

Senate Finance and Public Administration Legislation Committee
ANSWERS TO QUESTIONS ON NOTICE
ADDITIONAL ESTIMATES 2013-2014

Finance Portfolio

Department/Agency: Department of Finance

Outcome/Program: General

Topic: National Commission of Audit – contracts & conflict of interest

Senator: Dastyari

Question reference number: F16 & F17

Type of question: Hansard, F&PA Committee, pages 37–38, 25 February 2014

Date set by the committee for the return of answer: Friday, 11 April 2014

Number of pages: 2

Question:

Senator DASTYARI: Mr Tune, was the conflict with ASTRA declared to you?

Mr Tune: I do not have it in front of me.

Senator DASTYARI: Can you take this on notice? I do not know if it is something that you able to get back to us on after the lunch break, because it is pretty simple. Was the conflict with ASTRA declared to you? Was the conflict with Transfield, which I note yesterday was awarded a \$1 billion Manus Island contract, declared to you? Was the conflict with Virgin declared to you? Also, what happens if after I have signed a contract like the one that has been signed with you, which Minister Cormann seems to have no problem with, a new conflict arises? What happens then?

...

Senator DASTYARI: You have not answered the question. What happens if a potential conflict arises after the initial forms have been submitted? Do I have to fill out a supplementary declaration?

Senator Cormann: There are processes in place, which are the same processes that were in place under the previous government, to manage potential conflicts of interest.

Senator DASTYARI: Minister, I am trying to ask the secretary what that process is.

Mr Tune: I would have to take that on notice.

Answer:

The Chair of the Commission of Audit, Mr Tony Shepherd, signed a *Deed Poll of Confidentiality and Conflict of Interest* in favour of the Commonwealth of Australia as represented by the Department of Finance. The Deed made provision for Mr Shepherd to provide details of any actual or perceived conflict of interest that existed or was likely to arise in relation to his engagement and an undertaking to immediately notify the Commonwealth of any subsequent such conflict. If subsequently such conflict of interest arose, a supplementary disclosure would be expected.

On 1 November 2013, Mr Shepherd complied with this undertaking and provided a supplementary declaration.

A copy of the National Commission of Audit protocol for identifying and addressing potential conflicts of interest is at [Attachment A](#).

National Commission of Audit

Protocol for Identifying and Addressing Potential Conflicts of Interest

Each Commissioner on the National Commission of Audit (NCOA) has signed a Confidentiality and Conflict Of Interest deed poll that requires, among other things, that the person:

- (a) Identify any potential conflicts of interest that exist or are likely to arise;
- (b) Take such steps as the Commonwealth reasonably requires to resolve or otherwise deal with the conflict;
- (c) Notify in writing and take such steps as the Commonwealth reasonably requires to resolve or otherwise deal with the conflict.

Potential conflicts of interest may arise from, but are not limited to:

- professional positions;
- membership of committees or organisations;
- consultancies;
- directorships;
- participation in advisory groups;
- family and personal relationships; or
- direct or indirect financial interests, including receiving recompense in the form of cash, services or equipment from outside bodies to support research activities.

Where a conflict has been identified, the NCOA will consider an appropriate course of action, including whether the affected Commissioner should:

- (a) Remain a participant in any discussion or
- (b) Absent himself/herself from the meeting for the duration of the matter under consideration.

Likewise, the NCOA will determine whether the affected Commissioner should or should not receive a copy of relevant NCOA papers.