

## Chapter 2

### Parliamentary departments and portfolio issues

2.1 This chapter lists some of the key issues raised for each department and agency examined during the committee's hearings on the Budget Estimates 2014-15.

#### Parliamentary departments, 26 May 2014

##### *Department of the Senate*

- Consultation on the Department of Parliamentary Services (DPS) security screening trial (pp 3-6)
- CCTV Code of Practice and advice on Parliamentary privilege implications regarding use of CCTV footage by DPS in Parliament House (pp 6-9)
- Induction program for new Senators (pp 9-11)
- Funding issues – efficiency dividend and impact on the functioning of the Senate and work of Senators (pp 12-13)
- Funding models for parliamentary functions (p. 14)
- New IT platform for the generation of the 'Senate Red' (pp 15-16)
- Statistics on committee activity (p. 16)
- Staffing requirements to facilitate the transitional office arrangements for new Senators (pp 16-17)
- Occasional lecture program (p. 17)

##### *Parliamentary Budget Office*

- Impact of fiscal consolidation measures in the budget on future deficit reductions (pp 17-19)
- Additional efficiency dividend and impact on staffing and services (pp 19-20)
- Costing requests – statistics and processes (p. 20)

##### *Department of Parliamentary Services*

- CCTV Code of Practice and use of CCTV footage by the DPS for a staff code of conduct matter (pp 22-29, 45, 51-54)
- Trial of new security arrangements involving the reduced screening of certain parliamentary pass holders (pp 29-33, 54-55)
- Hansard staffing – turnover and suspensions (pp 33-35)
- Fundraising events in Parliament House, including use of Presiding Officers' suites (pp 36-41)
- Commissioning of official portraits of office holders, including for former Speaker the Hon Peter Slipper and former Governor-General Dame Quentin Bryce AD CVO (pp 41-43)

- Library research service and prioritising process (pp. 47)
- Location and use of Queen's crockery set (pp 44, 48-50)
- Crockery purchased by Senators Madigan and Xenophon (pp 50-51)
- Procurement processes for the Australian flag for Parliament House (pp 46-47, 50-51)

## **Prime Minister and Cabinet Portfolio, 26 and 27 May 2014**

### ***COAG Reform Council Secretariat***

- Abolition of the Council and processes for the renewal of the office lease (pp 62-63, 68)
- Future reporting arrangements (pp 64-67)
- Staffing (p. 69)
- Reports produced and feedback from the states (p. 69)
- Mr Brumby's chairmanship (pp 69-70)

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

- Farewell functions (pp 73-74)
- Use of 'the Honourable' honorific by Governors-General (pp 74-75)
- Refurbishment work of Vice-Regal buildings (pp 75-76)
- Introduction of Knights and Dames in the Order of Australia (pp 76-77)
- Processes for the first Executive Council meeting of the new Government on 18 September 2014 and timing of the receipt of meeting papers (pp 78-81)
- Order of Australia nomination processes and statistics on awards, including gender ratio (p. 81)
- Departure of Mr Brady as Official Secretary to the Governor-General and the appointment process for his successor (pp 77, 83)

### ***National Australia Day Council Limited***

- Procurement of the Australian flag (pp 84-86)
- Grant funding arrangements with the Department of the Prime Minister and Cabinet (p. 86)

### ***Australian National Audit Office (ANAO)***

- Impact of additional efficiency dividend on staff and services, including the forward work schedule (pp 88, 97)
- Commission of Audit recommendation to expand ANAO mandate to include auditing of performance indicators (p. 88)
- Process for appointment of Head of Commission of Audit (p. 88-90)
- Audit on the Building Better Regional Cities Program (pp 91-95)

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- Membership and participation of international auditing/accounting organisations (pp 96-97)

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

- APS job losses and the redeployment register (pp 98-102)
- Monitoring of employee assistance programs (p. 101)
- Workshop on mental fitness (pp 102-103)
- Venues for APSC training courses and catering costs (pp 103-104)
- Community and Public Sector Union wage claim and potential impact on redundancies (p. 105)

#### ***Independent National Security Legislation Monitor (INSLM)/Department of Prime Minister and Cabinet***

- Proposed abolition of the INSLM (pp 108-112)
- Reason for not appointing a new monitor to fill current vacancy (pp 108-109)
- Timing of the tabling of annual reports (p. 109)
- Monitor's remuneration (p. 112)

#### ***Office of the Commonwealth Ombudsman***

- Proposed additional functions to the Office of the Commonwealth Ombudsman following the proposed abolition of the Australian Information Commissioner and the Freedom of Information Commissioner (pp 113-115)
- Performance against office key performance indicators (p. 115)
- Interactions with international organisations (pp 115-116)

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

- Impact of efficiency dividend and savings measures (pp 117-118)
- Impact of the reduction in staffing (p. 118)

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

- Statement by Mr Bernard Collaery to the Senate Privileges Committee inquiry and whether the IGIS intended to undertake further action as a result (pp 120-124)
- Upgrade to IT network (pp 124-125)
- Inspection program (p. 125)
- Complaints processes and trends (p. 125)

#### ***Department of the Prime Minister and Cabinet, 27 May 2014***

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

- Staffing issues – numbers, attrition rate, redundancies, spill and fill processes (pp 8-17, 19)

- Prime Minister's accommodation at the Australian Federal Police College (pp 18-19)
- Funding of Australian Council of Trade Unions delegation to G20 conference (pp 21-23)
- Lease for the house intended for Prime Minister's temporary accommodation during The Lodge refurbishment (pp 23-26)
- Role of hospitality officer on the Prime Minister's staff (pp 27-30)
- Prime Minister's decision not to attend an event at Deakin University and advice from Australian Federal Police (pp 32-35, 42)
- Freedom of Information requests (pp 35-36)
- Purchase of video and photographic equipment for Prime Minister's Office (PMO) (pp 36-40)
- Funding of G20 meetings hosted by Australia, including hospitality and the Memorandum of Understanding in regard to the funding of these events (pp 44-47)
- Overseas trips of PMO staff on official business independent of the Prime Minister (pp 50-56)
- Security clearances for ministerial staff (pp 56-57)
- Direction to use 'Burma' and not 'Myanmar' across government (p. 60)
- Progress of the enactment of legislation to facilitate the change to the rules of royal succession (pp 62-63)
- Prime Minister's website - demarcation of responsibilities relating to costs and content, video messages concerning state elections and authorisation requirements under the *Commonwealth Electoral Act 1918* (pp 64-70)
- Hospitality expenditure for official residences (pp 74-78)
- Renewable Energy Target Review (pp 79-82)
- Northern Australian Taskforce - terms of reference and staffing numbers (pp 96-100)
- Appointment process of Mr Stafford as Cabinet Secretary and the functions and responsibilities of the position (pp 101-106)
- Ministerial order of precedence and the reason for its confidentiality (pp 106-109)
- Update on the progress of the appointment of the vacant positions on the boards of SBS and ABC (pp 109-110)
- Processes for the preparation of papers for the first Executive Council meeting prior to the swearing in of the new government (pp 112-115)
- Costs of the Governor-General Designate (pp 116-117)

- Former Prime Ministers accessing certain departmental documents under archives legislation (pp 120-122)
- Possible breach of the Lobbying Code of Conduct by a senior adviser of the lobbying firm Communications and Public Relations Pty Ltd (pp 123-124)

*Office for Women*

- Report of the Australian Government Delegation to the 58th Session of the United Nations Commission on the Status of Women (pp 88)
- Role of the Ambassador for Women and Girls (p. 89)
- Program budget (pp 90-91)
- Administration of awards for women (p. 95)
- Funding for National Action Plan to Reduce Violence against Women and Children (pp 95-96)

**Finance Portfolio, 28 and 29 May 2014**

**28 May 2014**

*ASC Pty Ltd/Department of Finance*

- Update on progress of the Air Warfare Destroyer project and the Winter review (pp 4-5)
- Comparison of productivity with international benchmarks (p. 5)
- Impact of the block-building process on quality and productivity (p. 6)
- Commission of Audit recommendation to privatise the ASC Pty Ltd (pp 7-8, 13)
- Process for determining the projected dividend (p. 8)
- Findings of the final review into the Collins-class submarine sustainment program (p. 9)
- Future potential workforce requirements (pp 10-12)

*Future Fund Management Agency/Department of Finance*

- Process for the selection of a new managing director (p. 16)
- Processes for the establishment of the Medical Research Future Fund and the Asset Recycling Fund, and closure of the Education Investment Fund, Building Australia Fund and Health and Hospitals Fund (pp 17, 22, 26-30)
- Short-term rental of an apartment in New York (pp 21-22)
- Position on investment in emerging markets (p. 24)
- Public commentary by the Chairman of the Future Fund, the Hon Peter Costello (pp 19, 25)
- Investment in diversified funds and the risk of investment in products related to tobacco companies (pp 27-28)

- The inclusion of a gender breakdown on the number of counsel briefed in the annual report (p. 29)

### ***ComSuper/Commonwealth Superannuation Corporation/Department of Finance***

- Proposed merger of ComSuper and Commonwealth Superannuation Corporation (pp 31, 41-42)
- Treatment of superannuation interest expense in the budget papers (pp 33-40)
- Governance arrangements for the new Australian Defence Force Superannuation Scheme (pp 44-45)

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

#### *Outcome 1*

- Medium term projections reflected in the budget forming the basis for the cumulative savings of \$80 billion from 2017-18 to 2024-25 and breakdown for schools and hospitals (pp 46-51)
- Provision in the budget's contingency reserve for the Paid Parental Leave scheme (pp 55 -59)
- Examination of expected increases in payments in 2014-15 as a result of parameter and other variations since 2013-14 MYEFO in relation to the National Disability Insurance Scheme (pp 59-61), the Private Health Insurance Rebate, the Disability Support Pension, the Child Care Fee Assistance and the National Disaster Relief and Recovery Arrangements (pp 91-93)
- Location of the detailed family outcome table in the 2014-15 budget documents (pp 61-63, 100-102)
- Consideration of Commission of Audit reports in the budget process (pp 63-65)
- Operation of the 'fiscal rules' under the former government (pp 65-69)
- Australia's current status in relation to membership of the Open Government Partnership (pp 69-75)
- School funding level in 2017-18 (pp 81-82)
- Higher education reforms in the budget, including examination of budget measure: Expanding opportunity – expansion of the demand driven system and sharing costs fairly (pp 84 -91)
- Processes for the development of the legislative remedy in response to the High Court decision on the Williams case on funding of the School Chaplaincy program (pp 93-96)
- Fiscal dividend in relation to government's border protection policies of \$2.5 billion over five years (p. 97)

- Examination of Cross Portfolio budget measures: Administered Programme Indexation Pause, and Efficiency Dividend – a further temporary increase of 0.25 per cent for 2014-15 to 2016-17 (pp 97-99)
- Examination of budget measure: Australian Broadcasting Corporation and Special Broadcasting Service Corporation – efficiency savings, which imposes a one per cent reduction in the base funding of the organisations (pp 99, 113-115)
- Accounting treatment of the Medical Research Future Fund in the budget papers (pp104-105)
- Funding and operation of the Asset Recycling Fund and the asset recycling incentive program (pp 109-111)
- Withdrawal and reissue of a press release from the Minister of Finance on 13 May 2014, concerning the status of the 2014 Commission of Audit recommendations (pp 111-113, 116-117)
- Treatment of budget under-spends, particularly in relation to the transfer of \$6.7 million from the Royal Commission into Institutional Responses to Child Sexual Abuse to the Royal Commission into the Home Insulation Program (pp 119-122)

### **29 May 2014**

#### ***Medibank Private/Department of Finance***

- Rationale for the \$500 excess payment limit for private health insurance (pp 5-7)
- Impact of certain budget measures on the business operation, including the decision to pause the indexation of income thresholds for the Medicare levy surcharge and the private health insurance rebate for three years from 1 July 2015 (p. 7)
- Sale of Medibank Private – staff and resources allocated to work on the sale, contracts entered into in relation to the sale, timing of the initial public offering, impact of sale on suite of products currently offered, use of the proceeds of the sale, impact on premiums and policy holders (pp 8-18)
- Changes to the Board (pp 16-17)
- Impact of previous special dividend payments (pp 18-19)
- Changes to means testing of the private health insurance rebate by the former government and impact of policy holders downgrading their cover (p. 19)

#### ***Department of Finance (in continuation)***

##### *Outcome 2*

- Examination of budget measure: Smaller Government – scoping studies for four operations of government, which covers Australian Hearing Services, Defence Housing Australia, the Royal Australian Mint and the registry function of the Australian Securities and Investments Commission (pp 21-25)

- Sale of Commonwealth assets and examination of budget measure: Smaller Government – surplus Commonwealth properties (pp 25-30)
- Progress on the refurbishments of The Lodge and the John Gorton Building, including the management of asbestos found in The Lodge (pp 31-35, 53-54)
- Official Establishments - division of responsibilities between Finance and PM&C (p. 33)
- Processes for the repair of a wall at The Lodge following a car crash in March 2014, including the responsibility for costs (p. 33)
- Long term structural profitability of Australia Post (pp 36-37)
- Status of compensation claims of former ABC and public service employees who were allegedly misled into not joining the Commonwealth Superannuation Scheme (pp 37-41)
- Status of the Asbestos Safety and Eradication Agency (pp 41-42)
- Update on the construction of the ASIO building (pp 46-47)
- Surplus Commonwealth property divestment (pp 47-49)
- Point Peron land transfer (pp 51-52)
- Update on the Kenbi land claim and the status of relevant Commonwealth property interests (p. 52)
- Status of remediation work on Malabar Headland (pp 52-53)

*Outcome 1 (in continuation)*

Government Campaign Advertising

- The issuing of a direction by the Special Minister of State in the previous government to the Secretary of the Department of Finance to authorise the advertising for the 'By boat, no visa' campaign during the caretaker period of the last election (pp 43-45)
- Approval processes for government advertising and role of the Special Minister of State (p. 55)
- Interim Guidelines on Information and Advertising Campaigns by Australian Government Departments and Agencies (pp 57-61)
- Campaigns endorsed by the Special Minister of State or his representative against the Short-term Interim Guidelines (pp 62-63)
- Savings of \$43.3 million over four years for more efficient practices for public affairs and internal communication (pp 63-64)
- Status of advertising in relation to budget measures (pp 66-67)
- Items in the budget papers with an advertising component (p. 70)
- Processes for the engagement of the new master media agency - Mitchell and Partners Australia Pty Ltd (pp 72-73)



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### *Outcome 3*

- Commonwealth Parliamentary Offices – provision of WiFi and telepresence facilities (pp 74-76)
- Requirement for Members of Parliament (Staff) [MOP(S)] Act staff to undergo police checks and security clearances (pp 76-77, 96-97)
- Training courses available to MOP(S) Act staff (p. 79)
- Constitution, operation and consultation processes of the MOP(S) Act Staff Work Health and Safety Committee (pp 80-81)
- Compliance processes with the Statement of Ministerial Standards, particularly in relation to former staffer of Minister Scullion, Mr William Johnstone (p 77, 85-91)
- Senator Sinodinos' entitlements after stepping aside as Assistant Treasurer (pp 94-96)
- Update to the *Opposition Office Holders' Entitlements Handbook* (pp 101-105)
- Relocation of the ministerial office to Armidale for the Minister for Agriculture, the Hon Barnaby Joyce MP (pp 105-107)
- Coalition Advisory Service resourcing (pp 108-109)
- Update on recent changes to the parliamentary entitlements regime (pp 110-111)
- Training provided to new Senators and Members ( p. 111)

### *Australian Electoral Commission (AEC)*

- Multiple voting (pp 113-118)
- Authorisation requirements for videos containing electoral advertisements published on websites, particularly in relation to videos on the Prime Minister's website concerning state elections (pp 118-120)
- Processes for AEC monitoring of investigations of the New South Wales Independent Commission Against Corruption, particularly in relation to Operation Spicer and Operation Credo (pp 120-123, 130-132)
- Online and direct enrolment processes (pp 124-128)
- Processes undertaken for amended returns (pp 128-129)

### **Cross Portfolio Indigenous Matters, 30 May 2014**

#### *Torres Strait Regional Authority*

- Decrease in funding levels and impact on programs (pp 4-6)
- Staffing levels (p. 7)
- Home loan programs (pp 7-8)

***Office of Township Leasing***

- Composition and operation of consultative forums (pp 9, 11)
- Availability of bank loans under the township leasing model (p. 10)

***Office of the Registrar of Indigenous Corporations***

- Investigation of allegations of fraud in relation to Jawoyn Association Aboriginal Corporation and the Adnyamathanha Traditional Land Association (pp 12-19)
- Funding of the Arrulka Business Aboriginal Corporation to manage the Mbantua Festival (pp 19-21)
- Training, capacity building and dispute resolution (pp 21-22)

***Department of Prime Minister and Cabinet******Outcome 2***

- Impact of savings measures on Indigenous programs and status of certain programs (pp 22-30)
- Changes to Indigenous specific national partnership agreements (pp 30- 31, 34)
- Terms of employment of Mr William Johnstone in Minister Scullion's office and the declaration of interests processes for his employment (pp 31-33)
- Transition and consultation processes for the streamlining of 150 programs into five Indigenous Advancement Strategy items (pp 35-40, 44)
- Staffing reductions in the department, including the 'spill and fill' process and the number of voluntary redundancies (pp 40-43)

**Education and Employment**

- Cessation of funding for Child and Family Centres (pp 52-54)
- Remote School Attendance Strategy, update on truancy officer numbers, turnover and evaluation, and frequency of reporting data from state and territory jurisdictions (pp 54-58)

**Housing**

- Funding split for the Municipal and Essential Services Program (pp 58-59)
- Status of township leasing at Yirrkala and Gunbalunya (pp 59-60)

***Department of Health***

- Savings in Indigenous health programs and impact on services (pp 45, 51)
- Consideration of the effect of the proposed Medicare co-payment in program reviews (pp 47-48)
- Tackling smoking and healthy lifestyle activities (p. 49)
- Future funding for renal services (pp 51-52)

**Senator Cory Bernardi**  
**Chair**

