerly undertaken by the Department of Families, Housing, Community Services and Indigenous Affairs;
- establishment of the Australian Social Inclusion Board and, within the department, a Social Inclusion Unit;
- transfer of functions relating to freedom of information and privacy policy from the Attorney-General's Department; and
- transfer of the central advertising function from PM&C to the Finance and Deregulation portfolio.<sup>3</sup>

1.5 The revised output structure of the PM&C department is reflected in the table below.<sup>4</sup>

*Table 1.1: Changes to the PM&C outcome/output structure*

<b>Outcome/Output</b>	<b>Previous Wording</b>	<b>Revised Wording / Changes</b>
Output 2.2	N/A	Office of Work and Family
Output 4.3	Government Communications	Deleted

### ***Department of Climate Change***

1.6 In addition to these changes, the Department of Climate Change was established by the *Administrative Arrangements Order* of 3 December 2007 as a separate department of state situated within the PM&C portfolio. Oversight responsibility for the Office of the Renewable Energy Regulator (ORER) has also been transferred to the Department of Climate Change from the former Environment and Water Resources Portfolio.

1.7 The climate change elements of the former Environment and Water Resources Portfolio's outcome/output structure have been transferred unchanged to the Department of Climate Change. ORER's outcome/output structure also remains unchanged. The structure is reproduced in Appendix 2.

3 Department of the Prime Minister and Cabinet, *Portfolio Additional Estimates Statements 2007–08*, February 2008, pp 3–4.

4 The full output structure is provided in Appendix 2.

## *Finance and Deregulation*

1.8 Under the *Administrative Arrangements Order* of 3 December 2007, the then Department of Finance and Administration was renamed the Department of Finance and Deregulation (Finance).

1.9 Changes to the Finance portfolio structure include transfer to the portfolio of:

- the National Archives of Australia from the former Communications, Information Technology and the Arts portfolio;
- AUSPIC and the central advertising system from the PM&C Department;
- the Office of Best Practice Regulation from the Productivity Commission;
- regulatory reform policy from the Department of the Treasury.

1.10 A further *Administrative Arrangements Order* was issued on 25 January 2008, under which the following changes were made:

- the Commonwealth Grants Commission was transferred from Finance to the Treasury portfolio.<sup>5</sup>

1.11 Changes to existing Finance outputs are presented in a table below.<sup>6</sup>

*Table 1.2: Changes to the Finance outcome/output structure*

<b>Outcome/Output</b>	<b>Previous Wording</b>	<b>Revised Wording / Changes</b>
Output 1.2.1	Budgetary & Financial Framework	Financial Framework
Output 1.2.5	N/A	Deregulation and Regulatory Reform <sup>7</sup>
Output Group 2.3	N/A	Procurement Management
Output 2.3.1	N/A	Procurement Framework <sup>8</sup>

5 Department of Finance and Deregulation, *Portfolio Additional Estimates Statements 2007–08*, February 2008, p. 3.

6 The full output structure is provided in Appendix 2.

7 This new output includes the regulatory reform policy transferred from the Treasury, and the Office of Best Practice Regulation transferred from the Productivity Commission. Output 1.2.5 exists under Output Group 1.2–Financial Management. Department of Finance and Deregulation, *Portfolio Additional Estimates Statements 2007–08*, February 2008, p. 29.

8 This output incorporates the procurement policy framework which was a previous component of Output Group 1.2–Financial Management. Department of Finance and Deregulation, *Portfolio Additional Estimates Statements 2007–08*, February 2008, p. 29.

Output 2.3.2	N/A	Centralised Contracting <sup>9</sup>
--------------	-----	--------------------------------------

## Hearings

1.12 The committee held public hearings on Monday 18, Tuesday 19 and Friday 22 February 2008. Copies of the committee's transcript of evidence are tabled in three volumes of *Hansard*. Copies of *Hansard* are available on the internet at the following address: [www.aph.gov.au/hansard](http://www.aph.gov.au/hansard).<sup>10</sup>

1.13 In accordance with Standing Order 26, the committee is required to set a date for the lodgement of written answers and additional information. The committee resolved that written answers and additional information be submitted by Friday, 4 April 2008.

1.14 Further written explanations furnished by departments and agencies will be tabled, as received, in the Senate. That information is also available on the committee's internet page: [www.aph.gov.au/Senate/committee/fapa\\_ctte/estimates/index.htm](http://www.aph.gov.au/Senate/committee/fapa_ctte/estimates/index.htm). As a matter of Parliamentary Privilege, all information is 'tabled' on receipt.

1.15 Over the course of the three days' hearings—totalling over 29 hours—the committee took evidence from the President of the Senate, Senator Alan Ferguson; Minister for Immigration and Citizenship, Senator Chris Evans, representing the Prime Minister; Cabinet Secretary and Special Minister of State, Senator John Faulkner, representing the Prime Minister; Minister for Superannuation and Corporate Law, Senator Nick Sherry, representing the Finance Minister; Parliamentary Secretary for Social Inclusion and the Voluntary Sector, Senator Ursula Stephens, representing the Finance Minister; Minister for Human Services, Senator Joe Ludwig; Minister for Climate Change and Water, Senator Penny Wong, together with officers of the departments and agencies concerned.

1.16 The following agencies were released from the hearings without examination: Office of National Assessments; Office of the Official Secretary to the Governor-General;<sup>11</sup> National Archives of Australia; Office of the Privacy Commissioner; Office of the Commonwealth Ombudsman; Office of the Inspector-General of Intelligence and Security; Australian Hearing; and Health Services Australia.

---

9 Output 2.3.2 encompasses the central advertising system transferred from PM&C. Department of Finance and Deregulation, *Portfolio Additional Estimates Statements 2007–08*, February 2008, p. 29.

10 Appendix 3 provides an index to the Hansard transcripts.

11 Officials from the Office of the Official Secretary to the Governor-General did appear briefly before the committee but no questions were put.

---

## General issues

1.17 The Committee also availed itself of the Friday 'spill over day' to allow time to examine the Future Fund Management Agency and the Department of Climate Change, and to complete the examination of the Human Services portfolio. Some of the more significant issues discussed with departments and agencies are detailed in the following chapters.

1.18 The sections of the report that follow list various issues considered by the committee and discuss some of these in detail. The order is not based on hierarchy but rather the order in which those issues arose during the hearings.

## Efficiency dividend

1.19 A common theme that ran throughout the hearings was the requirement for an additional efficiency dividend saving of two per cent annually between 2007–08 to 2010–11.<sup>12</sup> The efficiency dividend applies broadly to all agencies, across all portfolios.<sup>13</sup>

1.20 The Secretary of Finance summarised the efficiency dividend in the following terms:

Remember, there are three components to the efficiency dividend...[t]here is the existing dividend, which was already in our base, as it is for all agencies, of one per cent going forward for 2008-09 and beyond, there is the additional quarter of a percentage point that was announced by the previous government, which starts in 2008-09; and then there is the additional one-off dividend of two per cent announced by the then opposition and then phased in in 2007-08.<sup>14</sup>

1.21 The committee heard evidence that some agencies' outcomes and core services will be impacted by the efficiency dividend. One issue that the committee believes warrants further investigation, is the lack of any substantive analysis concerning the long term implication of efficiency dividends on agency budgets.

## *Australian National Audit Office*

1.22 The Australian National Audit Office (ANAO) presented evidence to the committee that there maybe some difficulty for the agency in achieving its outcomes due to the efficiency dividend. Officials stated that the agency stands to lose up to \$1 420 000 in the forthcoming 2008–09 financial year. Complicating this matter, is the fact that the agency is attempting to deliver an audit of the top 20 defence

---

12 This is referred to in the budget papers as the 'Election Commitment Savings: 2 per cent Efficiency Dividend'.

13 An exception is operational Defence activities.

14 Dr Ian Watt, Secretary, Department of Finance and Deregulation, *Estimates Hansard*, 19 February, p. 80.

acquisition projects at a cost of \$1 500 000. The ANAO is also expecting to receive the funding for these audits in the forthcoming budget.<sup>15</sup>

1.23 The Auditor-General stated that if the additional funding of \$1 500 000 is provided, then the majority of the funding will have to be returned, leaving only \$80 000 of the original funding in place.<sup>16</sup> In regards to the overall outcomes and services that the ANAO provides, the Auditor-General stated that 'there will be a potential reduction in the work that we do'.<sup>17</sup>

1.24 On the question of the long term impact of continual efficiency dividends Senator Ray noted the irony that if the efficiency dividends remain ongoing, and are continually implemented by successive governments, then eventually agencies will run out of money, and would technically have to '[pay the Parliament] to exist'.<sup>18</sup>

1.25 Senator Ray also questioned the gap in analysis on the effect of the efficiency dividends on 'big service departments, advice departments and [statutory authorities]'. In response, the Auditor-General stated that he was not aware of any studies.<sup>19</sup>

### ***Finance***

1.26 Notwithstanding evidence from the Finance Department that the usefulness and viability of such dividends had not been reviewed, the committee heard that they had become a normal and recurrent feature of public administration.<sup>20</sup>

1.27 In response to questioning about the effect of the efficiency dividend on the outcomes and core services of Finance, the Secretary stated:

...In 2008-09 we will be looking for an additional 2.25 per cent reduction in the resources which we use to deliver our outcomes, and that will result in some things that will not be delivered.<sup>21</sup>

1.28 The Secretary of Finance went on to say that he was not aware of any studies into the effect of efficiency dividends on different sized government agencies.<sup>22</sup>

---

15 Mr Ian McPhee, Auditor-General, Australian National Audit Office, *Estimates Hansard*, 19 February 2008, p. 12.

16 Mr Ian McPhee, Auditor-General, Australian National Audit Office, *Estimates Hansard*, 19 February 2008, p. 12.

17 Mr Ian McPhee, Auditor-General, Australian National Audit Office, *Estimates Hansard*, 19 February 2008, p. 12.

18 Senator Ray, *Estimates Hansard*, 19 February 2008, p. 13.

19 *Estimates Hansard*, 19 February 2008, p. 13.

20 *Estimates Hansard*, 19 February 2008, pp 80–81.

21 *Estimates Hansard*, 19 February 2008, p. 80. The 2.25 per cent efficiency dividend is composed in two parts, 0.25 per cent as directed by the former government starting in 2008–09 and 2 per cent as directed by the current government starting in 2007–08.



---

## *Centrelink*

1.29 Centrelink officials informed the committee that it is their expectation that staffing numbers will need to be reduced, partly as a result of the additional savings required by the additional efficiency dividend. While officials stated the reduction in staff numbers is also due to a reduction in the number of people seeking assistance of the services provided by Centrelink,<sup>23</sup> the CEO of Centrelink stated:

...My best estimate for next financial year [2008-09] is that we will have a reduction of between \$150 million and \$300 million...We will have to pull down our staff significantly. My best estimate at the moment is—and this can swing, significantly—some 2,000 staff.<sup>24</sup>

## *Conclusion*

1.30 The committee notes the comments made by agencies about the effect of the efficiency dividend on their outcomes and services. The committee is concerned that with the continuing pattern and use by governments of efficiency dividends, that there have been no studies to examine their effect on the outcomes and services on different types of government agencies. The committee is of the view that future efficiency dividends should be introduced with a clearer picture of the potential impacts to government services and programs.

## **Recommendation 1**

**1.31 The committee recommends that the Department of Finance and Deregulation report to the government and the Parliament on: the long term effect of efficiency dividends on the outcomes and services provided by different types of government agencies. This report should be completed by the last Parliamentary sitting fortnight of 2008.**

## **Improving the transparency of Portfolio Additional Estimates Statements**

1.32 A key component of the Estimates process is the examination of Portfolio Budget Statements (PBS) and Portfolio Additional Estimates Statements (PAES). The relationship between Appropriation Bills and PBS or PAES is an essential aspect of the committee's examination of the expenditure and performance of departments and agencies.

1.33 The primary function of the PAES is to assist members of parliament in the scrutiny of changes to proposed expenditure. This is clearly outlined at the beginning of each PAES:

---

22 *Estimates Hansard*, 19 February 2008, pp 80–81.

23 Mr Jeff Whalan, Chief Executive Officer, Centrelink, *Estimates Hansard*, 22 February 2008, p. 69.

24 Mr Jeff Whalan, Chief Executive Officer, Centrelink, *Estimates Hansard*, 22 February 2008, p. 68.

The purpose of the Portfolio Additional Estimates Statements (PAES), like that of the Portfolio Budget Statements, is to inform Senators and Members of Parliament of the proposed allocation of resources to government outcomes by agencies within the portfolio...The PAES include new measures, and summarise the changes by Appropriation Bill, and, where relevant, by Special Appropriation and Special Account.

The PAES facilitate understanding of the proposed appropriations in Appropriation Bills (Nos. 3 and 4) 2007–08. In this sense the PAES is declared by the Additional Estimates Bill to be a 'relevant document' to the interpretation of the Bills according to section 15AB of the *Acts Interpretation Act 1901*.<sup>25</sup>

1.34 The relationship between the PAES, the PBS and relevant Budget Papers was discussed in detail in a previous report of the committee: *Transparency and accountability of Commonwealth public funding and expenditure*.<sup>26</sup> In relation to the level of information provided in these budget documents, the committee made the following recommendation:

The committee recommends that expenditure should be reported at the levels of programs in the budget documents, including in the schedules to the Appropriation Acts.<sup>27</sup>

1.35 As part of the Estimates process, the committee seeks to determine whether funding for *newly established programs* has been correctly allocated in Appropriation Bill No. 4 (bill no. 4), and not in Appropriation Bill No. 3 (bill no. 3) which is for the ordinary annual services of government as specified in the Compact of 1965.<sup>28</sup> Disclosure of appropriations in the PAES is an important component of overall government transparency and disclosure to Parliament. For this reason, understanding the PAES is central to the Estimates process.

1.36 In scrutinising the most recent PAES of the three portfolios under the committee's purview, insufficient information appears to have been provided, making it unclear to which appropriation bill funding for new programs had been allocated.

---

25 For example Department of the Prime Minister and Cabinet, *Portfolio Additional Estimates Statements 2007–08*, p. ix.

26 Senate Standing Committee on Finance and Public Administration, *Transparency and accountability of Commonwealth public funding and expenditure*, March 2007, pp 37–42.

27 Senate Standing Committee on Finance and Public Administration, *Transparency and accountability of Commonwealth public funding and expenditure*, March 2007, p. 75.

28 The Hon Harold Holt MP, Treasurer, *House of Representatives Hansard*, 13 May 1965, pp 1484–1485. There have been modifications to the Compact since 1965. For details of the modifications, and comments made by the Senate Appropriations and Staffing Committee see: Senate Appropriations and Staffing Committee *2005–06 Annual Report*, p. 4. [www.aph.gov.au/Senate/committee/app\\_ctte/annual/2006/report.pdf](http://www.aph.gov.au/Senate/committee/app_ctte/annual/2006/report.pdf) (accessed 17 March 2008). See also Senate Appropriations and Staffing Committee, *2006–07 Annual Report*, pp 3–4. [www.aph.gov.au/Senate/committee/app\\_ctte/annual/2007/report.pdf](http://www.aph.gov.au/Senate/committee/app_ctte/annual/2007/report.pdf) (accessed 17 March 2008).

There was little detail provided of appropriations in bill no. 4 across all portfolio areas. In many instances, such information was limited to equity injections. This may indicate that newly established programs (not considered to be ordinary annual services of government) had been inappropriately placed in bill no. 3.

1.37 Furthermore, the appropriation bills for each portfolio were highly aggregated, posing further difficulties for the committee in ascertaining whether funding had been correctly appropriated or not.

1.38 The committee has identified the following list of programs or projects that may have been inappropriately placed in bill no. 3. Because of the lack of information provided in PAES, the list below is somewhat uncertain and certainly incomplete.

### ***Prime Minister and Cabinet***

- Council of Australian Governments (COAG) Reform Council (\$3.57 million over four years to establish a Reform Council as part of new initiatives arising from the COAG);<sup>29</sup>
- Community Cabinets (\$8.4 million over four years to conduct regular community cabinet meetings);<sup>30</sup>
- Homeland and Border Security – review (\$114 000 over one year to conduct a review of homeland and border security arrangements in Australia);<sup>31</sup>
- Lobbyist Register – establishment (\$1 million over four years to establish and maintain a register of lobbyists);<sup>32</sup>
- Office of National Security – establishment (\$3.8 million over four years to provide coordinated and integrated whole-of-government advice on national security policy and strategic implementation oversight);<sup>33</sup>
- Office of Work and Family – establishment (\$6.3 million over four years to provide policy coordination and advice on work and family matters);<sup>34</sup>

---

29 Department of the Prime Minister and Cabinet, *Portfolio Additional Estimates Statements 2007–08*, pp 6 and 15.

30 Department of the Prime Minister and Cabinet, *Portfolio Additional Estimates Statements 2007–08*, pp 6 and 15.

31 Department of the Prime Minister and Cabinet, *Portfolio Additional Estimates Statements 2007–08*, p. 15; The Hon. Kevin Rudd, MP, Prime Minister of Australia, 'Homeland and Border Security Review', Press Release, 22 February 2008, [www.pm.gov.au/media/Release/2008/media\\_release\\_0084.cfm](http://www.pm.gov.au/media/Release/2008/media_release_0084.cfm), (accessed 29 February 2008).

32 Department of the Prime Minister and Cabinet, *Portfolio Additional Estimates Statements 2007–08*, pp 6 and 15.

33 Department of the Prime Minister and Cabinet, *Portfolio Additional Estimates Statements 2007–08*, pp 3 and 15.

- Review of recognition for the battle of Long Tan (\$161 000 over one year to meet the costs of the Independent Review Panel into Recognition for the Battle of Long Tan);<sup>35</sup>
- Social Inclusion Unit – establishment (\$6.7 million over four years to establish the unit within the department);<sup>36</sup> and
- Design of the Emissions Trading Scheme (\$6.3 million for the 2007–08 financial year).<sup>37</sup>

---

34 Department of the Prime Minister and Cabinet, *Portfolio Additional Estimates Statements 2007–08*, pp 3 and 15.

35 Department of the Prime Minister and Cabinet, *Portfolio Additional Estimates Statements 2007–08*, pp 6 and 15.

36 Department of the Prime Minister and Cabinet, *Portfolio Additional Estimates Statements 2007–08*, pp 6 and 15.

37 Department of Climate Change (Prime Minister and Cabinet Portfolio), *Portfolio Additional Estimates Statements 2007–08*, p. 13.

# Parliamentary Departments

2.1 The committee took evidence from the parliamentary departments on Monday, 18 February 2008.

## Department of the Senate

2.2 The following issues of interest are discussed below:

- Senate Select Committees;
- Question Time in the Senate; and
- Friday sittings of Parliament;

### *Senate Select Committees*

2.3 With the recent establishment of three Senate Select Committees<sup>1</sup> the committee examined the issues surrounding the relationship between the establishment of Select Committees and government control of the Senate, associated costs and the appointment of consultants.

2.4 Senator Ray questioned the Clerk of the Senate, Mr Harry Evans, about the relationship between government control of the Senate post July 2005, and the establishment of Select Committees. Mr Evans informed the committee that the only Select Committee to be established was the Select Committee on Mental Health.<sup>2</sup>

2.5 Further information was sought by Senator Ray regarding the refusal of the Senate to authorise the establishment of Select Committees during the previous government's control of the Senate. This information was later provided by the department in an answer to a question on notice. This answer indicated that two proposals were refused: 'Mental Health Services' on 5 December 2006; and 'Australia's Anti-Terrorism Laws' on 9 August 2007.<sup>3</sup>

2.6 The Department of the Senate was also asked to provide information about the cost to administer a Select Committee. Mr Evans informed the committee that:

The cost of a select committee very much depends on how long it runs. The average figure that we work on is \$150 000 to run a short select committee.

---

1 *Journals of the Senate*, No. 3, 14 February 2008, pp 145–148.

2 Mr Harry Evans, Clerk of the Senate, *Estimates Hansard*, 18 February 2008, p. 4.

3 Department of the Senate, answer to question on notice, 18 February 2008 (received 25 February 2008). See: [www.aph.gov.au/Senate/committee/fapa\\_ctte/estimates/add\\_0708/parliament/p1\\_p2.pdf](http://www.aph.gov.au/Senate/committee/fapa_ctte/estimates/add_0708/parliament/p1_p2.pdf) (accessed 6 March 2008). The proposed 'Mental Health Services' Select Committee was put forward as a result of the earlier Select Committee on Mental Health referred to in paragraph 2.4.

Select committees that go on for much longer can cost much more, obviously.<sup>4</sup>

2.7 Senator Ray sought a guarantee from the President of the Senate, Senator the Hon Alan Ferguson, that the use of consultants for the newly established Select Committees would be appropriate, and closely monitored:

**Senator ROBERT RAY**—President, are you going to carefully supervise the appointment of consultants?...

**The PRESIDENT**—In the committees I have been involved in previously where we have had to engage consultants we have always had to go to the President to get approval...I will continue in the same vein as previous Presidents, who are pretty hard to convince on some occasions that the expense of the consultants was worth while when we had some expertise within the department...However, there were some occasions—the inquiry into the GST was probably a prime example—where consultants were engaged to provide outcomes...<sup>5</sup>

### *Question Time in the Senate*

2.8 The committee questioned the President of the Senate on the rationale behind the current distribution of questions asked by government and opposition Senators during Question Time.

2.9 Senator Ray asked the President why in his advice outlining the current allocation of questions between government, opposition and minor party Senators, for the 42<sup>nd</sup> Parliament,<sup>6</sup> that there was no consideration of scraping the proportionality of questions according to the numbers of Senators in political parties:

**Senator ROBERT RAY**—...I agree with the [current] allocation, because question time is about scrutiny; it is about giving the opposition rights...I think what you have done is right, but I am trying to seek the reason why it was done and why it was reversed from what applied in the previous parliament.

**The PRESIDENT**—We determined the proposed order of questions in my office, basically on the number of government senators and the current number of minor party senators, knowing that after 1 July that will change because the number of the minor parties will be fewer...

**Senator ROBERT RAY**—...but I have acknowledged that I support the allocation and I know about the correspondence sent...The matter of proportionality was not canvassed highly in that letter, though, was it?

---

4 Mr Harry Evans, Clerk of the Senate, *Estimates Hansard*, 18 February 2008, p. 4.

5 *Estimates Hansard*, 18 February 2008, p. 6.

6 The written advice, which was circulated to Senators, was tabled during the hearing by the President. To access this information see: *Proposed Order of Call—Question Time*, located at [www.aph.gov.au/Senate/committee/fapa\\_ctte/estimates/add\\_0708/parliament/index.htm](http://www.aph.gov.au/Senate/committee/fapa_ctte/estimates/add_0708/parliament/index.htm) (accessed 7 March 2008).

---

**The PRESIDENT—No...**<sup>7</sup>

2.10 Senator Ray's exchange with the President revealed that if the allocation of questions during Question Time continues to be based on proportionality, that when the distribution of party numbers change in the Senate, post July 2008, then the allocation of questions would face further change. In order to pursue this matter, and to consistently enable future oppositions to have the greatest possibility to scrutinise successive governments, Senator Ray suggested, and the President agreed, that this issue be examined by the Senate Procedure Committee.<sup>8</sup>

***Friday sittings of Parliament***

2.11 Opposition Senators questioned Mr Evans about their concern over the government's introduction of Friday sittings of the House of Representatives. Senator Fifield questioned Mr Evans about the validity of Friday sittings of Parliament, whereby the *House of Representatives Standing and Sessional Orders* have been amended to suspend quorum requirements. Senator Fifield cited section 39 of the *Constitution* which states:

Until the Parliament otherwise provides, the presence of at least one-third of the whole number of the members of the House of Representatives shall be necessary to constitute a meeting of the House of Representatives for the exercise of its powers.<sup>9</sup>

2.12 Senator Fifield specifically asked about the meaning of the phrase 'until the Parliament otherwise provides'. Mr Evans explained that:

...It has to be a statute passed by both houses and signed by the Governor-General. Both houses have initiated changes to their quorums since 1901, and they have been done by statute. This is a question that has been discussed over many, many years. What we have always said is that it is not constitutional for the Senate to take away the right of any senator to draw attention to the lack of a quorum because the Constitution requires the quorum to be at least available. It may not be a justiciable question, but it is one of those provisions in the Constitution that the Senate has to have regard to and comply with itself. Needless to say, many people over many years have said, 'Can't we do away with quorum calls?' and that has always been the response.<sup>10</sup>

2.13 Senator Fifield sought further clarification, asking:

---

7 *Estimates Hansard*, 18 February 2008, p. 10.

8 *Estimates Hansard*, 18 February 2008, p. 11. Under the *Standing orders and other orders of the Senate* 17(3), Septemebr 2006, the Procedure Committee may consider any matter relating to the procedures of the Senate referred to it by the Senate or by the President.

9 *The Constitution*, s. 39.

10 Mr Harry Evans, Clerk of the Senate, *Estimates Hansard*, 18 February 2008, p. 6.

**Senator FIFIELD**—...So any attempt to dispense with the requirement for a quorum without legislation would be contrary to the Constitution?

**Mr Evans**—The senator says 'dispense with a quorum'. I think the statute would have to set some kind of quorum. Possibly it could set a quorum of one, but that might be a bit dubious too. It might become justiciable if that happened. But the quorum can certainly only be changed by statute...If a house passes an order to abolish quorum calls, it is within its power to do so. But what my predecessors have always said over many, many years is that it is not constitutional to do so.

**Senator FIFIELD**—Is there a similar constitutional provision for the Senate?

**Mr Evans**—Yes, it applies to both houses.<sup>11</sup>

2.14 The committee notes the government's subsequent announcement that Friday sittings for the House of Representatives will no longer be held.<sup>12</sup>

2.15 Other matters of interest raised during the examination of the Department of the Senate included:

- appointment of a new Secretary of the Department of Parliamentary Services;<sup>13</sup>
- maintenance of the Women parliamentarians photographic display in the public area of Parliament House;<sup>14</sup>
- allocation of public seating for the opening of Parliament;<sup>15</sup> and
- expected publication date of Volume 3 of the *Biographical Dictionary of the Australian Senate*.<sup>16</sup>

## Department of Parliamentary Services

2.16 The following issues of interest relating to the Department of Parliamentary Services (DPS) are discussed below:

- information technology systems and services; and
- environmental impacts.

---

11 *Estimates Hansard*, 18 February 2008, p. 6.

12 This was announced on 7 March 2008, by the Hon Anthony Albanese, Leader of the Government in the House of Representatives, to read transcript of this announcement see: [www.anthonyalbanese.com.au/file.php?file=/news/VSPZPOSJZZPACUFSAPBACYSZ/index.html](http://www.anthonyalbanese.com.au/file.php?file=/news/VSPZPOSJZZPACUFSAPBACYSZ/index.html) (accessed 12 March 2008).

13 *Estimates Hansard*, 18 February 2008, p. 8.

14 *Estimates Hansard*, 18 February 2008, p. 9.

15 *Estimates Hansard*, 18 February 2008, p. 9.

16 *Estimates Hansard*, 18 February 2008, p. 11.



---

### ***Information technology systems and services***

2.17 Government, opposition and minor party Senators examined the information technology (IT) systems and services provided to members of Parliament by DPS. The broad issues relating to the examination of IT systems and services were: the procedures for archiving electronic data; whether emails held by Senators and Members are covered by Parliamentary Privilege and the *Freedom of Information Act 1982* (FOI Act); and what procedures DPS has in place to ensure the Parliamentary network is only accessed by appropriately authorised personnel.

2.18 Senator Fifield asked officials from DPS whether the electronic storage facilities were such that deleted emails could be restored. Mr David Kenny, Acting Secretary of DPS, stated that in some cases it was possible, but not after a period of three months, whereby the information stored in archive facilities designed for 'disaster recovery purposes' would be deleted.<sup>17</sup>

2.19 Senator Fifield also raised the question with Mr Kenny as to whether Senator's and Member's email records attract Parliamentary Privilege or are subject to the FOI Act. The committee heard that in some cases email is subject to Parliamentary Privilege, whilst the FOI Act does not apply to either of the Parliamentary departments.<sup>18</sup>

### ***Environmental impacts***

2.20 Continuing on from the previous examination during the May 2007 Budget Estimates hearings, the committee examined DPS's commitment to lowering the department's impact on the environment. Of particular interest to the committee were the topics of water and energy conservation.

2.21 Mr Kenny informed the committee that a review into the use of water for landscaping purposes is due to be completed by 18 April 2008. Senator Murray requested that DPS provide a briefing about the findings of the review to the committee before the next hearing.<sup>19</sup>

2.22 The committee heard further evidence about DPS's current and planned water saving measures. Mr Kenny cited the statistics that:

---

17 Mr David Kenny, Acting Secretary, Department of Parliamentary Services, *Estimates Hansard*, 18 February 2008, pp 12 and 15.

18 *Estimates Hansard*, 18 February 2008, p. 12. If Senator's emails are compiled for the purpose of the performance of their Parliamentary functions, they are protected by Parliamentary Privilege. The FOI Act does not apply to the Parliamentary departments because they are not included in the definition of the agencies to which it applies.

19 *Estimates Hansard*, 18 February 2008, p. 25.

- 'The Parliament House water consumption as at the end of January 2008 is running at a 40 per cent reduction on the equivalent period in 2005-06 which is 5 per cent better than when the target was set';<sup>20</sup> and
- '[Parliament House's statistics for the use of water to air-condition the building] were at 150-plus kilolitres [per day]...With the changes in the air-conditioning that we trialled last year, it came down by about 50 kilolitres'.<sup>21</sup>

2.23 Mr Kenny also revealed other water saving measures including: the trial of drought tolerant 'buffalo grass'; abolishing summer floral displays; no watering of plants between 10:00am and 6:00pm; and the instillation of AAA rated shower heads.<sup>22</sup>

2.24 The committee notes these improvements made by DPS's water conservation measures. The committee also makes the suggestion, as detailed by various Senators during the hearing,<sup>23</sup> that DPS consider, where possible, the use of grey water to further reduce Parliament House's water consumption.

2.25 Mr Kenny informed the committee of DPS's ongoing review into Parliament House's energy consumption. He stated that this review will be completed before the end of June 2008. The committee notes Senator Murray's suggestion that the committee be provided with a briefing on the progress of this review before the May estimates hearing.<sup>24</sup>

2.26 Other matters of interest raised during the examination of DPS included:

- the cost of moving Senators and Members to different offices after the November 2007 Federal election;<sup>25</sup>
- the appropriate use of facilities provided to the former Government Members Secretariat;<sup>26</sup>

---

20 Mr David Kenny, Acting Secretary, Department of Parliamentary Services, *Estimates Hansard*, 18 February 2008, p. 25.

21 Mr David Kenny, Acting Secretary, Department of Parliamentary Services, *Estimates Hansard*, 18 February 2008, p. 25.

22 Mr David Kenny, Acting Secretary, Department of Parliamentary Services, *Estimates Hansard*, 18 February 2008, p. 25.

23 *Estimates Hansard*, 18 February 2008, p. 26.

24 *Estimates Hansard*, 18 February 2008, p. 26.

25 *Estimates Hansard*, 18 February 2008, p. 16.

26 *Estimates Hansard*, 18 February 2008, p. 17.

- Parliamentary Library staff and services;<sup>27</sup>
- maintenance of Members and Senators suits;<sup>28</sup> and
- the provision of child care at Parliament House.<sup>29</sup>

---

27 *Estimates Hansard*, 18 February 2008, pp 22 and 28–29.

28 *Estimates Hansard*, 18 February 2008, pp 36–38.

29 *Estimates Hansard*, 18 February 2008, pp 38–39.



# Prime Minister and Cabinet Portfolio

3.1 The committee took evidence from the Department of the Prime Minister Cabinet (PM&C), the Department of Climate Change (DCC) and portfolio agencies on Monday, 18 February; Tuesday, 19 February; and Friday, 22 February 2008. The following issues raised with PM&C are discussed below:

- Ministerial ethics;
- *Register of Lobbyists* and *Ministerial Staff Guidelines*;
- late tabling of Questions on Notice and Annual Report;
- Prime Minister's official residences;
- Parliament's apology to the Stolen Generation; and
- the *2020 Summit*

## Department of the Prime Minister and Cabinet

### *Ministerial ethics*

3.2 The committee sought information from PM&C as to the content and meaning of the document *Standards of Ministerial Ethics*.<sup>1</sup> Officials informed the committee that although the document is currently in draft form, it will be released 'soon'. Officials also stated that the content of the draft document was prepared in consultation with the Australian Public Service Commission and the Department of Finance and Deregulation.<sup>2</sup>

3.3 Opposition Senators raised questions about the definition of key terms in the document, including: the differences between Ministers engaging in 'public' and 'official' business;<sup>3</sup> conflicts of interest;<sup>4</sup> post Ministerial employment;<sup>5</sup> types of criminal convictions;<sup>6</sup> and political fundraising.<sup>7</sup>

3.4 Whilst several Opposition Senators suggested that the terminology in the document is subjective, the committee heard evidence from officials that the

---

1 Department of the Prime Minister and Cabinet, *Standards of Ministerial Ethics*, December 2007, p. 1. The *Standards of Ministerial Ethics* will replace Chapter 5 of the *Guide on Key Elements of Ministerial Responsibility* (December 1998).

2 *Estimates Hansard*, 18 February 2008, p. 49.

3 *Estimates Hansard*, 18 February 2008, p. 53.

4 *Estimates Hansard*, 18 February 2008, p. 63.

5 *Estimates Hansard*, 18 February 2008, p. 74.

6 *Estimates Hansard*, 18 February 2008, p. 77.

7 *Estimates Hansard*, 18 February 2008, p. 79.

responsibility for upholding the ethical values supported in the document will ultimately be at the discretion of the Prime Minister.<sup>8</sup>

3.5 Of particular interest to the committee was the discussion about potential Ministerial conflicts of interest. Opposition Senators raised the question of whether it was appropriate for the Special Minister of State, Senator the Hon John Faulkner, to hold the position of President of the Australian Labor Party (ALP), whilst discharging his duties as the Minister responsible for the Australian Electoral Commission:<sup>9</sup>

**Senator FIFIELD**—...As the minister at the table representing the Prime Minister, can you genuinely and honestly tell this committee that there is no conflict in appearance with the senior national office bearer of the Australian Labor Party, the national president of the Australian Labor Party also being the minister with the responsibility for the Australian Electoral Commission.<sup>10</sup>

3.6 Senator Evans responded that under the *Standards of Ministerial Ethics* it is appropriate for Ministers to seek advice from their departmental secretaries as to any potential conflict of interest. Senator Evans tabled two pieces of written advice (from the former Secretary of PM&C, Dr Peter Shergold, and the Australian Electoral Commissioner, Mr Ian Campbell) outlining their opinion that no conflict of interest exists in Senator Faulkner holding both positions.<sup>11</sup> Furthermore, Senator Evans gave evidence that the Leader of the Opposition, Dr Brendan Nelson MP, had also been consulted, and had expressed the view that there was no conflict of interest.<sup>12</sup>

3.7 The committee notes that since the completion of its Additional Estimates hearings, Senator Faulkner has finished his term as President of the ALP.

### ***Register of Lobbyists and Ministerial Staff Guidelines***

3.8 Senators questioned the department on the yet to be released *Register of Lobbyists* and the *Ministerial Staff Guidelines*. Although it was difficult for officials and the Minister to satisfy Senators' questions as these documents remain unreleased, evidence was provided that established two important points: that the document will be published in early March 2008, with the intention of making the guidelines

---

8 *Estimates Hansard*, 18 February 2008, p. 54.

9 *Estimates Hansard*, 18 February 2008, pp 69–74.

10 Senator Fifield, *Estimates Hansard*, 18 February 2008, pp 67–68.

11 Department of the Prime Minister and Cabinet, *Advice about the responsibilities of the Special Minister of State under the Commonwealth Electoral Act 1918*, tabled 18 February 2008 and Australian Electoral Commission, *Advice about the responsibilities of the Special Minister of State under the Commonwealth Electoral Act 1918*, tabled 18 February 2008. To view these documents see: [www.aph.gov.au/Senate/committee/fapa\\_ctte/estimates/add\\_0708/pmc/index.htm](http://www.aph.gov.au/Senate/committee/fapa_ctte/estimates/add_0708/pmc/index.htm) (accessed 11 March 2008).

12 *Estimates Hansard*, 18 February 2008, p. 68.

accessible on the PM&C website; and the title *Register of Lobbyists* is currently a working title, and will possibly be altered to recognise the fact that lobbyists approach Ministers, but also Members and Senators.<sup>13</sup>

### ***Late tabling of Questions on Notice and Annual Report***

3.9 Senator Ray questioned officials from PM&C as to why answers to Questions on Notice (QON) and the PM&C *Annual Report 2006–07* were tabled late.

3.10 Officials stated that the average number of days for responding to QONs was 182. The committee notes that this average response time is more than four months longer than the committee's time frame of six weeks after the hearings. On the question of why there were such lengthy delays, officials stated that although some QON were complex, and took time to answer, some answers were completed but not 'cleared' by the Prime Minister's Office.<sup>14</sup>

3.11 On the question of why PM&C's annual report was tabled late<sup>15</sup> officials stated that they were awaiting 'further information'. When questioned as to what the 'further information' was, officials could not readily provide the committee with an answer and took the question on notice.<sup>16</sup>

### ***Prime Minister's official residences***

3.12 Opposition Senators questioned officials about the use of the Prime Minister's official residences. Most of these questions centred on the running costs, and who paid for a recent New Year's Eve function at Kirribilli House.

3.13 Although some information was provided by officials, including that any costs not usually covered by taxpayer funds for such an event, were covered privately by Mr Rudd and Ms Rein, many questions were either taken on notice, or were not answered. The refusal to provide specific information was made on the basis that it was not usual practice to outline the specific costs of private functions or information about guest lists.<sup>17</sup>

3.14 Opposition Senators also questioned officials about the entitlements provided to the Prime Minister, including the provision of support staff at official residences.<sup>18</sup>

---

13 *Estimates Hansard*, 18 February 2008, p. 81.

14 Mr Barbara Belcher, First Assistant Secretary, Department of the Prime Minister and Cabinet, *Estimates Hansard*, 18 February 2008, p. 90.

15 This report was presented to the President of the Senate on 19 November 2007. This contravenes the PM&C *Requirements for Annual Reports: for Departments, Executive Agencies and FMA Act Bodies* (June 2007) which specifies 31 October 207 as the required time frame.

16 *Estimates Hansard*, 18 February 2008, pp 90–91.

17 *Estimates Hansard*, 18 February 2008, pp 97 and 102.

18 *Estimates Hansard*, 18 February 2008, pp 98–117.

Officials informed the committee that the Prime Minister is currently allocated with an extra staff position which includes child care responsibilities.<sup>19</sup>

### ***Parliament's apology to the Stolen Generation***

3.15 Senators sought, in extensive detail, information surrounding the Parliament's apology to the Stolen Generation. Opposition Senators asked questions concerning: the Prime Minister's involvement in drafting the apology; and also referred to recent media reports about some of the Prime Minister's staff being involved in protest action during the Leader of the Opposition's speech.<sup>20</sup>

3.16 Opposition Senators also questioned the government about the possibility of releasing its legal advice regarding any compensation claims that may result from the apology. Senator Faulkner responded that the complexities surrounding the issue meant that it was not possible to provide the advice at the hearing and that it was not the appropriate forum to do so anyway.<sup>21</sup>

### ***2020 Summit***

3.17 The committee examined PM&C officials about the organisational plans for the *2020 Summit*. Senator Fifield questioned officials about why the dates chosen for the summit had not taken into account the fact that they clash with the Jewish Passover festival. Officials responded that arrangements were being put in place whereby the Jewish community could still have input into the summit via other means.<sup>22</sup> However, neither Minister Faulkner, nor PM&C officials could provide any details of these arrangements to the committee. In response they agreed to provide this information through questions on notice.

3.18 The committee also heard evidence from officials that 'special circumstances funding' will be provided to applicants who meet criteria which are yet to be determined by the 'steering committee'. This issue was also raised by Senator Ian Macdonald, who questioned officials as to whether they had considered the difficulty faced by people living in remote Australia. Officials responded that the steering committee is considering this issue and that some financial assistance will be provided.<sup>23</sup>

3.19 On the details of how the government intends to use the ideas that are voiced during the *2020 Summit*, the committee heard that the current expectation is for the

---

19 *Estimates Hansard*, 18 February 2008, p. 111.

20 *Estimates Hansard*, 18 February 2008, pp 120–126.

21 *Estimates Hansard*, 18 February 2008, p. 120.

22 *Estimates Hansard*, 18 February 2008, pp 126–127.

23 *Estimates Hansard*, 18 February 2008, pp 127 and 131–123.



---

production of 'options papers' for the 10 summit topics which are to be considered by the government. These documents will be made public after the summit.<sup>24</sup>

### ***Other issues***

3.20 Other issues raised during the examination of PM&C included the:

- cost and stage of completion of the State Coach Britannia;<sup>25</sup>
- Australian Social Inclusion Board;<sup>26</sup>
- Welcome to Country ceremony (Opening of Parliament);<sup>27</sup> and
- establishment of the Office of National Security.<sup>28</sup>

### **Australian Public Service Commission**

3.21 The Australian Public Service Commission was briefly questioned by the committee. The committee heard evidence concerning:

- levels of absenteeism in the Australian Public Service; and
- ramifications of wage restraint for commonwealth public sector employees on salaries above \$127 000.<sup>29</sup>

### **Australian National Audit Office**

3.22 The committee heard evidence from the Australian National Audit Office (ANAO) concerning two interrelated issues: the independence of the ANAO and its statutory obligations during the 'caretaker' period; and the tabling of legal advice about these obligations.

### ***The independence of statutory authorities***

3.23 During the ANAO's appearance, Senators questioned the release (during the caretaker period) of the ANAO report: *Performance Audit of the Regional Partnerships Program*. Senators Minchin and Ray asked the Auditor-General, Mr Ian McPhee, whether it was appropriate to table a controversial report during an election campaign.

3.24 Both Senators questioned Mr McPhee on whether the enabling legislation underpinning the operations of the ANAO should be amended, to prevent the tabling

---

24 *Estimates Hansard*, 18 February 2008, pp 130–131.

25 *Estimates Hansard*, 18 February 2008, p. 93.

26 *Estimates Hansard*, 18 February 2008, p. 117.

27 *Estimates Hansard*, 18 February 2008, p. 119.

28 *Estimates Hansard*, 18 February 2008, pp 135–138.

29 *Estimates Hansard*, 19 February 2008, pp 4–5.

of reports during an election campaign.<sup>30</sup> Mr McPhee responded that he did not think this proposal was in the best interests of maintaining the highest level of scrutiny and transparency of government operations:

...My very clear judgement was that to hold it [the report] over [until after the election] would have made the Audit Office look extremely limp. I think the integrity of the office would have been under much more serious question if I had tabled after the election...[I]f I was asked to do it again if a similar situation arose under any government of any colour then I would act in the same manner as I have acted in terms of Regional Partnerships.<sup>31</sup>

3.25 Mr McPhee explained that he had also tabled two other audit reports prior to the Regional Partnerships report, during the 2007 caretaker period.<sup>32</sup> He told the committee that he had sought general legal advice on the ANAO's statutory responsibilities during the caretaker period:

I sought legal advice on the general proposition...as we approached the caretaker period. So it was not in relation to this particular report, but I received legal advice which basically said, 'You've got a statutory responsibility to table as soon as practicable.'...we are always respectful of the parliament's position...a government should be willing to be accountable for the administration of programs at any time...the convention is really directed to another particular purpose...<sup>33</sup>

3.26 The committee notes the Auditor-General's justification for tabling the report: *Performance Audit of the Regional Partnerships Program*, during the election period. The committee firmly believes, that it is in the interests of good public administration, that the independence of the ANAO not be curtailed to suit that needs of successive governments. Rather, the committee respects and affirms the need for independent statutory authorities that are free from government interference and control.

### ***Tabling legal advice***

3.27 Senator Ray requested that the Auditor-General provide the legal advice which he received from the Australian Government Solicitor on the above matter. The Auditor-General noted that although it was not normal practice to provide such

---

30 *Estimates Hansard*, 19 February 2008, p. 8.

31 Mr Ian McPhee, Auditor-General, Australian National Audit Office, *Estimates Hansard*, 19 February 2008, p. 8.

32 Mr Ian McPhee, Auditor-General, Australian National Audit Office, *Estimates Hansard*, 19 February 2008, p. 8. Subsequently, the Auditor-General advised that four reports were tabled during the 2007 caretaker period prior to the Regional Partnerships report; see: ANAO, answer to question on notice, PM121, 12 March 2008, located at: [www.aph.gov.au/Senate/committee/fapa\\_ctte/estimates/add\\_0708/pmc/index.htm](http://www.aph.gov.au/Senate/committee/fapa_ctte/estimates/add_0708/pmc/index.htm) (accessed 13 March 2008).

33 Mr Ian McPhee, Auditor-General, Australian National Audit Office, *Estimates Hansard*, 19 February 2008, pp 9–10.

---

advice, 'because of the special position and the relationship I have with the Parliament, I would be happy to make it available.'<sup>34</sup>

3.28 The committee notes the Auditor-General's decision to table legal advice to the ANAO.<sup>35</sup> The decision by the ANAO to table its legal advice demonstrates that agencies do have the option to transparently provide information, including legal advice to committees.

3.29 Other issues that were discussed during the committee's examination of the ANAO included:

- the number of qualified and experienced auditors and staff turnover;<sup>36</sup>
- ANAO's audit of 30 Australian Defence Force acquisition projects;<sup>37</sup> and
- accounting for the GST in government accounts.<sup>38</sup>

### **Australian Institute of Family Studies**

3.30 With the recent change to the *Administrative Arrangements Order* (25 January 2008), the committee examined for the first time, the Australian Institute of Family Studies (AIFS).

3.31 Several Senators were interested in the findings of research that the AIFS has undertaken. The main areas of discussion were:

- relationship breakdowns;<sup>39</sup>
- AIFS staffing profile;<sup>40</sup>
- longitudinal study on children;<sup>41</sup>
- funding for the AIFS biennial conference;<sup>42</sup> and
- AIFS's involvement in the Northern Territory intervention.<sup>43</sup>

---

34 Mr Ian McPhee, Auditor-General, Australian National Audit Office, *Estimates Hansard*, 19 February 2008, p. 10.

35 Australian National Audit Office, answer to question on notice, 12 March 2008. To access this information see: [www.aph.gov.au/Senate/committee/fapa\\_ctte/estimates/add\\_0708/pmc/answers/pm69.pdf](http://www.aph.gov.au/Senate/committee/fapa_ctte/estimates/add_0708/pmc/answers/pm69.pdf) (accessed 14 March 2008).

36 *Estimates Hansard*, 19 February 2008, pp 5–6.

37 *Estimates Hansard*, 19 February 2008, p. 7.

38 *Estimates Hansard*, 19 February 2008, pp 13–14.

39 *Estimates Hansard*, 19 February 2008, p. 17.

40 *Estimates Hansard*, 19 February 2008, p. 20.

41 *Estimates Hansard*, 19 February 2008, pp 20–21.

42 *Estimates Hansard*, 19 February 2008, p. 21.

## Department of Climate Change

3.32 The committee took evidence from the recently created Department of Climate Change (DCC) on Friday, 22 February 2008. The committee discussed a range of topics including: Professor Ross Garnaut's employment arrangements; Treasury's economic modelling of an emission trading scheme; the Bali climate change conference; the renewable energy target; and the greenhouse trigger. Several other noteworthy issues were also discussed.

### *Employment arrangements for Professor Garnaut*

3.33 The committee explored the employment arrangements of Professor Garnaut who is leading the joint Commonwealth-State review of climate change. The review is examining the impact of climate change on the Australian economy and potential medium to long-term policies to ameliorate these impacts.

3.34 Officials informed the committee that Professor Garnaut is employed on a full-time basis by DCC from early January to 30 September 2008.<sup>44</sup> He is employed under section 22 of the *Public Service Act 1999* with an annual salary of \$112 600 plus a vehicle allowance.<sup>45</sup> The Commonwealth is also supporting the review with at least four DCC staff seconded to the secretariat, as well as paying for consulting work and travel expenses.<sup>46</sup>

3.35 Senator Johnston requested that a copy of Professor Garnaut's employment contract be tabled. The committee sought advice from the Clerk of the Senate regarding whether there exist any constraints to the committee demanding a copy of a contract of employment of a public servant (in this instance Professor Garnaut's contract). The Clerk advised:

There is nothing to prevent the committee requiring the production of a contract of employment of a public servant or a contract with anyone else who receives payments from public funds. The relevant principle is that the committee and the Senate are entitled to know how public money is spent. Claims that such contracts are confidential have not been accepted by the Senate in the past. In 1980, for example, the Senate resolved that it is entitled to know the fees paid to counsel who accept briefs from the Commonwealth.<sup>47</sup>

---

43 *Estimates Hansard*, 19 February 2008, p. 21.

44 Dr Martin Parkinson, Secretary, Department of Climate Change, *Estimates Hansard*, 22 February 2008, pp 17, 25 and 26.

45 Dr Martin Parkinson, Secretary, Department of Climate Change, *Estimates Hansard*, 22 February 2008, p. 17.

46 Dr Martin Parkinson, Secretary, Department of Climate Change, *Estimates Hansard*, 22 February 2008, pp 17 and 25.

47 Mr Harry Evans, Clerk of the Senate, correspondence, 22 May 2008.

3.36 Minister Wong agreed on notice to provide Professor Garnaut's contract to the committee, on the basis that any personal information be firstly removed.<sup>48</sup>

3.37 The department took on notice Senator Ian Macdonald's request for Professor Garnaut to appear at the Budget Estimates hearings in May 2008.<sup>49</sup>

### *Treasury modelling*

3.38 The committee examined the nature and scope of the economic modelling being undertaken by the Department of the Treasury. This modelling, along with the final Garnaut report and 'other matters associated with the emissions trading scheme and climate change policy,'<sup>50</sup> will inform the government's mid-term emissions target.

3.39 Officials told the committee that the Treasury modelling, which was commissioned by the former Prime Minister, is a 'work in progress' which will be finalised in the middle of 2008.<sup>51</sup> The Secretary explained that the modelling is underpinned by a range of assumptions on technology costings and timing, which have been developed through extensive consultation with experts in the field. These assumptions will be used to generate a number of scenarios which will:

...amongst other things, consider different issues around the timing of different technologies and different issues around the relative cost of different technologies. There is not an attempt to come out with a single-point estimate or a single hard line that says, 'This is the answer.' Inevitably, we have a situation where we have got a 60 per cent reduction by 2050 and we have got where we are starting from, and between those there is a massive amount of uncertainty.<sup>52</sup>

Officials told the committee that the underpinning assumptions will not be made public on the basis that it is a work in progress.<sup>53</sup>

---

48 Senator Wong, Minister for Climate Change and Water, *Estimates Hansard*, 22 February 2008, p. 18.

49 Dr Martin Parkinson, Secretary, Department of Climate Change, *Estimates Hansard*, 22 February 2008, p. 26.

50 Senator Wong, Minister for Climate Change and Water, *Estimates Hansard*, 22 February 2008, p. 19. Senator Wong indicated that 'other matters' for consideration may result from discussions with the community and industry and various other stakeholders on the design of the emissions trading scheme.

51 Dr Martin Parkinson, Secretary, Department of Climate Change, *Estimates Hansard*, 22 February 2008, pp 19 and 32.

52 Dr Martin Parkinson, Secretary, Department of Climate Change, *Estimates Hansard*, 22 February 2008, p. 33.

53 Dr Martin Parkinson, Secretary, Department of Climate Change, *Estimates Hansard*, 22 February 2008, p. 32.

### ***Bali conference***

3.40 The committee asked a range of questions relating to the Australian delegation at the United Nations Framework Convention on Climate Change conference in Bali which took place in December 2007. The official delegation of 92 comprised of the Prime Minister and three other ministers<sup>54</sup> and their staff; Commonwealth departmental officials;<sup>55</sup> the Victorian Premier and other Victorian members of parliament; state and territory officials; representatives of industry and non-government bodies; and the Shadow Minister for Climate Change and the Environment. Officials were unable to provide the total cost of the delegation's trip, explaining that 'it is the responsibility of individual departments to account for what they spend in conducting their own activities.'<sup>56</sup>

3.41 Officials did however provide information regarding their own travel costs. The total cost for the DCC contingent of 20 officials was \$226 860, comprising of \$187 629 for airfares, accommodation, allowances and incidentals, and \$39 231 for shared office facilities and transportation.<sup>57</sup> The particular cost of the Secretary's travel was taken as a question on notice.<sup>58</sup>

### ***Renewable energy target***

3.42 The committee heard evidence of the government's policy to increase the total amount of renewable energy generated to 20 per cent of Australia's electricity supply by 2020. Officials confirmed that the primary mechanism to achieve this target is to increase the current Mandatory Renewable Energy Target (MRET) of 9500 gigawatt-hours in 2010 to 45 000 gigawatt-hours in 2020. Other measures that assist in achieving the 20 per cent target would include 'the impacts of the emissions trading scheme...or other measures that the government may choose to take between now and 2020.'<sup>59</sup> Senator Allison asked on notice for a breakdown of that 20 per cent into

---

54 Including the Treasurer, the Hon Wayne Swan MP, the Minister for Climate Change and Water, Senator the Hon Penny Wong, and Minister for the Environment, Heritage and the Arts, the Hon Peter Garrett MP.

55 From the Department of Climate Change; Department of Foreign Affairs and Trade (including AusAID); Department of Environment, Water, Heritage and the Arts; Department of the Prime Minister and Cabinet; the former Department of Industry, Tourism and Resources; Department of Agriculture, Fisheries and Forestry; Bureau of Meteorology; and the Great Barrier Reef Marine Park Authority.

56 Dr Martin Parkinson, Secretary, Department of Climate Change, *Estimates Hansard*, 22 February 2008, p. 23.

57 Dr Martin Parkinson, Secretary, Department of Climate Change, *Estimates Hansard*, 22 February 2008, p. 23.

58 Dr Martin Parkinson, Secretary, Department of Climate Change, *Estimates Hansard*, 22 February 2008, p. 24.

59 Mr Blair Comley, Deputy Secretary, Department of Climate Change, *Estimates Hansard*, 22 February 2008, p. 38.

---

existing generation capacity, new capacity met by the expanded MRET and new capacity met by other measures projected over the time frame to 2020.

3.43 Officials also confirmed the commencement timeframe to implement the expanded MRET. The first step will be to agree on merger arrangements between the various inconsistent state schemes into a single national scheme. This is being undertaken through a Council of Australian Governments process. Once agreement is reached, legislation will be prepared for introduction in 2009. As a result, the expanded MRET will commence in 2010.<sup>60</sup>

### ***Greenhouse trigger***

3.44 There was a brief discussion on the government's consideration to include a 'greenhouse trigger' into the *Environment Protection and Biodiversity Conservation Act 1999*. Departmental officials indicated that they were in consultation with officials from the Department of the Environment, Water, Heritage and the Arts on the matter.<sup>61</sup>

### ***General issues***

3.45 Other noteworthy issues that were raised during the hearings included the:

- allocation of permits under the emissions trading scheme;<sup>62</sup>
- comparative level of Australia's emissions;<sup>63</sup>
- basis for the government's commitment to reduce Australia's emissions to 60 per cent below 2000 levels by 2050;<sup>64</sup>

---

60 *Estimates Hansard*, 22 February 2008, pp 35–38.

61 Mr Blair Comley, Deputy Secretary, Department of Climate Change, *Estimates Hansard*, 22 February 2008, p. 27.

62 *Estimates Hansard*, 22 February 2008, pp 20–21 and 45–46.

63 *Estimates Hansard*, 22 February 2008, pp 28–30.

64 *Estimates Hansard*, 22 February 2008, pp 38–41.

- level of abatement achieved by various greenhouse programs;<sup>65</sup>
- subsidies for fossil fuels in Australia;<sup>66</sup> and
- National Climate Change Adaptation Research Facility;<sup>67</sup>

---

65 *Estimates Hansard*, 22 February 2008, p. 42.

66 *Estimates Hansard*, 22 February 2008, pp 43–44.

67 *Estimates Hansard*, 22 February 2008, pp 45–46.



# Finance and Deregulation Portfolio

4.1 The committee took evidence from the Department of Finance and Deregulation (Finance) and portfolio agencies on Tuesday, 19 and Friday, 22 February 2008. The committee discussed a range of topics including: savings measures by the new government; parliamentary staff and resources; the administration of government advertising; and the Future Fund Management Agency (the Future Fund). Several other noteworthy issues were also discussed.

## Department of Finance and Deregulation

### *Savings measures*

4.2 Considerable time was devoted to the scrutiny of the savings measures taken by the new government, with Senator Brandis seeking details of the decision-making process behind each of the government's individual economy measures.<sup>1</sup> The committee heard that a strategic budget committee of cabinet was established to identify potential savings, and that it was constituted by the Prime Minister, Deputy Prime Minister, Treasurer, and Minister for Finance and Deregulation.

4.3 The committee learned that 45 measures were identified by the strategic budget committee, and that a process took place to consult with relevant ministers, but that the government had not considered offering compensation for losses incurred by stakeholders relying on decisions of the previous government which were now subject to the cuts.<sup>2</sup> Senator Brandis was particularly keen to discover whether consideration had been given to the effect of the cuts on stakeholders in the case of each measure.

### *Government advertising*

4.4 The committee examined new arrangements relating to the administration of whole-of-government advertising. Whereas government advertising was previously administered by the Government Communications Unit (GCU) operating under the auspices of the Department of the Prime Minister and Cabinet, new administrative arrangements see the abolition of the GCU and the transfer of advertising administration to Finance. The committee heard that the two contracts currently on foot are to be re-tendered during the course of 2008.<sup>3</sup> Decisions relating to the conclusion of that process will be taken by the Department.

---

1 Media Release, Minister for Finance and Deregulation, 6 February 2008.

2 *Estimates Hansard*, 19 February 2008, p. 51.

3 *Estimates Hansard*, 19 February 2008, p. 29.

### ***Ministerial and Parliamentary Services***

4.5 Considerable time was also spent conducting an examination of officers from the Ministerial and Parliamentary Services business group of the Department. The committee was provided with information on staffing levels which allowed direct comparison between the former and current government and opposition. The information tabled shows that government staffing numbers reduced by around 100 with the change of government, from 390 on 17 October 2007 to 292 on 1 February 2008. The committee later heard that the reduction would bring about a saving of approximately \$27 million per annum.<sup>4</sup>

4.6 Other tabled information indicates that opposition staffing levels had reduced over the same period from 98 to 70, with the relative proportion of staff classifications remaining essentially identical.<sup>5</sup>

4.7 Senator Murray sought information from officials as to the current compliance rate by Members and Senators of the certification of their monthly management reports. Officials informed the committee that there has been no change in the numbers of uncertified reports for the 2003–04, 2004–05 and 2005–06 financial years, with only eight reports uncertified in total. For the 2006–07 financial year, officials stated that there remains over 200 uncertified reports. Senator Murray sought the names of Senators and Members who have not certified their reports, for each month during 2006–07, but only after they have first been given an opportunity to clear their backlog. This remains a question on notice.<sup>6</sup>

### ***General issues***

4.8 The committee also explored the following; the:

- referral of estimates questions to other committees; and specifically the appropriate delineation in responsibilities to answer estimates questions between Finance and the agency directly administering the relevant program.<sup>7</sup>

### **ComSuper and the Australian Reward Investment Alliance**

4.9 The committee heard that ComSuper and the Australian Reward Investment Alliance (ARIA) had met the performance expectations of government, in spite of a number of challenges faced over the preceding year including implementation of the

---

4 *Estimates Hansard*, 19 February 2008, p. 81.

5 Department of Finance and Deregulation, *Opposition Numbers [Staff]-Comparison by Classification*, tabled 19 February 2008. To access this document see: [www.aph.gov.au/Senate/committee/fapa\\_ctte/estimates/add\\_0708/finance/index.htm](http://www.aph.gov.au/Senate/committee/fapa_ctte/estimates/add_0708/finance/index.htm) (accessed 13 March 2008).

6 *Estimates Hansard*, 19 February 2008, pp 112-113.

7 See for example discussion in *Estimates Hansard*, 19 February 2008, p. 55.

---

Better Super changes and the need to upgrade systems. Representatives of ARIA also informed the committee that, like most investors, the fund did have indirect exposure to the 'sub-prime' mortgage market.<sup>8</sup>

## **Future Fund**

4.10 The committee heard that the Future Fund constituted \$50.5 billion in assets, excluding shares in Telstra. Approximately 75 per cent of the holding were in cash, with the remainder in equities and listed property.

4.11 Drawn from the property portfolio, the committee heard evidence of a \$500 million investment in listed global property of which 50 per cent was weighted to US commercial property. Officials admitted that they made these investment as late as November 2007, when there was already fears about the US sub-prime mortgages and strength of the US economy more generally.<sup>9</sup> However, officials explained that the scale of their listed global property holding was relatively small (around 1 per cent of total holdings); that it was part of a diversification strategy and that despite losses in this area their total portfolio holdings rose 0.6 per cent from 1 July 2007.

## **Australian Electoral Commission**

4.12 The committee examined a number of matters in relation to the 2007 federal election, focussing initially on political donations from foreign sources. The committee reflected on the limited practical and legal ability of the Australian Electoral Commission (AEC) to check the veracity of donations received from overseas.<sup>10</sup>

4.13 The committee was also interested in the methods used by the AEC to facilitate voting by Australians living overseas and in remote locations in Australia, and heard that hours of operation for each of the 104 foreign voting locations were not centrally determined. The 2004 and 2007 elections saw the distribution of ballot papers to overseas posts occur increasingly through electronic means, utilising the Department of Foreign Affairs and Trade and AusTrade secure intranet systems. In the case of the 2007 election, this allowed voting to take place as early as 5 November. Larger posts were able to receive hard copy papers, which were not typically delivered until closer to the election day.<sup>11</sup>

4.14 The committee also examined voting arrangements for interstate voters in the town of Newman in Western Australia, where it was reported that ballot papers ran

---

8 *Estimates Hansard*, 19 February 2008, p. 90.

9 *Estimates Hansard*, 22 February 2008, pp 9–13.

10 *Estimates Hansard*, 19 February 2008, p. 115.

11 *Estimates Hansard*, 19 February 2008, p. 117.

out and citizens were unable to vote.<sup>12</sup> The committee will receive a response from the AEC on notice.

4.15 Other matters touched on by the committee with the AEC include the:

- ability of the AEC to reclaim money paid to a candidate found to be ineligible to stand for election;<sup>13</sup>
- incidence of double voting;<sup>14</sup> and
- incidence of informal voting.<sup>15</sup>

---

12 *Estimates Hansard*, 19 February 2008, p. 124.

13 *Estimates Hansard*, 19 February 2008, p. 120.

14 *Estimates Hansard*, 19 February 2008, p. 125.

15 *Estimates Hansard*, 19 February 2008, p. 127.

# Human Services Portfolio

5.1 The Committee took evidence from the Department of Human Services (DHS) on Tuesday 19 and Friday 22 February 2008. The main subject of discussion was the abolition of the Access Card. Several other noteworthy issues were also discussed.

## Department of Human Services

### *Access Card*

5.2 The committee heard evidence on the budgetary and staffing implications of the abolition of the Access Card. The Access Card program had a total budget of \$1 317.9 million and savings of \$1 162 million have been identified. The total expenditure of the Access Card to 31 December was \$116 million. There is still expenditure of around \$25 million in relation to staff contractual exit costs and potentially 'a bit less than \$2 million' if it proves impossible to transfer an existing office space lease arrangement.<sup>1</sup>

5.3 As at December 2007, there was a total of 132 DHS staff remaining in the Office of the Access Card, comprising 112 permanent and 20 temporary staff.<sup>2</sup> In addition, there were an unknown number of consultants. The Secretary of the Department assured the committee that they were hoping to redeploy these staff rather than to resort to redundancies:

The access card program attracted people because they were interested in something like that. We are hoping to keep as many of them as we can because there are some real skills there, but we will not be able to keep them all. So at the moment we are looking around to try to find positions for those staff.<sup>3</sup>

### *General issues*

5.4 Another noteworthy issue raised by the committee included:

- Fraud prevention and compliance measures.<sup>4</sup>

---

1 Ms Kerri Hartland, Deputy Secretary and Mr Chris Dainer, First Assistant Secretary, Financial Analysis and Corporate, Department of Human Services, *Estimates Hansard*, 22 February 2008, pp 51–52.

2 Ms Kerri Hartland, Deputy Secretary, Department of Human Services, *Estimates Hansard*, 19 February 2008, p. 134.

3 Ms Helen Williams, Secretary, Department of Human Services, *Estimates Hansard*, 19 February 2008, p. 134. See also *Estimates Hansard*, 22 February 2008, p. 53.

4 *Estimates Hansard*, 22 February 2008, pp 56–59.

## **Centrelink**

5.5 The committee examined officers representing Centrelink with much of the discussion focussed on staffing matters.

### ***Staffing reductions***

5.6 The committee heard evidence of the likely loss of approximately 2000 Centrelink positions as a result of the combination of reduced client numbers and budgetary pressures. Centrelink's CEO was unable to provide a guarantee that there will be no forced redundancies, however he stated that he will try and avoid it as far as possible. He explained that the cuts would potentially affect every Centrelink office, in every work area and at all levels of responsibility. Front-line service delivery would be preserved as far as possible.<sup>5</sup>

### ***Call centre staff***

5.7 The committee heard evidence of the recruitment campaign carried out to staff a new call centre in Launceston, and on a smaller scale, to supplement centres in Coffs Harbour and Hobart. The process was subsequently abandoned following a decision by Centrelink that the new positions were unaffordable.<sup>6</sup> Various factors were at play, including the need to fund cumulative efficiency dividends, and a drop in funding due to reduced client numbers.

5.8 The committee also examined the incidence of Medicare and Centrelink services being co-located, currently only in Warrawong in NSW and Emerald in Queensland.<sup>7</sup>

### ***General issues***

5.9 The committee discussed a number of other issues with Centrelink officials. These included:

- Community feedback on the disability support '15 hour rule';<sup>8</sup>
- The provision of clear written communications with clients;<sup>9</sup>

---

5 Mr Jeff Whalan, Chief Executive Officer, Centrelink, *Estimates Hansard*, 22 February 2008, pp 68–69.

6 Mr Jeff Whalan, Chief Executive Officer, Centrelink, *Estimates Hansard*, 22 February 2008, pp 61–63.

7 *Estimates Hansard*, 22 February 2008, p. 71.

8 *Estimates Hansard*, 22 February 2008, pp 64–65.

9 *Estimates Hansard*, 22 February 2008, pp 65–66.

- The practice of clients conducting business at Centrelink without an appointment;<sup>10</sup>
- Erroneous quarantining of Centrelink payments as part of the Northern Territory Intervention;<sup>11</sup>

**Senator Helen Polley**

**Chair**

---

10 *Estimates Hansard*, 22 February 2008, pp 66–67.

11 *Estimates Hansard*, 22 February 2008, pp 71–74.





# Appendix 1

## Departments and agencies under the Committee's oversight

### Parliamentary departments

- Department of the Senate; and
- Department of Parliamentary Services.

### Prime Minister and Cabinet Portfolio

- Department of the Prime Minister and Cabinet;
- Department of Climate Change;
- Australian Institute of Family Studies;
- Australian National Audit Office;
- Australian Public Service Commission;
- Office of the Commonwealth Ombudsman;
- Office of the Inspector-General of Intelligence and Security;
- Office of National Assessments;
- Office of the Official Secretary to the Governor-General;
- Office of the Privacy Commissioner; and
- Office of the Renewable Energy Regulator.

### Finance and Deregulation Portfolio

- Department of Finance and Deregulation;
- Australian Electoral Commission;
- Commonwealth Superannuation Administration;
- Australian Reward Investment Alliance;
- Australian River Company Ltd;
- National Archives of Australia;
- Future Fund Management Agency;
- Medibank Private Ltd
- Australian Industry Development Corporation

**Human Services Portfolio**

- Department of Human Services (includes Child Support Agency and CRS Australia)
- Centrelink;
- Medicare Australia;
- Australian Hearing; and
- Health Services Australia.

## Appendix 2

### Outcome / Output Structure

#### Department of the Prime Minister and Cabinet

Outcome/Output	Details
<b>Outcome 1</b>	<b>Sound and well coordinated government policies, programs and decision making processes</b>
<u>Output Group 1</u>	Economic and Industry Policy
Output 1.1	Economic and Industry Policy
<u>Output Group 2</u>	Social Policy
Output 2.1	Social Policy
Output 2.2	Office of Work and Family
<u>Output Group 3</u>	International and National Security Policy
Output 3.1	International Policy
Output 3.2	National Security Policy
Output 3.3	APEC Taskforce
<u>Output Group 4</u>	Support Services for Government Operations
Output 4.1	Cabinet Support
Output 4.2	Machinery of Government
Output 4.3	Deleted <sup>1</sup>
Output 4.4	Support to Official Establishments
Output 4.5	Support for Ministerial Offices
Output 4.6	Ceremonial and Hospitality

<sup>1</sup> With the abolition of the Government Communications Unit and transfer of AUSPIC to the Department of Finance and Deregulation, the remaining functions of Output 4.3 have been transferred to Output 4.5.

## Department of Climate Change<sup>2</sup>

<b>Outcome/Output</b>	
<b>Outcome 1</b>	<b>The environment, especially those aspects that are matters of national environmental significance, is protected and conserved</b>
Output 1	Response to climate change
Sub Output 1.1	International engagement
Sub Output 1.1.2	Emissions management
Sub Output 1.1.3	Understanding of climate change
Office of the Renewable Energy Regulator (ORER)	
ORER Outcome 1 <sup>3</sup>	Increased renewable electricity generation
ORER Output 1.1	Renewable energy certificate management
ORER Output 1.2	Managing compliance with legislation

## Department of Finance and Deregulation

<b>Outcome/Output</b>	<b>Details</b>
<b>Outcome 1</b>	<b>Sustainable Government Finances</b>
<u>Output Group 1.1</u>	Budget
<u>Output Group 1.2</u>	Financial Management
Output 1.2.1	Financial Framework
Output 1.2.2	Financial Reporting
Output 1.2.3	Public Sector Superannuation Advice
Output 1.2.4	Office Evaluation and Audit (Indigenous Programs)
Output 1.2.5	Deregulation and Regulatory Reform

2 The outcome/output structure of the Department of Climate Change was adopted from the former Department of the Environment and Water Resources Outcome 1, reflecting the functions transferred from that department. Department of Climate Change, *Portfolio Additional Estimates Statements 2007–08*, February 2008, p. 4.

3 The outcome/output structure of the Office of the Renewable Energy Regulator was transferred from the former Department of the Environment and Water. This outcome contributes to protecting the environment under the Department of Climate Change's Outcome 1. Department of Climate Change, *Portfolio Additional Estimates Statements 2007–08*, February 2008, p. 4.

<b>Outcome 2</b>	<b>Improved and More Efficient Government Operations</b>
<u>Output Group 2.1</u>	Government Businesses
Output 2.1.1	Government Business Enterprises Ownership and Divestment
Output 2.1.2	Insurance and Risk Management
Output 2.1.3	Special Claims and Land Policy
<u>Output Group 2.2</u>	Property and Construction
Output 2.2.1	Property Management
Output 2.2.2	Major Projects
<u>Output Group 2.3</u>	Procurement Management
Output 2.3.1	Procurement Framework
Output 2.3.2	Centralised Contracting
<b>Outcome 3</b>	<b>An Efficiently Functioning Parliament</b>
<u>Output Group 3.1</u>	Ministerial and Parliamentary Services
Output 3.1.1	Services to Senators, Members and their Staff
Output 3.1.2	VIP Hire Care Services
<b>Outcome 4</b>	<b>Effective and Efficient use of Information and Communication Technologies by the Australian Government</b>
<u>Output Group 4.1</u>	Australian Government Information Management Office
Output 4.1.1	Productive Use of Information and Communication Technologies



# Appendix 3

## Index to Hansard Transcripts<sup>1</sup>

*Page no.*

### **Monday, 18 February 2008**

#### *Parliament*

Department of the Senate..... 2

Department of Parliamentary Services ..... 11

#### *Prime Minister and Cabinet Portfolio*

Department of the Prime Minister and Cabinet..... 44

### **Tuesday, 19 February 2008**

#### *Prime Minister and Cabinet Portfolio*

Australian Public Service Commission ..... 4

Australian National Audit Office..... 5

Australian Institute of Family Studies ..... 16

#### *Finance and Deregulation Portfolio*

Department of Finance and Deregulation..... 23

ComSuper ..... 87

Australian Reward Investment Alliance ..... 87

---

1 Page numbers correspond to the proof *Hansards*. Sometimes there are slight variations with the final version.

---

Department of Finance and Deregulation.....	93
Australian Electoral Commission .....	114

*Human Services Portfolio*

Department of Human Services .....	129
------------------------------------	-----

**Friday, 22 February 2008***Finance and Deregulation Portfolio*

Future Fund Management Agency .....	3
-------------------------------------	---

*Prime Minister and Cabinet Portfolio*

Department of Climate Change .....	16
Office of the Renewable Energy Regulator.....	47

*Human Services Portfolio*

Department of Human Services .....	49
Centrelink.....	59
Medicare .....	69



