

The Senate

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Finance and Public Administration  
Legislation Committee

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Additional estimates 2010–11

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# Additional Estimates 2010–11

1.1 On 10 February 2011, the Senate referred to the Finance and Public Administration Legislation Committee (the Committee), the following documents for examination and report:

- particulars of proposed additional expenditure in respect of the year ending on 30 June 2010 [Appropriation Bill (No. 3) 2010-11];
- particulars of certain proposed additional expenditure in respect of the year ending on 30 June 2010 [Appropriation Bill (No. 4) 2010-11]; and
- final budget outcome 2009-10 and the Issues from the advances under the annual Appropriation Acts for 2009-10.

## Portfolio coverage

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

- Parliament<sup>1</sup>;
- Prime Minister and Cabinet portfolio, including the Department of Regional Australia, Regional Development and Local Government; and
- Finance and Deregulation portfolio.

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

## Variation of portfolios

1.3 As described in the Committee's second report on annual reports for 2010, there have been two recent major changes to the Committee's portfolio oversight. Following the release of the *Administrative Arrangement Orders* in September 2010, the areas of arts and sport were transferred to the Department of the Prime Minister and Cabinet. At the same time, the Department of Regional Australia, Regional Development and Local Government was established within the Prime Minister and Cabinet portfolio.

1.4 In addition, the Committee previously examined the Human Services portfolio, however on 29 September 2010, the Senate allocated the portfolio to the Community Affairs Committee for oversight.<sup>2</sup>

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1 As a matter of comity between the Houses, 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.

2 See paragraph 1.5 of the committee's previous report: Senate Finance and Public Administration Legislation Committee, *Annual reports (No. 2 of 2010)*, November 2010, p. 2.

## Portfolio Additional Estimates Statements

### *Prime Minister and Cabinet*

1.5 There were a number of significant changes to the outcomes and programs for the Prime Minister and Cabinet portfolio following the 2010 federal election.

1.6 Further to the information above, responsibility for cultural affairs—including moveable cultural heritage and support for the arts—has been transferred to the Department of the Prime Minister and Cabinet (PM&C) as well as the responsibility for sport and recreation. These areas have become outcomes two and three respectively of the department. The Committee had the opportunity to question the arts and sports outcomes and agencies for the first time at Supplementary Budget Estimates in October last year.

1.7 Other changes to the PM&C portfolio following the Administrative Arrangement Orders of 14 September 2010 were the establishment of the Office of the Non-Profit Sector and a cyber security unit to provide a single point of coordination and advice for the Government. In addition, the Remuneration Tribunal has been transferred from the Education, Employment and Workplace Relations portfolio to the Australian Public Service Commissioner (within the PM&C portfolio coverage).<sup>3</sup>

1.8 On 1 November 2010, the Office of the Australian Information Commissioner (OAIC) was established. The Office was created following commitments by the Government to improve freedom of information regulation and privacy protections. OAIC incorporates the Office of the Privacy Commissioner.<sup>4</sup>

### *Department of Regional Australia, Regional Development and Local Government*

1.9 The Department of Regional Australia, Regional Development and Local Government (DRARDLG) was established last year to 'improve the social, economic and environmental outcomes for Australia's regions'. It also delivers on the *Commitment to Regional Australia* agreement signed between the Australian Labor Party and Mr Rob Oakshott MP and Mr Tony Windsor MP, following the 2010 federal election.<sup>5</sup>

1.10 The regional development and local government functions of the new department were transferred from the former Department of Infrastructure, Transport, Regional Development and Local Government. DRARDLG also has responsibilities

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3 Prime Minister and Cabinet portfolio, *Portfolio Additional Estimates Statements 2010-11, Explanations of Additional Estimates 2010-11*, p. 6.

4 Prime Minister and Cabinet portfolio, *Portfolio Additional Estimates Statements 2010-11, Explanations of Additional Estimates 2010-11*, p. 7.

5 Department of Regional Australia, Regional Development and Local Government, *Portfolio Additional Estimates Statements 2010-11, Explanations of Additional Estimates 2010-11*, p. 3.

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for Australia's territorial functions including the National Capital Authority which previously were within the Attorney-General's portfolio.<sup>6</sup>

### ***Department of Finance and Deregulation***

1.11 There have been no significant changes to the Finance and Deregulation portfolio since the Committee last reported on Estimates. Following the Administrative Arrangement Orders of September last year, the functions associated with the Prime Minister's Official Establishments were transferred from PM&C to the Department of Finance and Deregulation.

### **Hearings**

1.12 The Committee held public hearings on Monday, 21 and Tuesday, 22 February 2011. Over the course of the two days' hearings—totalling over 21 hours—the Committee took evidence from the President of the Senate, Senator the Hon John Hogg; Senator the Hon Chris Evans, Minister for Tertiary Education, Skills, Jobs and Workplace Relations, representing the Prime Minister; Senator the Hon Mark Arbib, Minister for Sport<sup>7</sup>; Senator the Hon Penny Wong, Minister for Finance and Deregulation; and Senator the Hon Nick Sherry, Minister for Small Business, representing the Minister for Regional Australia, Regional Development and Local Government, together with officers of the departments and agencies concerned. The Committee expresses its appreciation for the assistance of the President, Ministers, Departmental Secretaries and the officers who appeared before it.

1.13 The Office of the Commonwealth Ombudsman was the only agency to be released from the hearings without examination.

1.14 The following agencies were dismissed prior to the hearings: Australian Institute of Family Studies, Australian Public Service Commission, National Archives of Australia, National Australia Day Council, Australian Sports Commission, Australian Sports Foundation Ltd, Australian National Maritime Museum, Australian Film, Television and Radio School, Bundanon Trust, Australia Council, Australia Business Arts Foundation, Albury-Wodonga Development Corporation, Australian Industry Development Corporation, Australian Reward Investment Alliance, Australian River Co Ltd and ASC Pty Ltd.

1.15 Copies of the *Hansard* transcripts are available on the internet at the following address: <http://www.aph.gov.au/hansard/index.htm>

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6 Infrastructure and Transport portfolio, *Portfolio Additional Estimates Statements 2010-11, Explanations of Additional Estimates 2010-11*, p. 3, Attorney-General's portfolio, *Portfolio Additional Estimates Statements 2010-11, Explanations of Additional Estimates 2010-11*, p. 3.

7 Senator the Hon Mark Arbib replaced Senator the Hon Chris Evans, representing the Prime Minister as Minister at the table after the dinner break on Monday 21 February, *Committee Hansard*, 21 February 2011, pp 95-115.

1.16 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, 15 April 2011.

1.17 Further written information from departments and agencies will be tabled, as received, in the Senate. This information is available on the Committee's website: [http://www.aph.gov.au/Senate/committee/fapa\\_ctte/estimates/index.htm](http://www.aph.gov.au/Senate/committee/fapa_ctte/estimates/index.htm)

### ***Programming***

1.18 As noted in the Committee's previous report on Budget Estimates,<sup>8</sup> the Committee's program included approximate timings for each departments' outcomes and for agencies. The Committee continues to find this approach helpful as it enables senators to focus their questioning on matters within the program and contributes to the smooth running of the hearing.

### **Procedural Matters**

#### ***Claims for public interest immunity***

1.19 During the estimates hearings the Australian Electoral Commission (AEC) claimed public interest immunity when requested to provide advice from the Director of Public Prosecutions relating to an AEC investigation. Mr Paul Pirani, Chief Legal Officer, AEC, stated that the reason for not releasing the advice was that it was 'normal Commonwealth practice in all Commonwealth agencies...that public interest immunity is claimed on all of those legal advisings from DPP'. The Minister informed the Committee that a full and detailed explanation would be provided as to why the DPP advice could not be publicly released.<sup>9</sup>

1.20 The Minister was questioned further on whether it was possible to claim public interest immunity without providing 'the committee with a statement of the grounds for her conclusion and specifying the harm to the public interest that could result from the disclosure of the document'.<sup>10</sup> The Minister, quoting from the Senate Procedure Committee's third report of 2009, stated that:

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8 Senate Finance and Public Administration Legislation Committee, *Budget estimates 2010-11*, June 2010, p. 2.

9 Senator the Hon Penny Wong, Minister for Finance and Deregulation, *Committee Hansard*, 22 February 2011, p. F&PA 72.

10 *Committee Hansard*, 22 February 2011, p. F&PA 74.

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It is also open to a Senate minister who is responsible for the matters under consideration to defer, and further consider, a decision on whether to make a public interest immunity claim.<sup>11</sup>

1.21 The Committee received advice from the Clerk of the Senate in relation to this matter. The Clerk noted that:

...it would...not be unreasonable for the minister to seek to provide the rationale on notice. The significant point for the committee is that it should be provided with a considered and well-founded explanation for the claim. Conceding that the Minister may need to take advice and to consider the matter is not at all inconsistent with the practices of the Senate.<sup>12</sup>

The full response provided by the Clerk was read into the *Hansard* record and tabled by the Committee. A copy is also available on the Committee's website.

1.22 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 on the order in which the portfolio issues arose during the hearings.

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11 Senate Standing Committee on Procedure, *Third report of 2009: Committee proceedings and public interest immunity claims: order of the Senate of 13 May 2009, Senators caring for an infant: standing order 175, 20 August 2009*, pp 1-2.

12 *Committee Hansard*, 22 February 2011, p. F&PA 80.



## Portfolio Issues

2.1 The following discussion highlights some of the major issues canvassed during the estimates hearings.

### Department of the Senate

2.2 The Committee questioned the Department of the Senate on the status of the orders of the Senate relating to the production of documents, and what weight freedom of information requests have in relation to orders of the Senate. The Clerk responded that 'the power of the houses exists over and above the FOI Act' and if there was an agency or Minister refusing to provide documents to the Senate, a majority of the Senate could impose a penalty.<sup>1</sup>

2.3 The Committee discussed the response of the Australian Information Commissioner to the provision within the orders for the production of documents on the mining tax and new health reform funding model that the Information Commissioner examine the grounds advanced by the government for nondisclosure of the documents and to provide a report to the Senate. In response to questions on the matter, the Clerk responded:

I am quite surprised that the Information Commissioner has taken the line that he has, which is one of very strict statutory interpretation. His statute does not encompass this specific function; therefore, he claims that he is not empowered to produce the document. My argument is that the power to require the production of the document is an overarching and underlying power that in some senses makes the statute irrelevant.

2.4 The Clerk also commented that perhaps this matter could be referred to the Senate Privileges Committee to look at what could 'be done to raise the knowledge of senior officials about the practices of the parliament'.<sup>2</sup>

2.5 The issue of the presentation of petitions to the Senate was canvassed, particularly in light of media comments which reflected a possible misunderstanding of the conventions in relation to the presentation of petitions. The Clerk explained the conventions which apply when senators present petitions:

There is no notion that by doing that the senator is in any way signing up to the content of the petition. What the senator is doing in presenting that opinion, which is out there in the community—it may be held by as few as one person—is acting as a conduit between the community and the Senate. A petition with one signature on it is as valid as a petition with 100,000, provided it conforms with those basic rules in the standing order.<sup>3</sup>

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1 *Committee Hansard*, 21 February 2011, pp F&PA 3-4.

2 *Committee Hansard*, 21 February 2011, pp F&PA 4-5.

3 *Committee Hansard*, 21 February 2011, p. F&PA 5.

2.6 Other issues raised by the Committee related to the number of references referred to Senate committees and how the department manages staffing levels. The Committee also acknowledged the high quality of the publication, *Annotated Standing Orders of the Australian Senate*, and recognised the long service provided to the Senate by the retiring Acting Deputy Clerk, Mr Cleaver Elliot.<sup>4</sup>

### **Department of Parliamentary Services**

2.7 The Committee questioned the Department of Parliamentary Services (DPS) in relation to the current joint parliamentary inquiry into the Parliamentary Budget Office (PBO) and the role the proposed PBO could play in the Parliament. Concerns were raised about the provision of adequate accommodation space for a PBO. However, these concerns were dispelled by DPS which explained that there were several unused spaces within the building that could be converted to office space.<sup>5</sup>

2.8 Issues raised at the supplementary estimates hearing were again pursued with the Parliamentary Library including the increase in requests for research from members of parliament and the pressure this places on Library staff. The Library noted that it was working towards having more resources available online and that an external staffing review, commencing in the near future, would look at the best way to deliver services electronically.<sup>6</sup>

2.9 DPS also answered questions in relation to the Defence Force Retirement and Death Benefits (DFRDB) Bills Digest published by the Library. The Parliamentary Librarian commented that 'there were some areas where we could have been more fulsome in terms of the content' in the Bills Digest and went on to state that this incident had shown the Library where it could improve its processes but did not 'go to the nature of the *Digest* itself being biased'.<sup>7</sup>

2.10 The costs and progress of reviews of the Library were discussed with the Committee. One review is to set a strategic direction for the Library and the other is an external review of staffing levels.<sup>8</sup> Progress on the recruitment process for the position of director of the Law and Bills Digest Section was also raised.<sup>9</sup>

2.11 The Building and Occupants Services section of DPS was questioned extensively and matters covered included the Parliament House 'Briefing Room' and security services at Parliament House. The Committee examined the funding arrangements and general responsibilities of the various government departments

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4 *Committee Hansard*, 21 February 2011, pp F&PA 7-8.

5 *Committee Hansard*, 21 February 2011, pp F&PA 8-11.

6 *Committee Hansard*, 21 February 2011, p. F&PA 13.

7 *Committee Hansard*, 21 February 2011, pp F&PA 14-16, p. F&PA 16.

8 *Committee Hansard*, 21 February 2011, p. F&PA 17.

9 *Committee Hansard*, 21 February 2011, p. F&PA 20, 19-20.

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involved in the running of the Briefing Room. In relation to security matters, the issue of 'swipe' access to certain areas of the building was again raised.<sup>10</sup>

2.12 Other issues covered by the Committee included security exemptions at official ceremonies of Parliament, billiard tables in Parliament House, the catering contract with InterContinental Hotel Group (IHG), the solar panel trial for the building and policies in relation to the hanging of portraits in the building.<sup>11</sup>

2.13 Parking pressures at Parliament House, due to the recently enforced three hour limit in the public car park, were raised by the Committee. DPS stated that it is looking for a solution to the situation, particularly as there is no plan for new car parks within easy access of Parliament House in the near future.<sup>12</sup>

2.14 The Committee raised concerns in relation to the state of the Parliament House computer network and proposal for DPS to take over responsibility for all electorate office computing services from the Department of Finance and Deregulation. Senators suggested the inclusion of internet access at Parliament House for private devices, and further questioning on IT covered Blackberrys, iPads and staffing levels.<sup>13</sup>

2.15 In relation to broadcasting and Hansard, the Committee canvassed the use of Committee Room 1R1 for estimates committee hearings as permanent cameras are not installed in this room. In relation to Hansard, the Committee questioned the department on outsourcing arrangements for committee hearings, particularly in-camera proceedings. The Committee also looked at matters relating to the publication of *Hansard* and the video-conferencing product TelePresence.<sup>14</sup> Finally, works being carried out around Parliament House—in particular the reactivated water features—were discussed by the Committee.<sup>15</sup>

## **Prime Minister and Cabinet Portfolio**

### ***Office of the Official Secretary to the Governor-General***

2.16 The Committee opened questioning of the Office of the Official Secretary to the Governor-General on two important invitations recently received by the Governor-General: the 60<sup>th</sup> anniversary of the Queen's accession on 12 February 2012; and the wedding of Prince William and Miss Kate Middleton. The Office also provided additional information in relation to an afternoon tea at Government House which had

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10 *Committee Hansard*, 21 February 2011, pp F&PA 22-23.

11 *Committee Hansard*, 21 February 2011, pp F&PA 24-26, p. 26, pp F&PA 31-34.

12 *Committee Hansard*, 21 February 2011, p. F&PA 28.

13 *Committee Hansard*, 21 February 2011, pp F&PA 34-44.

14 *Committee Hansard*, 21 February 2011, pp F&PA 44-49.

15 *Committee Hansard*, 21 February 2011, pp F&PA 49-50.

been the subject of media comment in January 2011 and the arrangements for the episode of *MasterChef* filmed at the residence.<sup>16</sup>

2.17 More detailed questioning was focused on invitations to D Company of the 6RAR for the commemoration of the Battle of Long Tan. The Committee examined why the event had not taken place in Canberra and the involvement of the Department of Defence in the arrangements.<sup>17</sup>

2.18 The Committee also canvassed the Governor-General's recent and upcoming travel. The planned trip to Kuwait on the 22<sup>nd</sup> February 2011 to commemorate the first Gulf War was discussed and the Committee raised concerns for the Governor-General's safety due to the recent unrest in the Middle East. The Committee also discussed the Governor-General's response to the natural disasters that have occurred around the country and the choice of the Governor-General to lead the Australian Delegation at the World Cup bid in Zurich.<sup>18</sup>

2.19 The Council for the Order of Australia was discussed by the Committee and the membership of the Council was provided. The Committee examined the process of nominations for the Order of Australia and the role of the Official Secretary as secretary of the Council for the Order of Australia.<sup>19</sup>

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

2.20 Due to the addition of arts and sport to the department's outcomes, there were several agencies appearing before the Committee for the first time. Therefore, questioning by the Committee covered a wide range of topics and issues. The Committee also followed up questions from previous estimates in relation to the PM&C enterprise agreement, the drafting of the post-election agreement between the Government and the Australian Greens, and the Parliament House Briefing Room.

2.21 There was extensive questioning of the COAG support unit within PM&C in relation to the COAG goals for the coming year, particularly the agenda of the COAG meeting on 14 February 2011. Other topics discussed with the department regarding COAG were the seamless national economy initiatives, the Business Regulation and Competition Working Group and the various COAG councils.<sup>20</sup>

2.22 The revised health agreement between the Federal Government and the State and Territory Governments was discussed with PM&C. The Committee sought information on changes to the National Health and Hospitals Network to which the department responded:

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16 *Committee Hansard*, 21 February 2011, pp F&PA 50-52.

17 *Committee Hansard*, 21 February 2011, pp F&PA 52-55.

18 *Committee Hansard*, 21 February 2011, pp F&PA 55-58, pp F&PA 64-65.

19 *Committee Hansard*, 21 February 2011, pp F&PA 58-63.

20 *Committee Hansard*, 21 February 2011, pp F&PA 80-86, pp F&PA 93-95.

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...one jurisdiction had refused to sign the National Health and Hospitals Network Agreement and there was a view that it would be desirable to have all jurisdictions signed up to a national health reform.<sup>21</sup>

2.23 The Commonwealth's response to the recent natural disasters across Australia was canvassed. The Committee questioned PM&C on what constituted a natural disaster affected town, how the Commonwealth disaster relief fund would be used to fund reconstruction of public assets and the role of the social inclusion board in the recovery effort. PM&C also provided an explanation of its role in the recovery effort and its interaction with the Attorney-General's Department which manages the National Disaster Relief and Recovery Arrangements (NDRRA).<sup>22</sup>

2.24 Other matters raised with PM&C included the Prime Minister's forthcoming trip to the United States, the progress of the appointment of the National Security Legislation Monitor, the whole-of-government taskforce investigating WikiLeaks and the resignation of the housekeeper at the Lodge.<sup>23</sup>

2.25 In the arts and culture area, PM&C responded to questions on the progress of the national cultural policy, the resale royalty scheme and the future of the Australia Council.<sup>24</sup> A number of arts agencies appeared before the Committee. Many agencies were questioned on the effect of the efficiency dividend on their programs and staffing levels. The following specific issues were raised with individual agencies:

- Screen Australia answered questions on the *2010 Review of the Australian Independent Screen Production Sector*;
- the Government's new cultural policy and the opportunities that could be created by the NBN were discussed with the Australia Council;
- the Committee questioned the National Film and Sound Archive on their limited storage capacity and the possible effects of the Screen Australia (Transfer of Assets) Bill 2010;
- the Committee discussed the National Museum of Australia's display of frontier conflicts and upcoming 10<sup>th</sup> anniversary;
- the popular new exhibition on street art currently being shown at the National Gallery of Australia was covered by the Committee; and
- the Committee questioned the National Library of Australia on the progress of appointing a new Director-General, limits to physical space available at the Library and the size of the task of digitising its resources.<sup>25</sup>

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21 *Committee Hansard*, 21 February 2011, pp F&PA 87-91.

22 *Committee Hansard*, 21 February 2011, pp F&PA 91-99.

23 *Committee Hansard*, 21 February 2011, pp F&PA 99-105.

24 *Committee Hansard*, 21 February 2011, pp F&PA 115-119.

25 *Committee Hansard*, 21 February 2011, p. F&PA 119-127.

2.26 The Committee opened questioning of outcome two of PM&C, sport and recreation, on the Football Federation of Australia (FFA) bid for the World Cup. The issues covered included the cost of the bid, information on the consultants that put together the bid and why there was not closer departmental involvement during the process.<sup>26</sup>

2.27 Further questions in relation to the World Cup focused on the cost of the campaign presentation and discussion in relation to the receipt of only one vote for Australia. In relation to the latter, the department stated:

What the bid process was able to do was to highlight the very real potential of Australia to host an event like this; significant support that came from all governments, both sides of politics, and a range of football codes in support of football in Australia.<sup>27</sup>

2.28 The Committee briefly questioned the Australian Sports Anti-Doping Authority on its process for testing high profile athletes and the role of their user-pays program.<sup>28</sup>

### ***Office of the Inspector-General of Intelligence and Security***

2.29 The appearance of the Inspector-General was limited due to time restrictions on the day. However, the Office answered questions in relation to the progress of the inquiry into the actions of relevant Australian agencies in the arrest and detention overseas of Mr Mamdouh Habib, an incomplete inquiry into ASIO and complaints received during the year regarding intelligence and security agencies.<sup>29</sup>

### ***Office of National Assessments***

2.30 The Office of National Assessments appeared briefly before the Committee and answered questions relating to its new building and the increase in legal costs over the last financial year.<sup>30</sup>

### ***Office of the Australian Information Commissioner***

2.31 The Committee questioned the newly established Office of the Australian Information Commissioner (OAIC) for the first time at additional estimates. In response to information provided by the Clerk of the Senate, the Committee questioned the Commissioner in relation to the provisions of the Senate's order for the

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26 *Committee Hansard*, 21 February 2011, pp F&PA 66-77.

27 *Committee Hansard*, 21 February 2011, p. F&PA 127-129.

28 *Committee Hansard*, 21 February 2011, p. F&PA 129-130.

29 *Committee Hansard*, 21 February 2011, pp F&PA 105-108.

30 *Committee Hansard*, 21 February 2011, pp F&PA 108-109.

production of documents in relation to his office and powers of the Commonwealth Parliament.<sup>31</sup> The Australian Information Commissioner responded:

My view is that one cannot look at it solely from the perspective of the powers that the parliament may assert or exercise to require production of documents or information. It is necessary in our constitutional and legal context to take account of the legislation establishing an office such as mine to see, firstly, whether I do have the function to respond and, secondly, whether it would cause any inconsistency with the legislation establishing my office...I can only comply with the order of the Senate if it otherwise falls within my statutory function to prepare a report...I have no legal power to obtain access to the documents that the minister has declined to give to the Senate.<sup>32</sup>

2.32 Other issues discussed included the role of the Australian Information Commissioner in the Government's agreement with the Independent Members to promote open and accountable government, and which Commonwealth agencies and companies are subject to the Freedom of Information Act.

### *Australian National Audit Office*

2.33 The Australian National Audit Office (ANAO) answered questions from the Committee in relation to recent requests for audits of the Australian Bureau of Meteorology and the CSIRO. Further discussions with the ANAO covered the audit report on the Murray-Darling Basin and the issues surrounding the purchase of permanent water entitlements.<sup>33</sup>

## **Finance and Deregulation Portfolio**

### *Medibank Private Ltd*

2.34 In his opening statement, Mr George Savvides, Managing Director, Medibank Private, explained the changing nature of the services provided by the organisation including new health services and services targeting customers with chronic disease.

2.35 The Committee returned to questions from previous estimates in relation to dividends to be paid to the Government. Other issues raised included the possible privatisation of Medibank, the current market value of the company and the impacts of the Government's recently announced health reforms.

2.36 Medibank also provided an explanation of the impact of the recent natural disasters on its staff and facilities, and its involvement in the recovery effort.<sup>34</sup>

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31 See paragraphs 2.2-2.3 above.

32 *Committee Hansard*, 21 February 2011, p. F&PA 110.

33 *Committee Hansard*, 21 February 2011, pp F&PA 113-115.

34 *Committee Hansard*, 22 February 2011, pp F&PA 3-10.

### *Department of Finance and Deregulation*

2.37 The Committee opened questioning of the Department of Finance and Deregulation (Finance) on the Independent Communications Committee (ICC). Following on from questions at previous estimates, the Committee examined the campaigns examined by the ICC and payments made to ICC members.<sup>35</sup> Furthermore, there was discussion on the involvement of the ICC in the release of the health reform advertisements.<sup>36</sup>

2.38 Other issues examined by the Committee included the legal costs of the department's Sydney Airport Corporation Ltd case, the funding review of the Australian War Memorial and the costing of election commitments.<sup>37</sup>

2.39 The Committee spent time discussing the Government's contingency reserve and its purpose in relation to the flood recovery package and the NBN.<sup>38</sup>

2.40 The Committee also examined the funding of the Natural Disaster Relief Fund, sought clarification on matters in relation to the \$5.6 billion flood package and guidelines for exemptions to paying the flood levy. The role and cost of the Australian Government Reconstruction Inspectorate was also discussed.<sup>39</sup>

2.41 The Government's new health reform was covered by the Committee, with questions focused on the changes made to the policy and the structure of the new funding arrangements. The department also provided an overview of how the Treasury and departments of Finance and Deregulation, Health and Ageing, and the Prime Minister and Cabinet will interact to deliver the new health package.<sup>40</sup>

2.42 Finance provided information to the Committee in relation to their role in carrying out costings of two private senators' bills currently before the Senate.<sup>41</sup> The Minister explained why the costings had been carried out by the department:

The reason I put these costings into the public arena is that, as Minister for Finance and Deregulation, I thought it was important that senators of all parties understand what they are voting on and that they understand the fiscal impact...My intention...would be that we do need transparency around the fiscal impact of the legislation that non-government senators wish to put

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35 *Committee Hansard*, 22 February 2011, pp F&PA 22-23.

36 *Committee Hansard*, 22 February 2011, pp F&PA 10-13, pp F&PA 17-19, p. F&PA 22.

37 *Committee Hansard*, 22 February 2011, pp F&PA 13-17, p. F&PA 19.

38 *Committee Hansard*, 22 February 2011, pp F&PA 19-22.

39 *Committee Hansard*, 22 February 2011, pp 25-33.

40 *Committee Hansard*, 22 February 2011, pp F&PA 33-42.

41 Social Security Amendment (Income Support for Regional Students) Bill 2010 and the Defence Force Retirement and Death Benefits Amendment (Fair Indexation) Bill 2010.

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up. If they wish to support it, I think they should be accountable for how they say they will fund that.<sup>42</sup>

2.43 The Committee also examined what briefings had been provided by the department to the Australian Greens and independent members of parliament since the 2010 federal election.<sup>43</sup>

2.44 Other issues raised by the Committee included the effect the increase in FOI requests has had on advice provided to government, total liabilities for the year and the Australian Government Monthly Financial Statements. Commonwealth property management, the Caucus Committee Support and Training Unit and staff employed in the Prime Minister's office were also discussed with the Committee.<sup>44</sup>

2.45 In relation to parliamentary entitlements, Finance provided information on *Members of Parliament (Staff) Act 1984* employee entitlements, statistics on travel of parliamentarians, information on video link-up meetings and the monthly management reports of senators and members. Further information was provided in relation to the transfer of responsibility for electorate office computing services to DPS.<sup>45</sup>

### ***ComSuper***

2.46 The Committee questioned ComSuper on a particular matter in relation to a former employee of a company providing contract services to ComSuper. The Minister suggested that a private meeting with ComSuper and the member who raised the matter would be more appropriate and the Committee accepted the proposal.<sup>46</sup>

### ***Australian Electoral Commission***

2.47 The Committee questioned the Australian Electoral Commission (AEC) on a variety of matters, particularly those relating to current investigations being carried out by the agency. The AEC claimed public interest immunity during questioning on these matters and this is discussed further at paragraphs 1.19-1.21 of this report.

2.48 The 'how should I vote' website of the organisation GetUp! and the investigation being carried out by the AEC into whether GetUp! is an associated entity of the Australian Labor party were discussed with the Committee.

2.49 The Committee followed up previous questions in relation to two cases currently being investigated. In addition, the issue of fake how-to-vote-cards was

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42 *Committee Hansard*, 22 February 2011, p. F&PA 44.

43 *Committee Hansard*, 22 February 2011, pp F&PA 44-47.

44 *Committee Hansard*, 22 February 2011, pp F&PA 48-60.

45 *Committee Hansard*, 22 February 2011, pp F&PA 60-66.

46 *Committee Hansard*, 22 February 2011, pp F&PA 23-24.

addressed as well as matters concerning electorate boundaries, the process for establishing those boundaries and the naming of political parties.<sup>47</sup>

### ***Future Fund***

2.50 The Committee examined information provided by the Future Fund at the supplementary estimates on its sell-down of Telstra shares and plans for these shares in the future.

2.51 Other matters covered the differences between the Future Fund and the three nation building funds, what recent changes have been made to the Future Fund's portfolio and the progress of appointing a General Manager for the Fund.<sup>48</sup>

### **Department of Regional Australia, Regional Development and Local Government**

2.52 The Secretary of the Department of Regional Australia, Regional Development and Local Government (DRARDLG), Ms Glenys Beauchamp, opened the department's evidence with an overview of the progress within the new department since last estimates.

2.53 The Committee questioned the department on their involvement in the flood recovery process, particularly the announcement that \$77 million of local government Financial Assistance Grants (FAGs) would be provided to flood-affected councils.<sup>49</sup>

2.54 There was some confusion during the hearing around where questions on the flood relief package should be directed. The department explained that 'the administration of the NDRRA program is through the Attorney-General's Department, and those guidelines and the application of NDRRA funds are...publicly available on the website'.<sup>50</sup> Further questions were asked in relation to the package, most notably how the \$2 billion to be provided this financial year will be spent and the interaction between the Federal Government, State Governments and local councils to ensure this money is provided effectively.<sup>51</sup>

2.55 In addition, the Committee raised matters in relation to the Local Government Reform Fund, the department's role as the contract manager under the National Partnership Agreement and the Australian Centre for Excellence in Local Government. The department also provided information on the Regional Development

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47 *Committee Hansard*, 22 February 2011, pp F&PA 68-80.

48 *Committee Hansard*, 22 February 2011, pp F&PA 99-105.

49 *Committee Hansard*, 22 February 2011, pp F&PA 84-86.

50 *Committee Hansard*, 22 February 2011, p. F&PA 86.

51 *Committee Hansard*, 22 February 2011, pp F&PA 95-96, p. F&PA 110.

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Australia (RDA) Committees, their membership, regional development plans and the RDA chairs' meeting in Canberra this year.<sup>52</sup>

2.56 The Committee also found there was still confusion around which programs and projects are delivered by DRARDLG and which are delivered by the Department of Infrastructure and Transport.<sup>53</sup> The Committee encourages DRARDLG to continue to provide a program overview in its opening statement at estimates to help clarify this situation.

2.57 The Committee spent some time questioning the department about what constituted a regional project. The department provided the Committee with a detailed definition of the term 'regional' and commented that ultimately the department's projects are focused on areas outside the major cities.<sup>54</sup>

2.58 The branch of DRARDLG which coordinates the Office of Northern Australia provided evidence to the Committee in relation to the Northern Australian Sustainable Futures program, the Cairns Plan, staffing levels of the Office and funding for the East Kimberley Project.<sup>55</sup>

### ***National Capital Authority***

2.59 The National Capital Authority provided information to the Committee on the projects it is currently undertaking and its key output areas. Other issues examined by the Committee included the increased demand for parking in the parliamentary zone and Barton, the long-term plans for Constitution Avenue and the long-term plan for the National Capital.<sup>56</sup>

## **Senator Helen Polley**

### **Chair**

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52 *Committee Hansard*, 22 February 2011, pp F&PA 86-91, 105-109.

53 For example, *Committee Hansard*, 22 February 2011, pp F&PA 91-92.

54 *Committee Hansard*, 22 February 2011, p. F&PA 109.

55 *Committee Hansard*, 22 February 2011, pp F&PA 123-126.

56 *Committee Hansard*, 22 February 2011, pp F&PA 122-126.



# **Appendix 1**

## **Departments and agencies under the Committee's oversight**

### **Parliament**

- Department of the Senate
- Department of Parliamentary Services

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

- Department of the Prime Minister and Cabinet
- Australia Business Arts Foundation
- Australia Council
- Australian Film, Television and Radio School
- Australian Institute of Family Studies
- Australian National Audit Office
- Australian National Maritime Museum
- Australian Public Service Commission
- Australian Sports Anti-Doping Authority
- Australian Sports Commission (AIS)
- Australian Sports Foundation Ltd
- Bundanon Trust
- National Archives of Australia
- National Australia Day Council
- National Capital Authority
- National Film and Sound Archive
- National Gallery of Australia
- National Library of Australia
- National Museum of Australia
- Office of National Assessments
- Office of the Australian Information Commissioner
- Office of the Commonwealth Ombudsman
- Office of the Inspector-General of Intelligence and Security

- Office of the Official Secretary to the Governor-General
- Old Parliament House
- Screen Australia

**Finance and Deregulation Portfolio**

- Department of Finance and Deregulation
- Albury-Wodonga Development Corporation
- Australian Electoral Commission
- Australian Industry Development Corporation
- Australian Reward Investment Alliance
- Australian River Co Ltd
- Australian Technology Group Ltd
- ComSuper
- Future Fund Management Agency
- Medibank Private Ltd

# Appendix 2

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<sup>1</sup> Hansard page numbers referred to in this appendix are based on proof Hansards. Page numbers may vary slightly in the final Official Hansard transcripts.

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