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SENATE

FINANCE AND PUBLIC ADMINISTRATION LEGISLATION COMMITTEE

Monday, 8 April 2019

Members in attendance: Senators Brockman, Ciccone, Kitching, McAllister, Moore, Paterson, Polley, Rice, Dean Smith, Spender and Wong.
PARLIAMENT

In Attendance

Senator Ryan, President of the Senate

Department of the Senate
Mr Richard Pye, Clerk of the Senate
Ms Maureen Weeks, Deputy Clerk
Ms Rachel Callinan, Clerk Assistant (Table)
Ms Jackie Morris, Clerk Assistant (Procedure)
Mr John Begley, Usher of the Black Rod
Mr Tim Bryant, Clerk Assistant (Committees)
Ms Michelle Crowther, Chief Financial Officer
Ms Angela Casey, Director, Parliamentary Education Office

Department of Parliamentary Services
Mr Robert Stefanic, Secretary
Ms Cate Saunders, Acting Deputy Secretary

Parliamentary Library
Dr Dianne Heriot, Parliamentary Librarian
Mr Jonathan Curtis, Assistant Secretary, Research Branch

Information Services Division
Mr Antony Stinziani, Chief Information Officer

Building and Security Division
Ms Fiona Knight, Acting First Assistant Secretary

Chief Operating Officer Division
Mr Nicholas Creagh, Acting Chief Operating Officer
Mr Robert Brigden, Assistant Secretary, People and Governance Branch
Mr Luke Hickey, Assistant Secretary, Parliamentary Experience Branch

Parliamentary Budget Office
Ms Jenny Wilkinson, Parliamentary Budget Officer
Mr Colin Brown, First Assistant Parliamentary Budget Officer
Ms Linda Ward, First Assistant Parliamentary Budget Officer
Mr David Tellis, Assistant Parliamentary Budget Officer
Mr Gareth Tunks, Assistant Parliamentary Budget Officer
Ms Karen Williams, Assistant Parliamentary Budget Officer

Parliamentary Service Merit Protection Commissioner
Mr Peter Woolcott AO, Parliamentary Service Commissioner
Ms Kerren Crosthwaite, Group Manager, Integrity, Performance and Employment Policy, Australian Public Service Commission

FINANCE AND PUBLIC ADMINISTRATION LEGISLATION COMMITTEE
Committee met at 09:00

CHAIR (Senator Paterson): Good morning. I declare open this meeting of the Senate Finance and Public Administration Legislation Committee. Today the committee will continue its examination of budget estimates for 2019-20 for the Parliament portfolio and the Prime Minister and Cabinet portfolio, as listed on today's program. The committee may also examine the annual reports of the departments and agencies appearing before it. The committee has fixed 24 May as the date for the return of responses to questions taken on notice. Officers should be aware that this date has effect notwithstanding a prorogation of the parliament. The committee also has hearings scheduled for Tuesday, 9 April, and Friday, 12 April, and is due to report on Tuesday, 14 May 2019.

Under standing order 26, the committee must take all evidence in public session. This includes answers to questions on notice. I remind all witnesses that in giving evidence to the committee they are protected by parliamentary privilege. It is unlawful for anyone to threaten or disadvantage a witness on account of evidence given to a committee, and such action may be treated by the Senate as a contempt. It is also a contempt to give false or misleading evidence to a committee.

The Senate by resolution in 1999 endorsed the following test of estimates. Any questions going to the operations or financial positions of the department and agencies which are seeking funds in the estimates are relevant questions for the purposes of estimates hearings. I remind officers that the Senate has resolved that there are no areas in connection with the expenditure of public funds where any person has a discretion to withhold details or explanations from the parliament or its committees, unless the parliament has expressly provided otherwise. The Senate has resolved also that an officer of a department of the Commonwealth shall not be asked to give opinions on matters of policy and shall be given reasonable opportunity to refer questions asked of the officer to superior officers or to a minister. This resolution prohibits only questions asking for opinions on matters of policy and does not preclude questions asking for explanations of policies or factual questions about when and how policies were adopted.

I particularly draw the attention of witnesses to an order of the Senate of 13 May 2009 specifying the process by which a claim of public interest immunity should be raised, which will be incorporated by Hansard.

*The extract read as follows—*

**Public interest immunity claims**

That the Senate—

(a) notes that ministers and officers have continued to refuse to provide information to Senate committees without properly raising claims of public interest immunity as required by past resolutions of the Senate;

(b) reaffirms the principles of past resolutions of the Senate by this order, to provide ministers and officers with guidance as to the proper process for raising public interest immunity claims and to consolidate those past resolutions of the Senate;

(c) orders that the following operate as an order of continuing effect:

(1) If:
(a) a Senate committee, or a senator in the course of proceedings of a committee, requests information or a document from a Commonwealth department or agency; and

(b) an officer of the department or agency to whom the request is directed believes that it may not be in the public interest to disclose the information or document to the committee, the officer shall state to the committee the ground on which the officer believes that it may not be in the public interest to disclose the information or document to the committee, and specify the harm to the public interest that could result from the disclosure of the information or document.

(2) If, after receiving the officer’s statement under paragraph (1), the committee or the senator requests the officer to refer the question of the disclosure of the information or document to a responsible minister, the officer shall refer that question to the minister.

(3) If a minister, on a reference by an officer under paragraph (2), concludes that it would not be in the public interest to disclose the information or document to the committee, the minister shall provide to the committee a statement of the ground for that conclusion, specifying the harm to the public interest that could result from the disclosure of the information or document.

(4) A minister, in a statement under paragraph (3), shall indicate whether the harm to the public interest that could result from the disclosure of the information or document to the committee could result only from the publication of the information or document by the committee, or could result, equally or in part, from the disclosure of the information or document to the committee as in camera evidence.

(5) If, after considering a statement by a minister provided under paragraph (3), the committee concludes that the statement does not sufficiently justify the withholding of the information or document from the committee, the committee shall report the matter to the Senate.

(6) A decision by a committee not to report a matter to the Senate under paragraph (5) does not prevent a senator from raising the matter in the Senate in accordance with other procedures of the Senate.

(7) A statement that information or a document is not published, or is confidential, or consists of advice to, or internal deliberations of, government, in the absence of specification of the harm to the public interest that could result from the disclosure of the information or document, is not a statement that meets the requirements of paragraph (1) or (4).

(8) If a minister concludes that a statement under paragraph (3) should more appropriately be made by the head of an agency, by reason of the independence of that agency from ministerial direction or control, the minister shall inform the committee of that conclusion and the reason for that conclusion, and shall refer the matter to the head of the agency, who shall then be required to provide a statement in accordance with paragraph (3).

(d) requires the Procedure Committee to review the operation of this order and report to the Senate by 20 August 2009.

(13 May 2009 J.1941)

(Extract, Senate Standing Orders)

CHAIR: Witnesses are reminded that a statement that a document is confidential or consists of advice to government is not a statement that meets the requirements of the 2009 order. Instead, witnesses are required to provide some specific indication of the harm to the public interest that could result from the disclosure of the information or documents. Officers are requested to keep opening statements brief.

Department of the Senate

[09:02]
CHAIR: I welcome the President of the Senate, Senator the Hon. Scott Ryan; the Clerk of the Senate, Mr Richard Pye; and officers of the Department of the Senate. I thank the department for providing updated information on Senate committee activity, which has been circulated to the committee. Mr President, do you wish to make an opening statement?

The PRESIDENT: I do not.

CHAIR: Mr Pye, do you wish to make an open statement?

Mr Pye: No, thank you.

Senator KITCHING: Mr President or Mr Pye, can you explain the process that ordinarily occurs if the Prime Minister advises the Governor-General to prorogue parliament in conjunction with a dissolution of the House of Representatives to trigger an election?

The PRESIDENT: I could explain it, but I'll defer to the Clerk, who I sought an explanation from myself on these matters, who is the authority.

Mr Pye: I presume you're interested in the effect of a prorogation on the sittings of the Senate and its committees?

Senator KITCHING: Yes, I am.

Mr Pye: A prorogation formally winds up the operations of the parliament, and a prorogation is regarded as overriding the orders of the Senate that set the schedule of sittings days and the schedule of estimates hearings. So, at the time fixed in the proclamation that prorogues the parliament, the forward program of estimates hearings and Senate sittings would be swept away. If this committee were meeting at the time that that occurred, then the committee could continue, subject to any decision by the committee itself to adjourn, up until its 11 pm scheduled time for adjourning. And I imagine then people would enter the election campaign in earnest.

Senator KITCHING: And that's because the Senate is a house of continuance?

Mr Pye: The Senate is a continuing house, which means that, in an ordinary election, half of the number of senators for each state are up for election. The Senate has authorised its committees, its core group of legislation and references committees as well as its select committees to meet, to transact business, to hold hearings and to report notwithstanding any prorogation of the parliament and any dissolution of the House of Representatives. State senators' terms continue, as you know, until 30 June, even if they are up for election this year. So the Senate, particularly in its capacity as examining matters through committees, is able to continue. But the specific orders of the Senate that schedule sittings days and schedule estimates days are regarded as overridden by the prorogation.

Senator KITCHING: Would you receive communication of this from the Prime Minister in the same way the President did in the case of the simultaneous dissolution in 2016?

Mr Pye: That's the conventional practice, yes. The President receives a communication from the Prime Minister and I then circulate to senators for their information.

Senator KITCHING: So, notwithstanding social media, would this communication be immediate or would senators be kept waiting to find out whether or not parliament had been prorogued?

Mr Pye: It would be as instant as it could be, as long as I'm in telecommunications range, Senator.
Senator KITCHING: We know in this building that sometimes there is no connectivity, so that could be a question. Has the office of the Clerk had any communication from the Prime Minister's office about how this will occur?

Mr Pye: No.

Senator KITCHING: Have you had any discussion with the office of the Governor-General about how this might occur?

Mr Pye: No. I've obviously had contact with the President's office. I've also had contact with the office of the Leader of the Government in the Senate and confirmed with them, as I confirmed with the President last week, that I would forward on that information when I received it.

Senator KITCHING: So how would senators be informed?

Mr Pye: In 2016 it was by email, and anyone following the Senate Twitter account would have seen it there.

Senator KITCHING: Which I do.

Mr Pye: I know you do, Senator, and we appreciate your attendance to our tweets. I think in 2016 the Twitter account was the first one to link to the Governor-General's website, which had published the dissolution proclamation that time round. This time around it depends who receives it first, but by either of those means it would be communicated.

Senator KITCHING: That is relevant, isn't it, because, had the election been called on the weekend, whether or not parliament was prorogued would have affected whether or not these estimates hearings would have occurred?

Mr Pye: That's right.

Senator KITCHING: This is a surprise week, this week of estimates.

CHAIR: I prefer to think of it as a bonus week, Senator Kitching.

Senator KITCHING: Surprise, bonus—

Mr Pye: Accountability never sleeps.

Senator KITCHING: That's very true. It could happen this week. During this week, the Prime Minister could go Yarralumla during the course of these estimates. So senators will be on tenterhooks waiting to see, whether he does or does not go, to find out whether we'll be here for the week or not.

Mr Pye: And the trigger, of course, isn't the time at which the Prime Minister visits Government House; the trigger is the time that is specified in the proclamation of prorogation.

Senator KITCHING: Have you seen in the past anything as chaotic as this?

Mr Pye: I don't use words like 'chaotic', obviously, connected to parliamentary business, but there was an occasion, I seem to recall, in the Howard prime ministership where the Prime Minister might have made an announcement earlier than he otherwise would have intended, so that senators and members wouldn't be flying back to Canberra for sittings.

Senator KITCHING: What if the Prime Minister advises a half Senate election only? When was the last half Senate election without an election for the House of Representatives at the same time?
Mr Pye: That was 1970, and the one before that was 1967. On those occasions the two houses continued meeting during the Senate election campaign for the reason that the parliament wasn't prorogued. So there is a theoretical possibility, which I think has been discounted several times by the Prime Minister earlier this year and late last year, that a half Senate election could be held in the very near future with new senators elected to take their places on 1 July and the House of Representatives continuing alone until as late as 22 October.

Senator KITCHING: Was parliament prorogued on both those occasions?

Mr Pye: Not on the occasions in 1970 and 1967. I think the Senate might have a different level of interest these days. I'm not sure that you could run a successful campaign at this point in time with the houses still meeting. That would be an interesting experiment.

Senator KITCHING: Did the House of Representatives sit during the campaign for the half Senate election?

Mr Pye: In 1970 it did, as did the Senate with its continuing membership.

Senator KITCHING: I'm going to move to the 174th report of the committee of privileges. Amidst everything that was going on last week this report was tabled. This report related to the Australian Federal Police raid on the Department of Home Affairs that included the names of senators and a Senate committee in the search warrant. The circumstances were similar to the raid that took place on senators' offices and the home of a parliamentary staffer during the 2016 election campaign. Can you provide the committee with a brief precis of that report?

Mr Pye: The 174th report, which is the report you refer to, tabled last week, followed up on some matters that the committee left outstanding in its 172nd report. The 172nd report was a report in which the committee found that the claim of privilege made by Senator Pratt over the Home Affairs documents should be upheld, and that the documents that had been seized should be returned to Senator Pratt rather than handed back to the AFP as part of their investigation.

The committee, when it tabled that report in February, decided that—in November, I'm sorry, the 172nd report was tabled in November. The committee wanted to ask some questions of the AFP about the operation of the national guideline under which the AFP operates when it's executing search warrants in circumstances where privilege might be involved. I think it's fair to say that the committee, having had a briefing with the AFP and submissions from the AFP, found that there were some deficiencies in the way in which the guideline was followed, in the execution of the search warrants, and that there could be better adherence to it, better communication with the president and with senators who might be involved.

On this particular occasion, the naming of a Senate committee, the listing of the Senate committee's inquiry and the name of another senator in the search warrant seemed unusual to the privileges committee. It seemed very much to be an unnecessary trespass on parliamentary privilege to be naming committees and their inquiries in the scope of the warrant. However, I think the committee accepted evidence from the AFP that a narrow reading of the guideline itself really led them to be of the view that by naming those inquiries, in fact, they were giving a better basis on which questions of privilege could actually be determined. I should
add that the recommendations of the committee, in the report on the NBN inquiry, in the report on the Home Affairs matter in November last year and in its report again last week, really underlined the shortcomings in the MOU and the national guideline and emphasised the importance of following a process to update that document.

Senator KITCHING: Is a key issue that the AFP view parliamentary privilege as an afterthought?

Mr Pye: I think that that is a conclusion that the committee made. I think that one of the issues when you try to take something which is reasonably nebulous, like parliamentary privilege, and capture it within a set of procedural steps is that you tend to follow the procedure rather than respecting the protection that privilege is meant to give to parliamentary documents and particularly to the documents of people who provide information to parliamentarians and to committees. If you start by recognising privilege by following a set of procedural steps rather than starting with the purpose of privilege in the first place, which is to prevent interference with parliamentary proceedings, I think you're naturally going to come across some shortcomings. The Privileges Committee's 164th report, which was on the NBN matter, emphasised that the purpose of the MOU and the purpose of the guideline, which is to protect the parliament's proceedings against improper interference, should be the benchmark against which the processes of following the MOU should be tested.

Senator KITCHING: Has a copy of the report and its findings been provided to the AFP?

Mr Pye: I believe that it has, yes.

Senator KITCHING: Has any response been received?

Mr Pye: Not to my knowledge. It would have gone to them on Thursday last week. I'm not aware whether there's been a response at this stage.

Senator KITCHING: Mr President, have you had any communication with the Minister for Home Affairs, Mr Dutton, about the report?

The PRESIDENT: No.

Senator KITCHING: I ask because it relates, obviously, to a matter concerning his department but also the Australian Federal Police, which is an agency within his portfolio. Will you be having a discussion with him?

The PRESIDENT: As I indicated, I think, at the last estimates, the AFP were one of the agencies that I wrote to, along with various judicial branches, state police forces and clerks of other parliaments, expressing the resolution that was unanimously agreed to by the Senate. I'll take that suggestion. To be honest, I have had the approach that it is my role to particularly deal with the AFP as an independent agency. I haven't given consideration to dealing with the minister about it, but I will consider that.

Senator KITCHING: More broadly, have you had any communication with the executive?

The PRESIDENT: As I've indicated at discussions about this at previous estimates, I have had very top-line discussions with some members about the work that is being undertaken by our Senate Privileges Committee and the working group with the House Privileges Committee and the need to update aspects of the MOU. You'll also be aware I made a submission to the Joint Standing Committee on Intelligence and Security about what
I'll call broadly related matters. But, because the working group between the House and the Senate has not concluded its work, they have not progressed.

Senator KITCHING: Do you think that it's going to be possible to ensure that, in the 2019 election, which could happen any day now, there won't be a repeat of the politically motivated raids of the 2016 election campaign?

The PRESIDENT: I'm not going to—

Senator KITCHING: Well, a senator's office and a staffer's home were raided.

The PRESIDENT: Senator Kitching, let me answer. You asserted a term in that question that I'm not going to respond to and I completely reject, because I think it's a reflection on the Federal Police as much as anything else, which I think is inappropriate. I think that there is more awareness of these issues by certain agencies. As I have privately indicated—and I'm not going to go into the discussions I had with the committee on privileges; I'm not a member of it, just for the record, so I'm not part of its deliberations—when I outlined my experience as President with the Home Affairs raid, while I understand that the outcome may not have been ideal, I think it did reflect an increased sensitivity. So, without in any way agreeing, and in fact rejecting your assertion regarding the events of one particular incident, I think that's an exception. I think it's a rare event.

Senator KITCHING: Given that in 2016 there was the 164th report that related to the NBN raids of a senator's office and a staffer's residence and given, again, that we had the 172nd report that related to the Home Affairs matter, and you say that there's increased awareness by the Australian Federal Police, is two a charm in this case? We've had the NBN raids, we've had Home Affairs—

The PRESIDENT: I'm not going to assist your attempts to try and get on camera.

Senator KITCHING: Are we going to see more trampling on parliamentary privilege?

The PRESIDENT: Senator Kitching, parliamentary privilege was upheld by virtue of the Senate enforcing its claim on the issue. So I wouldn't necessarily say it was trampled upon. As I've indicated, I wasn't President during the events of 2016; I was during the Home Affairs incident last year. Having had discussions with those who have more deep knowledge of 2016—because I was a minister at the time; I had no involvement in this—the reflection they had when I explained my experience, including at the committee on privileges, was: 'Well, my experience was a reflection that there was increased sensitivity, even if the outcome was not ideal.' Parliamentary privilege was, in the end, in my view upheld.

Senator KITCHING: By the parliament, not by the Federal Police.

The PRESIDENT: Parliamentary privilege is something asserted by parliament. Let's not forget that, at that time, there were court granted warrants. This is not an independent action undertaken by an agency. They sought a warrant and the warrant was granted. So I think we do need to take that into account. My personal view, as I said before, is I think there needs to be sensitivity in the granting of such warrants—with respect to your first question—but the Clerk has outlined why there was the different view, which was that it actually allowed the assertion of parliamentary privilege. These are not unilateral actions taken by people.

Senator KITCHING: At the end of 2018, the Senate passed a motion relating to parliamentary privilege and the seizure of material by executive agencies—
The PRESIDENT: Yes.

Senator KITCHING: I can read it out.

The PRESIDENT: It's the resolution that I corresponded to, I think—I tabled the list at the last estimates—every Chief Commissioner of Police, judicial branches, state parliamentary clerks and other security-type agencies.

Senator KITCHING: Have you received any feedback?

The PRESIDENT: I think I've got a couple of pieces of correspondence in reply, but I'll have to take it on notice and list them. I think I got a couple of letters acknowledging receipt of it, but I can't remember the content of those responses.

Senator KITCHING: But not whether it was read.

The PRESIDENT: Sorry?

Senator KITCHING: You can acknowledge receipt but not actually read and inform oneself of the material.

The PRESIDENT: I can't—

Senator KITCHING: I'm not expecting you to take responsibility.

The PRESIDENT: I can't peer into the mind. They weren't one-line responses. I think got a couple, but I'll take on notice—

Senator KITCHING: If there are only a couple of letters that you received back, you could say whether those letters, for example, say, 'Thank you very much for giving us this motion,' or did they say, 'Thank you very much for giving us this motion and, yes, we've read and understood it.'

The PRESIDENT: I can't remember the content, but I don't recall—

Senator KITCHING: Because they are different things.

The PRESIDENT: Yes; but I don't think, with all due respect, I'd get a letter like that, of either of those descriptions—as simple as that. I think I got less than a handful of formal responses. I'll take on notice and provide the list of agencies that responded.

Senator KITCHING: Thank you; that'd be great. Have you had any discussions with the Department of Parliamentary Services about the implications for it?

The PRESIDENT: Occasionally with policies that we are considering, whether that be the e-access policy or the application of the already approved CCTV policy, parliamentary privilege comes up in that. But, with respect to that resolution, no, I don't believe I've had any particular conversations. There's a high degree of sensitivity of parliamentary privilege within DPS—for obvious reasons.

Senator KITCHING: What about the Department of Finance? As a former Special Minister of State, you'd be aware that the Department of Finance has a role in maintaining Commonwealth parliamentary officers in the electorate offices of parliamentarians. Have you received any information back from them or any thoughts they might have?

The PRESIDENT: I don't think so, but I'll correct that on the record if I have. I don't think I've received anything from the Department of Finance. It is an issue that I am aware of—the reason you outline—as a former Special Minister of State. Of course, in a number of state parliaments, electorate offices and things are overseen by the Department of
Parliamentary Services or a joint house committee that's effectively under the administration of the parliament rather than the executive. That's not the case with the federal parliament. I am aware of those issues and I'm aware of the issues that arose with respect to the 2016 raid, because there was material and data held by parts of the Department of Finance rather than the Department of Parliamentary Services or the Department of the Senate. Again, I'll correct the record. I don't think I've received any correspondents from the Department of Finance since that resolution was passed by the Senate.

Senator KITCHING: Thank you. It would be good if you could take that on notice. Can I go to the budget of the Department of the Senate. Mr Pye, would you be able to provide an outline of the Department of the Senate's budget for 2019-20?

Mr Pye: It's virtually identical to the budget for 2018-19. It's hard to get these numbers in my head. There's a slight reduction in our capital budget. We had $750,000 over two years as capital funding for an ICT project over the previous two financial years.

Senator KITCHING: Sorry, Mr Pye? That was $750,000?

Mr Pye: It was $750,000. Half, so $375,000 in each of two financial years prior to that and that was in relation to an ICT project to get rid of more paper so you can have more pixels.

Senator KITCHING: Thank you. Very thoughtful.

Mr Pye: My pleasure. And apart from the reduction in that, we've just had the normal parameter adjustments. There's a note in the department's PBS saying that we expect to break even this year and break even again next year, but, if the level of committee activity and the level of legislative activity remains at or exceeds the levels we've seen in recent years, we will have to look for more funds into the future.

Senator KITCHING: On page 3 of the portfolio budget statement there's no change in the Department of the Senate's departmental appropriation of 23.5 million in 2018-19. There's a reduction of $400,000 in capital funding, which has been cut in half. Why has the capital funding been reduced?

Mr Pye: As I said, that was the capital funding for the ICT project. We've also transferred some of our furniture assets to DPS in the last year also and that affects, certainly, the level of depreciation and some of the capital funding associated with that.

Senator KITCHING: Were there any bids for funding that were rejected as part of the budget process?

Mr Pye: No. When we bid for funding through the Department of the Senate we work through the President and through the appropriations and staffing committee, so you'd probably be aware of them, if there were bids that were raised and not met.

Senator KITCHING: Is there any funding that's coming to an end, for example, for additional committee staff?

Mr Pye: No, not as such. We had supplementation put into the budget about three years ago, recognising the higher level of committee activity that we've seen in recent years. As I say, if committee activity remains at its current level or exceeds that current level then we start to run out of funding. Conversely, if committee activity reduces to a more human level, it may be that we will be able to cut back on our needs in that space.
Senator KITCHING: What would you do in that instance? Would you ask for some money to be brought forward?

Mr Pye: If?

Senator KITCHING: If you were running out of funding?

Mr Pye: Certainly we will do that if we run out of funding in the next year. We do find that election years tend to be years where there's, obviously, fewer calls on our resources, so that does help us even out over approximately a three-year cycle.

Senator KITCHING: In the PBS on page 11 it states:

During the 2017-18 financial year the department transferred the majority of heritage furniture assets to the Department of Parliamentary Services.

What is the nature of the assets that were transferred?

Mr Pye: Who wants to take this—Black Rod? No, our CFO will talk about the assets that were transferred.

Ms Crowther: Department of Parliamentary Services or the building heritage classified most of them as status B assets. It was senators' desks in the majority, and some furniture in the common areas around the building that were on our asset register—not the furniture for senators' staffers, which is part of our departmental lot, but the senators' desks and credenzas and those kinds of furniture.

Mr Pye: The idea was to establish a single register within DPS that looks after the heritage rated furniture for the whole building. The Department of the House of Representatives made a similar transfer this year.

Senator KITCHING: Can you run through the budgeted financial statements on page 12 for us.

Mr Pye: Again I'll ask my chief financial officer to do that.

Ms Crowther: Which way did you want clarification?

Senator KITCHING: I'm looking at table 3.1. Could you run us through those figures.

Ms Crowther: The majority of the department's expenses is staffing. There's a small increase in employee benefits year on year with regard to things like CPI. Similarly we're looking to keep suppliers pretty much the same. With regard to depreciation you will also notice that the total comprehensive income loss is the opposite of that depreciation number. That's a whole-of-government arrangement that Finance put in place probably 10 years ago. It's called the net cash arrangement. Depreciation is unfunded for departments, so they fund it themselves.

Senator KITCHING: The deficit's entirely attributable to the depreciation.

Ms Crowther: That's correct.

Senator KITCHING: I now move to movement of staff. I note from the Department of the Senate intranet that three senior research officers from the committee office ceased at the end of March. Is this coincidental or has there been an above average movement of staff in committee secretariats?

Mr Pye: There has been an average turnover in our secretariat staff and our departmental staff generally. We've had 24 separations out of 160 staff in the year to date. That's a couple
up on last year but far lower than it had been the year before. We've engaged 21. We try to keep a mix of ongoing and non-ongoing staff. That means we can plan for things like a reduction in committee activity during the prorogation of a parliament, for instance. Having some non-ongoing positions naturally come to the end of their contracts around this time is a useful way to manage our resources.

**Senator KITCHING:** According to the statement of committee activity—I'm looking at 20 March—there were 66.6 full-time equivalent staff in the committee office compared with an average FTE of 70.2 in 2017-18. Are you hoping to get the number back up closer to 70?

**Mr Pye:** Again it depends on the level of committee activity in the next parliament. We would expect that number to reduce a little bit more over the next few months. How quickly the committee activity ramps up at the beginning of the 46th parliament will tell us where that number might be next year. That number is historically high. The number of staff we had supporting the committee office in the last financial year is as high as it has ever been. It was down in the 50s only five or six years ago. In 2014-15 the advent of an increasingly large and diverse crossbench had the effect of increasing both the level of committee activity and the level of legislative activity. Our staffing numbers have reflected what we think is necessary to meet that high level of activity.

**CHAIR:** Can I briefly interpose there. Decisions were also made by the Senate to commission a high number of select committees and to encourage greater reference committee inquiries. Ultimately the Senate has to bear some responsibility for the workload of committees.

**Mr Pye:** Indeed: decisions of the Senate lead to the high level of committee activity; there's no two ways about it. I think we saw both in the House of Representatives and in the Senate in the 42nd and 43rd parliaments this move towards higher levels of committee activity.

**Senator KITCHING:** It has also been because the government, in order to get votes from the crossbench, has done deals with crossbenchers who vote for their legislation. Some of those were to have committees established so a crossbencher can be a chair of a committee.

**Mr Pye:** I understand that that happened in the House of Representatives in the Gillard prime ministership and has happened in the Senate since.

**The PRESIDENT:** And it happened with the opposition for voting against a particular bill.

**Senator KITCHING:** A large number of committees have been established.

**The PRESIDENT:** With all due respect, I've been here for 11 years. I have seen it happen with the opposition voting with crossbenchers for the establishment of a references inquiry or a select committee.

**Senator KITCHING:** That has been the price the crossbench has called for.

**The PRESIDENT:** Can I respond to your question, then you can get a response back. You characterise one type of event; I can characterise and list others whereby the opposition has sought support to oppose something or demand a document on a return to order. Similarly that might have been reported as being linked to support for a particular references committee inquiry or the establishment of a select committee. As Senator Paterson outlined, in the end
the role of myself, the Clerk and officials is to respond to decisions of the Senate, which are decided by majority, however constructed.

Senator KITCHING: Mr Pye, is the Department of the Senate expecting to undertake any projects during the election period? For example, would you be working on the next edition of Odgers?

Mr Pye: Not the next edition but the next supplement for Odgers. I think it's a bit early for the 15th edition of Odgers. My predecessor, Dr Laing, was kind enough to leave a completely up-to-date edition of Odgers as a parting gift to me and to the Senate. A supplement to that will be produced. We hope that a number of ICT projects come to fruition during the break, along with a very large archiving exercise particularly connected to the committee work over the 45th parliament.

Senator KITCHING: I want to ask you about the ICT upgrades. I think there has been discussion at previous estimates around technology upgrades for this building. I think it drives pretty much anyone who works in this building completely and utterly crazy that sometimes there is zero connectivity. What are we doing about this?

Mr Pye: That's a little bit outside of my bailiwick.

Senator KITCHING: You're aware of those progresses. They were slated for completion in the second half of 2018. Nothing has happened.

Mr Pye: You would have to ask DPS.

Senator KITCHING: Don't worry, I will.

The PRESIDENT: I can fill you in with DPS officials later on the upgrade to the wi-fi network within the building. There are reasons why these things take time, some of them completely outside DPS control.

Senator KITCHING: I have one more question. I just want to confirm something with Mr Pye.

CHAIR: Before you ask that question: we were scheduled to have the Department of Senate for only 20 minutes. You're the only senator who has had the call so far. I'm going to give it to Senator Spender in a moment. If we're to get through a busy program today, we will have to be briefer with future witnesses.

Senator KITCHING: One question, Mr Pye: if the Prime Minister takes a drive to Yarralumla this Thursday and calls the election for 18 May, what's going to happen at estimates on Thursday? Will we sit here until 11 o'clock?

Senator DEAN SMITH: A very narrow question.

Senator KITCHING: Very narrow!

Senator DEAN SMITH: He could go to Kirribilli. He could go to Admiralty House. It's a very narrow question.

Senator KITCHING: We'll see what happens on Thursday.

Mr Pye: The trigger, as I said earlier, is the time that's fixed in the proclamation that prorogues the parliament. If the time fixed in the proclamation is five o'clock on Thursday, then Friday's estimates hearings would not occur unless the committee in question resolved to have them occur; that's a decision for the committee. The hearings that were underway on the
Thursday would continue, subject to any decision of those committees to adjourn—so an ordinary vote of the committee whether to continue the hearing or to adjourn it.

The PRESIDENT: I might add: it is entirely possible that the time for the prorogation may be affixed, if the Prime Minister takes that drive on Thursday, to be later—it could be affixed at five o'clock on Friday—depending on the scheduled adopted for the issuing of writs and nominations, and all that, and polling day.

Senator KITCHING: Thank you. I don't have any further questions for the Department of the Senate.

Senator SPENDER: As we just heard from my Labor colleague, there's some concern about chaos and not knowing whether or not estimates will continue after the calling of an election. You mentioned that, when this estimates was set up, there was an order arranged and that that order could have said, irrespective of prorogation, that estimates would continue; is that correct?

Mr Pye: That's correct.

Senator SPENDER: That would have been a motion in the Senate last year?

Mr Pye: I think the sitting calendar and the estimates program were agreed in the last sitting fortnight of last year, yes.

Senator SPENDER: And that was agreed to by Labor, if I recall correctly?

Mr Pye: The government put forward a suggested timetable, and that was amended by the Senate on the initiation of the ALP.

Senator SPENDER: But not amended to say that estimates would occur regardless of prorogation?

Mr Pye: No.

Senator SPENDER: So we could have had estimates regardless of any call of an election if Labor had supported, at the time, an amendment to make it so?

Mr Pye: I think there are probably some practical difficulties in doing that, including having the government go into caretaker mode at the same time as ministers are expected to answer questions before estimates—not only ministers but agencies as well. But, certainly, from a procedural point of view, that is something that could have been done.

The PRESIDENT: Senator Spender, with all due respect to the way you constructed that question: the trigger for that would be a majority of the Senate, not just if, in your words, the ALP supported it. Officials look at things simply through the matrix of decisions of the Senate. The way you constructed that question doesn't necessarily mean there would have been a majority.

Senator SPENDER: Similarly, I had a motion in the Senate last week to add that amendment—to make estimates occur regardless of prorogation. The hours motion that Labor gave me an indication that they wouldn't support that motion anyway, so I think it's pretty clear that Labor don't particularly care if estimates continues or not after the election is called. Could I move on to another matter—this is probably more for the President. I'm very new with Senate procedure. In the chamber, do you allow a complex amendment to be moved and voted on if it's not in written form for circulation?
The PRESIDENT: Firstly, as a general rule, if there's anything contentious, I'll take advice from the Clerk at the table in the first instance, given that I think precedent's important; it does guide the whips. Secondly, if there is an amendment moved to legislation, it would actually not be done by me. That's done by the Deputy President and Chair of Committees at the committee stage; I can't sit in the chair. If we're looking at amendments to business motions or a complex second reading amendment to a bill or a formal business motion during the discovery of formal business—they're three I can think of—as a general rule an amendment should be circulated, particularly if it's complex. Sometimes I have seen, for example, the leave of the Senate be allowed for an amendment to be moved; it might have been verbally discussed, and all senators have agreed. In essence the procedure of the Senate, as it was described to me when I first attempted 'senator school', is that everything can be done by leave. So if there is no objection to something, I will take the guidance of the Senate. For example, if you wanted to move a complex amendment to something during the discovery of formal business and you said, 'I've spoken to the whips, and the crossbench is happy with it,' and I asked the Senate 'Is leave granted?' and no-one objected, I would not be inclined to rule that out of order. That would be my guiding principle.

Senator SPENDER: Were leave not provided, would the chair, in that circumstance, allow an amendment to be moved and voted on if it had not been in written form for circulation?

The PRESIDENT: As a general rule, I can't think of an instance where I would have allowed that. I would have insisted that we potentially come back to business or that a written copy be provided—off the top of my head.

Senator SPENDER: What would be the problem with letting it go to a vote?

The PRESIDENT: If it is a complex amendment, as you describe, I think that is entirely reasonable. For example, sometimes you have an increasingly lengthy motion being dealt with in the discovery of formal business and someone wants to move a complex amendment to that. My personal view is that, if leave wasn't granted by the Senate to do that, it is not unreasonable for senators to want to see a copy in front of them.

Senator SPENDER: Would it make a difference to your thinking in that regard if Labor and the coalition said they wanted it moved and voted on?

The PRESIDENT: As to what is within the rules and what is not, I refer to the Clerk. There are times when motions can be moved in certain ways. If the majority of the Senate wants to do something, it can do something. It can suspend standing orders. There are all the contingent notices on the Notice Paper. It can suspend standing orders by an absolute majority absent those contingent notices. I can't think of an experience where what you have described as a complex amendment to a motion has been moved.

Senator SPENDER: You spoke earlier about leave being denied for a complex amendment to be moved and voted on if it hadn't been in written form for circulation. If one senator could deny leave, how does it become a question for the majority?

The PRESIDENT: First of all, a majority can suspend standing orders. A majority can suspend standing orders about a notice of motion or anything. All the rules that are contained in the standing orders can be suspended by a majority of the Senate. But there are different stages of the day where you need different procedures in place to deal with amendments. I'm
not quite sure. If you give me a specific part of Senate business then I would probably do now what I do in the chamber, which is make sure that what I say is in agreement with the advice provided by the Clerk. For example, the rules in discovery of formal business are slightly different.

**Senator SPENDER:** The reason I ran through that amendment example is that that is my general understanding of how amendments work: you wouldn't have the chair allow a complex amendment to be moved and voted on if it hadn't been in written form and circulated.

**The PRESIDENT:** As a general rule, I think that is true.

**Senator SPENDER:** But on Wednesday last week we had something even more complex than a complex amendment: we had an entire bill, the Criminal Code Amendment (Sharing of Abhorrent Violent Material) Bill 2019, moved and voted on without it being in written form circulated to senators.

**The PRESIDENT:** That's because the Senate had previously determined that those bills contained in the hours motion you described earlier, and all amendments that had been circulated to those bills, were to be voted on after a specific time if the Senate had not already proceeded to that business. That is a not uncommon element that I have experienced in my 11 years in this place. But that was an order of the Senate to do that. This is a very good case to be specific about: the Senate had previously said that these bills, and any amendments circulated to these bills, would be voted on, commencing at this time, if not dealt with beforehand. So it was in fact an order of the Senate that required me to do so if I was in the chair at the time.

**Senator SPENDER:** You just mentioned that, in the circumstance of a complex amendment, you would make a comment about the wisdom of delaying that vote until circulation had occurred.

**The PRESIDENT:** I was highlighting that different parts of the Senate's business day have different procedural rules. For example, if it was during the discovery of formal business, which goes on for longer and longer every day, and there had been a complex amendment moved, that hadn't been circulated, to one of the motions—or someone wished to—I would say, Let's just do that in half an hour and, once it gets circulated, we can deal with all the other business.' This was a different circumstance. This is an order of the Senate to deal with amendments and bills. The Senate had already determined to do that.

**Senator SPENDER:** But not necessarily in the order printed.

**Mr Pye:** To take that specific example, there was a specific order in the order of the Senate requiring bills to be dealt with in a particular way. It was that order that informed the material that my office put together in order to marshal the questions that are needed to be put in order to deal with those bills. Now it's clear that a majority of the Senate voted to put that order in place and it's also clear that a majority of the Senate voted to support the bill that you're referring to, notwithstanding that it was brought on in that manner, Senator.

**Senator SPENDER:** So are you confident that the bill was properly introduced, even though it not only wasn't accessed by senators beyond maybe the minister but wasn't accessible by the senators at that time?
Mr Pye: I don't know whether it was accessible to other senators or not. I know that a majority of the Senate voted for it; I know that copies were available to senators in the Senate, if they required one, when it was introduced; and I'm confident that the procedures of the Senate for the passage of legislation were adhered to.

Senator SPENDER: At that particular juncture when I in a colloquial way said, 'What bill?' it wasn't regarded as a suggestion that it was not accessible to me?

Mr Pye: I understood from your theatrical display of your phone that the bill was not available online. It was put online shortly afterwards and well before the bill went to the House of Representatives. As with any other document in the Senate, it is available from the attendants if you ask for it.

Senator SPENDER: That probably is less an issue for you and more an issue of the fact that we have major party politicians willing to vote on a bill that they have not seen, and they do so regularly.

Mr Pye: I don't believe I detect a question in that, Senator.

Senator SPENDER: No. That's it.

CHAIR: Thank you, Senator Spender. If there are no further questions for the Department of the Senate, I thank you very much for your attendance and your evidence here this morning.

Parliamentary Budget Office

[09:53]

CHAIR: I welcome the Parliamentary Budget Officer, Ms Jenny Wilkinson, and officers of the Parliamentary Budget Office. I thank the PBO for providing updated information on PBO activity, which has been circulated to the committee. Ms Wilkinson, do you wish to make an opening statement?

Ms Wilkinson: No.

CHAIR: Senator Kitching?

Senator KITCHING: Advertising contracts on AusTender were worth $252,276,527.80 over the period from January last year to the end of February this year. This is a figure that excludes any new advertising following the budget. Already the spending rate is over $600,000 a day. On the ABC Insiders program on the weekend Barrie Cassidy asked Treasurer Frydenberg a very simple question: 'How much money will you be spending on government advertising this week?' Treasurer Frydenberg said, 'All of that information will be available.' Given the Treasurer's commitment to transparency, can you advise the committee how much money you will be spending on government advertising this week?

Ms Wilkinson: Nil.

Senator KITCHING: Can the department confirm when these advertising campaigns were approved—of the budgets that you actually—

CHAIR: Senator Kitching, this is the Parliamentary Budget Office.

Senator KITCHING: Yes, I want to know what the PBO knows about the advertising spend rate of this government.

CHAIR: I imagine not much, but I'll leave that to Ms Wilkinson.
Ms Wilkinson: No, I'm not aware. This is really a question for the Department of Finance, not the Parliamentary Budget Office.

The PRESIDENT: Having been a minister for this too, no-one can ask questions. It normally comes up in the procurement sections of the Department of Finance.

CHAIR: Have you, as an independent agency of the parliament, not of government—

Senator KITCHING: I understand that. So were any approvals sought through the PBO?

Ms Wilkinson: No, there would be no role for the—

Senator KITCHING: Did you do any costings on advertising?

CHAIR: The PBO only does costings for the parliamentarians who ask the PBO to do them.

Senator KITCHING: Did you do any costings on advertising?

Ms Wilkinson: Any costing request that comes to the PBO is covered by the confidentiality provisions in our legislation, so I can't speak to the costings that we've received over the course of this period. But, just to be clear: the PBO has no role whatsoever in approving any spending on behalf of any government department.

Senator KITCHING: Have you had any request for costings on media monitoring?

Ms Wilkinson: Again—

Senator KITCHING: I understand about the privacy. I'm not asking who asked for them; I'm just asking if any have come in.

Ms Wilkinson: We're not in a position to speak about the details of any costings that we've received. We do that work confidentially for parliamentarians, and then if they wish to either advise that they have requested a costing that's up to them or if they wish to actually produce a costing then they can produce or publish that.

Senator KITCHING: I want to ask you: during the caretaker period, what will you be doing?

Ms Wilkinson: During the caretaker period, we will be primarily doing two things. We have a role to cost any publicly announced policies where we are requested to provide a costing of them. Those requests can come to the PBO in the same way that they can come to the Department of Finance or the Department of Treasury. So we will be providing costings for publicly announced policies by parliamentary parties. To the extent that there are confidential costings that have been provided to the PBO ahead of caretaker, we can continue to work on those confidential costing requests. We released a guidance note—I can tell you exactly when—where we outlined exactly what our arrangements are in relation to costing policy proposals during the caretaker period and that's guidance note 3/2018.

Senator KITCHING: Is that on your website?

Ms Wilkinson: It is absolutely. It was released on 5 December 2018.

Senator KITCHING: What effect does this have on your staffing: does it scale up or down at this time?

Ms Wilkinson: The caretaker period is a very busy period for the PBO because, while we are doing any public costings and we're continuing to do confidential costings, we need to be tracking election commitments for all of the major parties. We need to be internally analysing...
the fiscal costs of each of those election commitments so that we're in a position to publish the
post-election report of election commitments which we have to publish after the election
within 30 days of the election or seven days before the next sitting period. This is actually a
peak period of work for the PBO because we have to be tracking and costing every election
commitment by parliamentary parties.

Senator KITCHING: What's your staff scale-up at this time?

Ms Wilkinson: Our standard staffing level is around 42 staff. We're expecting at the peak
of our period to have around 55 staff in the PBO. We have managed this surge in staff in
different ways over the last two elections when the PBO's been in place. This time the way
we're managing that is through secondments from a range of different government
departments and then parliamentary departments. We have secondments who are coming in—
some of our secondees are graduates who will be with us for six months and others are
secondees who will be with us for somewhere between two and three months.

Senator KITCHING: I'm just looking through your PBS—what's your role in PEFO?

Ms Wilkinson: We don't have a role in PEFO. We take PEFO as being the baseline
against which we cost any policies that come forward in the election. PEFO is the
responsibility of the secretaries of departments of Finance and Treasury.

Senator KITCHING: In your activity report—I'm now looking at 5 April 2019—on page
1 it states:
The longer completion times than in previous periods reflected the volume of requests submitted to the
PBO since the Budget in May 2018.

How is your activity tracking then?

Ms Wilkinson: If you have a look at the table on page 3 of that report, you can see the
volume of requests that we have received in previous years and then, in the year that we're in,
you can see the volume of requests that we've received in each quarter of this year. In the first
quarter of this year, we received 438 requests; in the second quarter, 296 requests; and in the
third quarter, 929 requests.

Senator KITCHING: Looking at that table, the overall number of requests, the 1,663 for
three quarters of 2018-19, is less than the total number for 2017-18, which is 2,218, and for
2016-17, it's 2,572. The activity tracking at 2018-19 is higher than 2017-18 and 2016-17
overall. Is that right?

Ms Wilkinson: It looks to be at this stage, yes.

Senator KITCHING: The distribution of activity across quarters is different?

Ms Wilkinson: It does, because we're heading towards an election. In the year before an
election, typically, what happens is we have a lot of costing requests after each of the budget
updates so that parties are getting the latest estimate of what the fiscal impact of their
commitments would be.

Senator KITCHING: The characteristics of 2018-19 are similar to 2015-16 because they
both saw an election at the end of the fourth quarter of that year.

Ms Wilkinson: Correct.

Senator KITCHING: Is the PBO expecting a year in total close to the total of 4,146 from
the 2015-16 election year?
Ms Wilkinson: It's hard to guess at this point. The PBO has been used very intensively over these three years. One of the reasons why there were a very large number of costings that were requested in 2015-16 was that there were some requests for which multiple options were requested. Where parties were still trying to work out exactly what was the policy they were going to pursue, there were a number of different options for start dates, coverage or other elements of the policy.

Senator KITCHING: Like climate change, for example?

Ms Wilkinson: For any policy, really. There are lots of different parameters which parties have to make a decision about. To the extent that many of those parameters may have been determined incrementally over the course of this term, then we could have less requests because we're going to have less options for each policy proposal. At this stage, we're certainly heading for at least 2,500 requests over this year, and it could well be more than that, but we're obviously still in the fourth quarter as well, so we don't quite know what's going to happen between now and the end of June.

Senator KITCHING: That's why I guess I was giving you those 2015-16 figures.

Ms Wilkinson: Yes, it's a good comparison.

Senator KITCHING: It was to extrapolate out.

Ms Wilkinson: Exactly. In every third year, we get additional funding to provide us with some resources to cope with the surge in activity around elections, and that's borne out in the activity statistics.

Senator KITCHING: On page 2 of the activity report, it says, 'The PBO continues to seek input from its panel of expert advisers to assist with elements of its works program.' Who are they?

Ms Wilkinson: We've got seven expert advisers. Would you like me to read through the names?

Senator KITCHING: Certainly. Thank you.

Ms Wilkinson: We have Paul Abbey, who is a partner at PricewaterhouseCoopers—a tax expert. We have Robert Breunig, who is the director of the Tax and Transfer Policy Institute at the ANU. We have Robert Carling, who is a senior fellow at the Centre for Independent Studies. We have Melinda Cilento, who is the chief executive of the Committee for Economic Development of Australia, CEDA. We have Saul Eslake, who is an independent economist. We have Abigail Payne, who is the director of the Melbourne Institute. And we have David Tune, who is currently the chair of an aged care sector committee, but is the former secretary of the Department of Finance.

Senator KITCHING: The other thing I want to ask about is access to the electronic data warehouses. Who has access?

Ms Wilkinson: Perhaps I will hand over to Mr Brown, who can explain how—this is one of the many ways in which we get access to data in the Commonwealth.

Mr Brown: Yes, we have access to a limited range of information from the electronic data warehouses maintained by the Department of Human Services and the Department of Health. With those data warehouses, essentially the information we are able to access is models and in some cases unit record data contained there, on a de-identified basis. So, there are data sets
that are set up, they are de-identified so that we can't tell whose records they are, or whatever, but we are able to use those for costing purposes. It means that rather than our having to put in a written request to the department for specific information, we have made an agreement with the department that we can access certain information from the data warehouse. The people who have access to that information within the PBO are limited to people within the specific areas or the work teams that need access to that information.

CHAIR: As there are no further questions for the PBO, I thank you very much for your attendance and your evidence here this morning. The committee will now move to the Department of Parliamentary Services.

Department of Parliamentary Services

[10:08]

CHAIR: I welcome Mr Robert Stefanic, secretary of the Department of Parliamentary Services, and Dr Dianne Heriot, the parliamentary librarian, and officers of the department. I thank DPS for providing information pursuant to the committee's recommendations in the DPS inquiry, which has been circulated to the committee. Mr President, do you wish to make an opening statement?

The PRESIDENT: I do not, but I note the secretary does.

CHAIR: Mr Stefanic, would you like to make an opening statement?

Mr Stefanic: Yes, I would. At the previous estimates hearing, the president outlined the challenges the department was experiencing with the completion of the Senate and House of Representatives entrances as a result of performance issues and financial difficulties with Steelvision Pty Ltd, the subcontractor engaged by Lendlease Building to complete those works. I can advise senators that the replacement subcontractor, who was responsible for the successful and complex skylight replacement project, commenced work in January. The subcontractor has now completed the works on the level 1 public-private interface, near the committee rooms, and remains on track for an end of October 2019 completion date for the Senate and House of Representatives entrances, presuming no stoppages occur.

Senators may be aware of recent media articles regarding Steelvision which allege various lifestyle and non-project-related business matters against the managing director and owner of Steelvision, Mr David Gooley. Following the publication of the articles, I convened a meeting with senior officials overseeing the project from DPS; our project management contractor, RPS; and Lendlease Building. The purpose of the meeting was to ascertain whether any of the parties had any prior knowledge of the allegations detailed in the articles in relation to the lifestyle and non-project-related matters of Mr Gooley raised in those articles. All parties have confirmed they had no knowledge of any of these allegations, nor were they asked to provide comment by the journalist on those specific claims made in the article.

Further, I can advise the committee that Mr Gooley's role with the works at Parliament House was primarily off site. Mr Gooley did not hold an APH security pass and, when in the building, was required to be escorted by a passholder at all times. While I don't have exact figures, I understand that Mr Gooley entered Parliament House on a small number of occasions to meet with Steelvision staff and attend meetings with Lendlease Building. It is also important to note that, under the terms of its contract with the Commonwealth, Lendlease
Building undertakes random drug and alcohol testing of staff and its subcontractors on site and, to date, has conducted 108 tests, all of which returned negative results.

In respect of commentary in the articles about Steelvision's financial difficulties and concerns with payments to its suppliers, as advised in the previous estimates hearing DPS was formally advised in June 2018. Lendlease Building had become aware of complaints from Steelvision's suppliers about payments in the previous month and had been actively working with Steelvision to address them up until the termination of the contract in January 2019.

Last month, I advised the Presiding Officers about my intention to create a deputy secretary position for a trial period of 12 months to assist me with the executive management of the department. The department comprises over 1,000 staff across four divisions, 12 branches, 43 sections and many disciplines. Having another officer with a broad oversight of the many functions of DPS will help us to continue to drive the improvement of our services to the parliament and is an important risk management measure. Senators may be aware that DPS had a deputy secretary position until the 2012-13 financial year. The deputy secretary has formal authority as my delegate and at this point in time has operational responsibility for the Chief Operating Officer Division and the Building and Security Division. I've made the deputy secretary the designated chief security officer, which is a role required under the new Protective Security Policy Framework, known as the PSPF. If I decide to permanently establish the deputy secretary role, I will be advertising the position some time before the 12 months have elapsed.

I have established a chief of staff role to provide executive-level project assistance to me and the deputy secretary. The first priority for this new role is to spearhead the PSPF reforms and to continue the work of developing and refining the Parliamentary Security Service rostering model.

The last of the senior positions I have to announce is the establishment of a new branch head dedicated to cybersecurity in February 2019. This follows from the establishment of the Cyber Security Operations Centre and the increasing sophistication of targeted threats directed at Australia and its institutions. The position reports to the chief information officer.

The DPS division structure and reporting lines otherwise remain the same. No senior executive staff have been displaced as a result of the change. I will be evaluating the current structure, all senior executive position dimensions and reporting lines in the following months.

Having decided on the new roles, I looked across the senior executive of the department and made a series of judgements for temporary appointments based on our reform priorities, skill suitability and minimising disruption to the important work already underway in each of our business areas. For the trial period, I temporarily appointed the chief operating officer, Ms Cate Saunders, to the deputy secretary role as the most suitable officer. I consequently temporarily appointed the chief finance officer, Mr Nick Creagh, to the role of chief operating officer to ensure continuity in that division. Mr Ian McKenzie has moved across into the Assistant Secretary, Cybersecurity Branch role, which was part of his previous responsibility as the chief technology officer. Ian remains the designated chief information security officer.
On a final note, I advise senators that, after three years with DPS, Mr Paul Cooper, First Assistant Secretary, Building and Security Division, has retired and completed his service with the Commonwealth on 5 April 2019.

His efforts ignited the capital works program, which has seen an unprecedented number of security and infrastructure capital projects across the parliament since the time it was constructed. At the same time, the tempo for maintenance of the building increased exponentially, and he commenced the important and overdue reforms in the security branch. On behalf of the department, I wish to formally record my thanks to him and wish him well with the next stage of his life. For the time being, Ms Fiona Knight will be acting first assistant secretary while I consider the shape of this role in following months. Mr Michael Healy, the assistant secretary, capital works branch is currently on personal leave. Ms Knight will address questions in respect of building services and capital works. Mr Graeme Anderson, assistant secretary, security branch, is also on personal leave, and Ms Saunders will address questions in respect of security matters.

CHAIR: Thank you, Mr Stefanic. Dr Heriot, do you wish to make an opening statement?

Dr Heriot: No, thank you.

CHAIR: Senator Kitching.

Senator KITCHING: Mr Stefanic, can I get a copy of that statement, please, and also an org chart? Have you got an org chart?

Mr Stefanic: Yes. There are copies of statements available to senators. I believe the updated org chart was circulated to the committee ahead of the hearing. I don't have it in front of me though.

Senator KITCHING: I’ve got one dated 26 March.

Mr Stefanic: 2019?

Senator KITCHING: Is that the most recent one?

Mr Stefanic: Yes. It should be.

Senator KITCHING: But didn't Mr Cooper resign on Friday?

Mr Stefanic: It was published as of March. His retirement was as of 5 April.

Senator KITCHING: But he left on Friday, didn't he? It was effective Friday, 5 April?

Mr Stefanic: Correct.

Senator KITCHING: So this org chart would be out of date.

Mr Stefanic: It is now. But it was up to date at the time it was provided.

Senator KITCHING: So can I have an up-to-date organisational chart? This is not something difficult to ask for.

Mr Stefanic: We can provide that to you.

Senator KITCHING: Can I have it now? I'm very surprised you haven't brought an up-to-date org chart with you. So I would like one now. Thank you.

Mr Stefanic: The only difference between the org chart you have and the new one would be the omission of Mr Cooper's name in the first assistant secretary's role. It is the only difference.
Senator KITCHING: Sorry, the assistant secretary?
Mr Stefanic: The first assistant secretary, building and security division.
Senator KITCHING: And that's going to be—who is that again?
Mr Stefanic: That is temporarily Ms Knight.
Senator KITCHING: Ms Knight? Okay. Ms Knight is reporting to Ms Saunders?
Mr Stefanic: Correct.
Senator KITCHING: I would like an up-to-date organisational chart.
Mr Stefanic: We will get that for you.
Senator KITCHING: The other issue I would like to raise with you is that on Friday we sent an email asking for Mr Healy—in fact, I'll read you the email: 'Can you please request the department ensures and confirms that all senior executives, including all assistant secretaries, the chief of staff and, in particular, Michael Healy are in attendance on Monday'. The secretariat of this committee then phoned and there was no response. Not even: 'No. They're not going to attend'. So, why was that? Why didn't you respond?
CHAIR: Before you answer, I think Senator Kitching might benefit if you have a quick chat with the secretariat about that correspondence before the response.
Senator KITCHING: Just one moment. Can we just confirm the department did phone back and say they weren't planning on responding.
Mr Stefanic: The response indicated that we were providing the staff that had been previously notified would be attending.
Senator KITCHING: That's not what I'm asking you, Mr Stefanic. We sent an email, the secretariat then followed up, and someone in your department or your office said, 'Actually, we're not planning on responding'. You don't get to say that. You get to say, 'No, we're not coming', or 'Yes', or 'This person is going to be acting'. You don't get to say, 'I'm not planning to respond to the request'. So I would like to know what happened there.
Mr Stefanic: We didn't respond to you directly. We were communicating directly with the secretariat.
Senator KITCHING: You weren't planning on responding—is that how you're going to treat estimates? You're just not going to respond if it doesn't suit you?
Mr Stefanic: We communicated through the secretariat.
Senator KITCHING: And the secretariat have just confirmed that in fact they were told that you weren't planning on responding. You might like to check with your office about who said that and maybe let us know. Illuminate us.
Mr Stefanic: I'll take that on notice.
Senator KITCHING: Thank you. I'd like a response pretty quickly, thank you. I understand why, if you've got mass movement of people, you probably don't necessarily want
everyone here, and you've made significant changes. I would still like the updated org chart. Thank you.

Can I move to the building works. Obviously we traversed some of this in the last estimates. There was an article from *The Sydney Morning Herald* about a week ago that related to the building works, and it's headed, 'Cocaine, escorts and Russians leave parliament fitout in chaos'. That was the front page, and then there was an article on pages 12 and 13. I'm sure you're familiar with it, or I hope you're familiar with it.

**Mr Stefanic:** That was the matter to which I was referring in my opening statement.

**Senator KITCHING:** Is this project a gross embarrassment for parliament?

**The PRESIDENT:** I think I used a similar term about the delays at the last estimates. It was an expression of my personal view.

**Senator KITCHING:** Yes, I think you did say, 'This is embarrassing.'

**The PRESIDENT:** But I hasten to add that the secretary's opening statement did go directly to the claims made in that article.

**Senator KITCHING:** What goes to the heart of this is the governance at a company that was awarded a $14 million contract as part of parliament's security works upgrade before the arrangements were terminated in January. Steelvision owes 400 businesses across Australia about $21 million. What background checks were taken?

**The PRESIDENT:** Before I let the secretary go to again explain the contracting process with Lendlease, it is worth also reminding people that this is a company to which the Victorian state government gave a substantial grant in March last year at the same time that another arm of that government was taking action for unpaid state taxes, and there are claims in newspaper articles about that grant by the Victorian Labor state government not being used. That was a direct relationship between a government and this company. I'll let the secretary again talk about the contracting process in place with Lendlease and again take the opportunity to remind people of the statements made by the secretary with respect to the claims made about that one person in that article you quoted earlier, the secretary having looked into those since its publication.

**Senator KITCHING:** Mr Stefanic?

**Mr Stefanic:** As has been explained in Senate estimates before, the managing contract model requires the managing contractor, in this case Lendlease Building, to organise the subcontracts that will perform the work on site. There were quite a number of elements to that project, the entrances being one of them. Lendlease conducted its own market testing for the subcontracts for that role, conducted its own due diligence process and engaged a subcontractor on that basis, so DPS doesn't have any direct role in the selection of subcontractors and doesn't have a role in conducting the due diligence of those subcontractors.

**Senator KITCHING:** Is there going to be an investigation into how this occurred?

**Mr Stefanic:** Into how what occurred?

**Senator KITCHING:** Lendlease has entered into a subcontract with Steelvision. You knew that there were issues well before it became public. Did you conduct an investigation then—

**Mr Stefanic:** In respect of—
Senator KITCHING: given you're the contracting party?

Mr Stefanic: In respect of the personal claims against Mr Gooley, of course, I explained that none of the parties were aware of any of those allegations. As I've also explained, we became aware in June 2018 of the issues with payments to suppliers.

Senator KITCHING: Sorry, in June 2018 you became aware of what?

Mr Stefanic: We formally became aware of issues with payments to suppliers who supply to Steellvision.

Senator KITCHING: You knew there were issues before then, didn't you?

Mr Stefanic: No. Lendlease became aware in the month prior to that of those issues with supplier payments.

Senator KITCHING: At the last estimates, in February, so not that long ago, I asked you: There's an Austender notice for Lendlease—the contract period says 10 June 2016. Would that be around about when you commenced or entered into legal relations—

In fact, in your answer to additional estimates QON 1, you indicate that the commencement date of the contract between Lendlease and DPS was 21 April 2016. Is that still correct evidence?

Mr Stefanic: That's correct. That's my understanding. That was when the contract—

Senator KITCHING: You checked off on these QONs, didn't you?

Mr Stefanic: Yes. April—

Senator KITCHING: So it wouldn't be your understanding; it would be accurate, wouldn't it?

Mr Stefanic: April 2016 was when the managing contract arrangement was signed between Lendlease and the Commonwealth, with DPS representing the Commonwealth.

Senator KITCHING: And you became formally aware when? In June?

Mr Stefanic: June 2018.

Senator KITCHING: In June 2018 you became aware that there were problems?

Mr Stefanic: That's correct.

Senator KITCHING: Did you have any clause in the contract with Lendlease that required them to inform you of any issues that might be holding up the building works or that might go to performance of the contract? I imagine you might have in that sort of contract. Did Lendlease actually ever inform you of any issues?

Mr Stefanic: We were aware of performance issues with Steellvision a little before we were formally told about the issues with supplier payments—

Senator KITCHING: When?

Mr Stefanic: but it wasn't that much earlier.

Senator KITCHING: Are we talking a month? Two months?

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

Senator KITCHING: Do you think someone sitting behind you might know?

Mr Stefanic: If Ms Knight has the information available to her—
Senator KITCHING: The reason, Mr Stefanic, I would like an org chart is that it is then very clear as to the set out of your department. You have not furnished me with one, and I can't believe that you said, I think, in your opening statement that you've got a thousand staff and no-one could update an org chart to make it current. Who's looking after building works now? Ms Saunders? Or Ms Knight?

Ms Knight: Yes, Fiona Knight, acting first assistant secretary.

Senator KITCHING: When did you become aware? Was it a month before you were formally told by Lendlease or it was it two months before?

Ms Knight: I'm just having a look through the brief.

Senator KITCHING: Sure, thank you.

Ms Knight: The information I've got is that in June 2018 DPS became aware that the deadline would not be achieved with Steelvision.

Senator KITCHING: But that's the date Mr Stefanic said you were formally told.

Mr Stefanic: During the break, I'll endeavour to get that information for you.

Senator KITCHING: Thank you.

Proceedings suspended from 10:29 to 10:44

CHAIR: The committee will now resume.

Senator SPENDER: I appreciate all the art around this building. I assume it's a function of DPS?

Mr Stefanic: Yes, it is.

Senator SPENDER: I'm wondering why you don't make money out of walking tours, particularly in non-sitting periods. I don't see why you couldn't make substantial money, in net terms, out of that.

Mr Stefanic: We offer a free tour to most visitors who come to Parliament House. There are options for paid tours where people can get an additional, behind-the-scenes look at the building. It isn't what you'd call a money spinner; it is based more around a cost-recovery initiative. We have been exploring a few other possibilities. Through Cultural Attractions of Australia, we are launching what is essentially a tour with a dining package rolled into it, which is tailored as a premium package. We'll see how strong the demand is for it. You raise a good point, and it's a relatively new area we're looking at at the moment.

Senator SPENDER: Where would the dining be?

Mr Stefanic: The dining venue? I'm not sure off the top of my head. I'll have to take that on notice.

Senator SPENDER: Presumably it could be the members and senators' dining room.

Mr Stefanic: Potentially, yes.

Senator SPENDER: Do the current limited paid tours that you provide with a sneak peak, a private tour, mean full access to all the public corridors? Do they exclude the ministerial corridors?
Mr Stefanic: It goes into the private areas of the building. Part of the reason why those
tours are paid for is that we provide a security officer to make sure that the staff don't wander
off while people are in the private areas. They're escorted at all times.

Senator SPENDER: But they can access, for instance, ministerial corridors.

Mr Stefanic: I don't believe the tours go into the ministerial corridors. No. Unequivocally,
no.

Senator SPENDER: I recommend that you maybe consider ramping that up because I
think it could be a money-spinner. There's at least a gallery's worth of art in the corridors in
the Senate and members' sides. Hopefully, you can consider that.

Mr Stefanic: It's something we'll certainly explore further.

Senator SPENDER: That's it for me.

Senator KITCHING: Mr Stefanic, thank you for the org chart. Did someone do this
during the break?

Mr Stefanic: Yes. It's just been updated.

Senator KITCHING: Going back to the commencement date between Lendlease and
DPS. In QON 1, I asked Mr Cooper: 'What was the date of contract with Lendlease?' Mr
Cooper, who's since retired, said, 'Do you mean the commencement date?' I said, 'Yes.' The
answer was: 'The commencement date of the contract between Lendlease and DPS was 21
April 2016.' But in estimates on 18 February, Mr Cooper said:
I'll just confirm that for you, Senator. Senator, I'll have to get the date of the original contract. I can
advise you that the contract between Lendlease and Steelvision was executed in August 2017
In the QON, it says the commencement date—

The PRESIDENT: Was the first QON date, though, DPS and Lendlease and the second
date Lendlease and Steelvision? I may have misheard.

Senator KITCHING: Mr Cooper:
I'll just confirm that for you, Senator. Senator, I'll have to get the date of the original contract. I can
advise you that the contract between Lendlease and Steelvision was executed in August 2017

The PRESIDENT: But the first date, which was April 2016, is DPS and Lendlease, if I'm
correct.


The PRESIDENT: Yes.

Senator KITCHING: Can I get some understanding around the Lendlease and DPS
contract. Can we use the same terms. By 'commencement date', do you mean the execution of
the contract or was there some other date within the contract? For example, a contract could
be executed but in fact have a term within it that it not be commenced until a month later or
something.

Mr Stefanic: I do have a chronology that I can speak to.

Senator KITCHING: Excellent.

Mr Stefanic: On 21 April 2016 was the contract signing with Lendlease. That's the
managing contractor relationship. On 8 August 2017 was when the contract between
Lendlease Building and Steelvision was executed.
Senator KITCHING: Sorry; the 8th of the 8th—

Mr Stefanic: 2017.

Senator KITCHING: Lendlease and—

Mr Stefanic: Steelvision.

Senator KITCHING: And that was executed on that day.

Mr Stefanic: Correct. If I can return to the issues of performance that you raised, both performance and the issues relating to supplier payments came up in May 2018.

Senator KITCHING: That was before you were formally told.

Mr Stefanic: We were formally told in May regarding the performance issues. We were formally told in June in relation to the supplier payments issues.

Senator KITCHING: When you said before that you knew of problems before you were formally told, when was that? Was it in relation to performance or nonpayment?

Mr Stefanic: I think rumours started circulating around supplier payments in the context of when discussions occurred around performance. Obviously, we cannot rely on rumours. Lendlease and DPS would meet on a regular basis to discuss all aspects of the project, and it was in that forum that the issues were raised.

Senator KITCHING: How frequent are those meetings?

Mr Stefanic: I'll have to take that on notice.

Senator KITCHING: Who goes to the meetings?

The PRESIDENT: Did we table a list of meetings about this as part of our question on notice?

Ms Knight: I've just been advised that they're once a fortnight.

Senator KITCHING: When you first heard the rumours, I presume it was the subcontractors telling other people on site, was it?

Mr Stefanic: There was a variety of mechanisms through which we were hearing it. I know there were some representations to members of parliament. I know there was one instance—I can't recall the date—when DPS received an email directly.

Senator KITCHING: From Lendlease or from—

Mr Stefanic: No, from parties that were suppliers.

Senator KITCHING: To Steelvision?

Mr Stefanic: Correct.

Senator KITCHING: And that might be someone—for example, there was an employee of Steelvision who was left $8,000 out of pocket after personally paying for hardware necessary to secure Parliament House doors. Was it a subcontractor or an employee?

Mr Stefanic: I'm unaware of the situation you're referring to.

Senator KITCHING: Who told you? You were told by a subcontractor directly?

Mr Stefanic: That's my understanding, but I'm only recalling many conversations I've had over time.

Senator KITCHING: There were many conversations about non-performance issues.
Mr Stefanic: No, in relation to the project.

Senator KITCHING: But the one you're referencing now—that was by email. You received an email directly from someone?

Mr Stefanic: I believe one of our staff would have received an email.

Senator KITCHING: What date was the email?

Mr Stefanic: I don't know, honestly.

Senator KITCHING: Is that staffer here?

Mr Stefanic: No.

Senator KITCHING: Is that person able—and this is the problem, Mr Stefanic, when you truncate your witness list so severely. In fact there aren't people in the room who can answer these questions. What I would like to know, given that there is a paper trail, is: what is the date of that email?

Mr Stefanic: I think the important thing here is that, when the issues were raised with us and we raised them with Lendlease, all parties responded as soon as possible, and I know that Lendlease did a lot of work to both investigate and assist with the issue. We can't be responding to rumours in every instance and claims at face value. There's a formal process that needs to be followed. DPS has no contractual right to be interfering directly in the contract between Lendlease and Steelvision. We are at arm's length in that respect. All we can do is nudge. We have no contractual right to be giving directions in relation to—

Senator KITCHING: I understand the concept of privity of contract. You've said two things which could be contradictory. One, you've said, 'Well, the important thing to take away from all of this is that we all responded as quickly as possible,' and, two, that one can't rely on rumours and, therefore, 'we sort of waited'—

The PRESIDENT: With respect, Senator Kitching, I don't think it's fair to characterise those as contradictory. There were lots of discussions as the Speaker, myself and officials in DPS became aware that the original deadline was not going to be met. We also became aware—I received representations from colleagues, that I think I forwarded to DPS, and I wasn't the only one—of claims being made of nonpayment. One of the reasons we need to be careful when such claims are made is that such claims, if they do get into the public domain without basis, can actually have an impact upon the operation of a company. Those claims were investigated, but, as the secretary has said, we are dependent upon the head contractor, who is the contractor with the subcontractor in this case. We have no right to interfere in that.

Senator KITCHING: When you heard the rumours, did you raise them at the next fortnightly meeting?

Mr Stefanic: My understanding is that that's correct.

Senator KITCHING: If someone is able to find the date of the email in which you were informed directly of—

The PRESIDENT: In which a claim was made. Again, I think we have to be careful—

Senator KITCHING: I'm happy to take that. A claim was made. That would be very useful.

Ms Knight: I've got a chronology of events here.
Senator KITCHING: Thank you.

Ms Knight: On 22 March 2018, quality concerns were raised by Lendlease with Steelvision regarding defects in workmanship, including scratched glass. On 31 May 2018, Steelvision subcontractor Workfast Labour Hire voices concerns to Lendlease regarding overdue invoices, and Lendlease raised these issues with Steelvision.

Senator KITCHING: Workfast was a contractor to Steelvision?

Ms Knight: A subcontractor is my understanding.

Senator KITCHING: A subcontractor to Steelvision, not to Lendlease?

Ms Knight: Yes.

Senator KITCHING: But they raised those questions not through their contract they had with Steelvision; they raised them with the prime, I guess?

Ms Knight: They raised concerns to Lendlease regarding overdue invoices on 31 May. On 9 July, Steelvision subcontractor GK Solutions makes contact with Lendlease project manager regarding overdue payments.

Senator KITCHING: So this was a constant agenda item at the fortnightly meetings?

Ms Knight: I wasn't party to those meetings but, yes, I—

Senator KITCHING: Have you got the paperwork from those meetings, though?

Ms Knight: I've got a chronology of events here. I haven't got the minutes with me.

Mr Stefanic: There was a QON to which we provided a comprehensive list of all the meetings that were held where discussion occurred in relation to Steelvision's performance issues and financial difficulties.

Senator KITCHING: Their contract was terminated in January this year. So the first concerns were around defects in scratches in the glass in March—is that right? 22 March?

Ms Knight: That's right, 22 March

Senator KITCHING: And then on 31 May you actually have someone saying, 'Look, there's been nonpayment'?

Ms Knight: Yes.

Senator KITCHING: And it took seven months before they were terminated?

Mr Stefanic: Defects arise all the time on any construction project—

Senator KITCHING: I'm not talking about the defect, because that does happen on construction sites. Did alarm bells go off in May when Lendlease was told that there was nonpayment of labour hire invoices? Are you a model litigant under the Commonwealth's—

Mr Stefanic: I think we answered that question at last estimates. My understanding is that the answer is yes.

Senator KITCHING: Going back to the previous question.

Mr Stefanic: When the issues came to our attention, the discussion of that became a formal item for every meeting agenda with Lendlease. Contractually, Lendlease are obliged to do everything they can to assist with their own subcontractor performance. I understand they went to great lengths to assist Steelvision along the way up until the time it became apparent that the combination of poor performance and the issues—and we became aware of a second
matter before the courts. It became clear that there were issues with liquidity of the company as well. And then Lendlease finally terminated the contract in January 2019.

The PRESIDENT: It is worth highlighting that it wasn't within the power of DPS to terminate the contract. There was also—at least to my memory, and I'm happy to be corrected—an awareness that to move to another contractor would have entailed another substantial delay on a project that was already delayed because of issues with Steelvision. Reflecting the wishes of senators, and I assume members of the House as well, there was a focus on completion as close as possible to the original time line. But then, obviously, with the awareness of claims of payments not being made, that also became a substantial focus. But the right to terminate the contract is one that is with Lendlease, not with the Department of Parliamentary Services.

Senator KITCHING: Yes, but you have a right to terminate the contract with Lendlease because of nonperformance of their subcontractors.

The PRESIDENT: And if you wanted the doors still the way they are at the election after this one, that would be the way to go, in my view, with my experience on this project.

Senator KITCHING: Will there be a tightening in the contract with the prime, so in this case Lendlease, around procurement and subcontracting controls?

The PRESIDENT: I wasn't party to the original one, having taken the job in November 2017. There have been a lot of discussions around that previously. I would suggest that everyone can take away learnings from every project that has substantial delays, and this is probably one of them.

Senator KITCHING: Is there any intention to explore compensation options for those subcontractors who worked on the parliamentary build and have now been left out of pocket for millions of dollars?

Mr Stefanic: Certainly, representations have been made to us in relation to suppliers that have not been successful in getting payment from Steelvision. Representations have been made to Lendlease, to us directly and, as I understand, to the presiding officers. There are formal mechanisms for subcontractors to legally pursue their options. We've directed those suppliers to those forums. There is a difficulty for DPS, again, because of the lack of a contractual nexus between us and Steelvision. The other issue is that there's scope for—if the Commonwealth decided to pay those subcontractors, given we had already paid for the work, it would pay twice for the same work. If one supplier came forward and was compensated, then every supplier would come forward to be compensated. So, potentially, the Commonwealth would be paying twice on every subcontract.

Senator KITCHING: That's why I'm asking you the question around 'are you going to tighten up procurement practices for subcontractors particularly?' Of course, these people aren't entitled to FEG. What are you going to do? As the President says, one takes learnings from projects that are problematic or deeply embarrassing. What's the learning from it, or are we just going to merrily go along and cross our fingers and hope it all goes well?

Mr Stefanic: I'm entirely empathetic to the situation, which is why we did everything we could legally and responsibly to assist where we could. One of the other issues that I omitted, that the President helpfully reminded me of, was that there is every chance that, if we paid a subcontractor that was listed as a creditor, a liquidator or an administrator could claw back the
sum paid and put it into the pool, which could mean that the subcontractor receives nothing in the end after all. In relation to your earlier question about the nature of the contract: as the President pointed out, from what we've learned with this scenario, we will take it away and certainly look at how we can legally tighten the contractual terms to make sure that we have some greater visibility.

**Senator KITCHING:** Is this going to be fed into the process for the Commonwealth Procurement Rules?

**Mr Stefanic:** It would be fed into the process of how the managing contract itself is constructed.

**The PRESIDENT:** I hope Lendlease takes some learning from this, too. In the end it is the head contractor's responsibility to pay people they contract with. We make our payments that we are liable for under the contract. Therefore we would hope that others do.

**CHAIR:** And to vet their subcontractors.

**The PRESIDENT:** And I've got to say that when these issues were brought to us—and there may have even been representation from members of multiple political parties; I can't guarantee that, but there were definitely multiple members—this was a matter that was a focus of a lot of work, because no-one wants to see people out of pocket for work they have performed. But, as I said, just as there are learnings for all of us—myself, senators, officials included—I hope Lendlease takes some away too, because in the end they were the ones that we contracted with to see implementation of this security upgrade.

**Senator KITCHING:** And I'm not suggesting that you necessarily want a committee of parliamentarians overlooking contracts—God help us!—but we did have a discussion in relation to another matter, which was BAE and its provision of the security pass system, and it was like trying to draw blood from a stone to get any information about that. So, it would seem that the learnings around perhaps sharing of information didn't extend to that experience and that contract. What I'm asking is: what's going to be different going forward from what has happened now? And some of the employees are on 457 visas. Some are owed more than $50,000 in wages and entitlements. They're not eligible for Fair Entitlements Guarantee payments, as they're not permanent residents. Is there any move to compensate them? Have you discussed with Lendlease compensating these people?

**The PRESIDENT:** I'll let the secretary go to detailed discussions that may have happened, but, again, I restate that we have fulfilled our contractual obligations, and DPS has gone further to try to investigate claims of other people not fulfilling their contractual obligations. We also have an obligation to taxpayers to ensure that we get value for money, in a difficult environment—because it's not the easiest building to work on, for reasons we've discussed before—and that we don't expose the taxpayer to additional risk or that we don't take steps that might lead to effectively spending extra money that doesn't actually address the problem. I have met with one unpaid contractor, and after advice from the secretary and consulting with the speaker, I provided some advice to that person—not formal legal or financial advice, I hasten to add, not being qualified in those areas. But I've only had that one particular meeting. I'll let the officials speak to any further, more-detailed, discussions they've had with Lendlease.
Mr Stefanic: I think as the President mentioned, the fact that the presiding officers have even gone to lengths to assist with the process indicates that we've approached this in good faith.

Senator KITCHING: As you're required to under the model litigant rules.

Mr Stefanic: Yes.

Senator KITCHING: So, the President has had contact with a subcontractor.

Mr Stefanic: One.

Senator KITCHING: Have there been any other contacts by the department in relation to either contractors or employees of Steelvision?

Mr Stefanic: I will correct, if I mislead, but my understanding of it is that it is only the one subcontractor, and that is the one that the President just referred to.

Senator KITCHING: Is there any evidence that Lendlease delayed payments to Steelvision?

The PRESIDENT: Can I ask, just to clarify—delayed, as in contrary to the contract, or delayed because things might not have been done on time and therefore shouldn't have been paid for?

Senator KITCHING: They—Lendlease—have ultimately taken over the project. Is that correct?

Mr Stefanic: Lendlease have always remained responsible for the project.

Senator KITCHING: But they've taken over another part—Lendlease is now doing what Steelvision was doing?

Ms Knight: No, we've got another subcontractor.

Senator KITCHING: Who's that?

Ms Knight: Onsite.

Senator KITCHING: The evidence of the new cost to taxpayers was approximately $1.5 million in the last estimates. Is that still the figure?

Mr Stefanic: Yes. I don't believe it has changed—the time nor the cost.

Senator KITCHING: On the professional services provided by Clayton Utz, are you able to provide the signed retainer agreements with Clayton Utz together with the copy—the taxing documents, the copies of all the tax invoices for professional fees and disbursements, including fee earner hourly rates?

Ms Knight: I'll have to take that on notice, sorry.

Senator KITCHING: You'll take on notice to get those documents?

Ms Knight: If they're available, yes.

Senator KITCHING: If you're not getting and asking for the hourly fees and the disbursements from Clayton Utz, I would suggest that you are able to do that and that I would be doing that.

The PRESIDENT: Are you asking for the actual billing documents?

Senator KITCHING: They can be redacted, but I think it would be instructive to see—
The PRESIDENT: You want to see the amounts—
Senator KITCHING: I want to see the amounts.

The PRESIDENT: of hours, costs and disbursements?
Senator KITCHING: Yes. For example, it occurs to me that probably the department has gone back to Clayton Utz to get legal services, because this project has not been run—

The PRESIDENT: I would hope the department is seeking legal advice, given the number of issues we've had.
Senator KITCHING: Yes, I'm not questioning the getting of the legal advice. What I'm asking is: what kind of advice has been provided and in what areas of Clayton Utz is advice being sought?

The PRESIDENT: So, what sorts of internal areas and expertise areas?
Senator KITCHING: Yes—and I'd like the fees and disbursements.

The PRESIDENT: Can I just say that, to the extent that it is appropriate—is that specific enough for officials? I don't think there should necessarily be names of people or copies of the advice, for example. You're just after the costs, disbursements and—I'm just trying to narrow it down. The question is to give you as much as you're after?

Senator KITCHING: Yes. I'd also like the total cost. Is that more than you were budgeting for, for example? What's the hourly rate of the fee earners? I'm not saying this is fair, but tax lawyers offer earn more than other lawyers within a firm. So, what's their charge-out rate? I'd like to know that. Construction lawyers will earn a particular hourly rate.

Mr Stefanic: We'll provide whatever information we can ascertain.

Senator KITCHING: Mr Stefanic, can I just go back briefly to the organisational chart and the recent changes. The First Assistant Secretary, Building and Security Division; the Assistant Secretary, Security Branch; and the Assistant Secretary, Capital Works Branch—are they the ones who've moved, or have there been changes in those—

Mr Stefanic: Those positions now report directly to the deputy secretary—

Senator KITCHING: To Ms Saunders.

Mr Stefanic: Ms Saunders rather than to me. Structurally, the Information Services Division, the Parliamentary Library staff and the Design Integrity and Archives Unit continue to report directly to me.

Senator KITCHING: Were they offered a section 37 incentive to retire?

Mr Stefanic: Which staff are you talking about?

Senator KITCHING: Those three positions; what we've just discussed. There are people on personal leave. The people occupying those positions, have they been offered a section 37?

Mr Stefanic: I'll have to take that on notice.

Senator KITCHING: You don't know? Ms Saunders doesn't know?

Mr Stefanic: I'd need to look up the reference to the legislation you're referring to.

Senator KITCHING: But wouldn't Ms Saunders know? Ms Saunders?

Ms Saunders: I'll need to take it on notice.

Senator KITCHING: Do you think you can come back quickly?
Ms Saunders: Yes.

Senator KITCHING: If you're taking that on notice and endeavouring to answer it quickly, is it because they're under investigation? And I'd like to know what the redundancy cost is.

Mr Stefanic: There are no senior executive officers in the department under investigation.

Senator KITCHING: What about the redundancy costs?

Mr Stefanic: There are certainly no redundancy costs in relation to two of the staff you've mentioned, because they're still on our staff. There is one person, that has left the department, who has retired.

Senator KITCHING: That's Mr Cooper.

Mr Stefanic: Mr Cooper. And I will endeavour to get back to you on that.

Senator KITCHING: Okay. And I'd like to know the quantum.

Mr Stefanic: Yes.

Senator KITCHING: Thank you. On the organisational changes, is this because there had been issues, for example, in the security services of—I mean, did you feel you needed to make changes because there had been problems in that area?

Mr Stefanic: No. When I was initially appointed, in December 2015, I commenced a review of DPS, which took, I recall, about four or five months to complete. I had made quite a number of considerations during that review process, including looking at the Baxter review, at the time, which made recommendations of its own. I looked at a lot of the documentation that had been generated, in respect of DPS, in the years prior to it, including a number of audit and Senate committee reports. I actively considered the creation of a deputy secretary role at that time. I decided not to, primarily because as I was new to the department there would be little point in bringing a new person, who was new to the department, to function in that deputy role. It was also important for me to understand every element of the organisation.

After three years, I've now taken a look at the structure. As I explained in my opening statement, given the size and complexity of the structure, it is a significant risk, for the department, in me being the sole person who has a broad oversight of all the functions. It made complete sense to do that. We do, however, have more work to do. In an effort to enable that, it was necessary for the creation of an additional position that would assist me to drive those changes but also to provide a backstop—in case I got hit by a bus.

Senator KITCHING: I hope that doesn't happen.

Mr Stefanic: So do I.

Senator KITCHING: The light tram being built as well!

Mr Stefanic: Or—I'll steer clear of Civic.

Senator KITCHING: Is the next SES performance cycle still due to be completed by 31 July?

Mr Stefanic: I understand that's correct.

Senator KITCHING: Is that correct, Ms Saunders?

Ms Saunders: That's my understanding. There's been no recommended change to that.
Senator KITCHING: So it is due to be completed—or it's your understanding it's due to be completed?

Ms Saunders: I'm not aware of any changes.

Senator KITCHING: Will all performance reviews of senior executives be conducted and completed on or before this deadline?

Mr Stefanic: We will aim to complete them before that deadline.

Senator KITCHING: Before that deadline. I want to go to the IT strategy, but I think you said something like you didn't have any concerns but you were new to the role et cetera. But you haven't gathered some concern around positions that are specific to building works and security? You didn't have any concerns about them, given what's happened in both of those sections of DPS?

Mr Stefanic: When you implement reforms there are always elements that require additional work. Sometimes the issues that arise are greater than what was originally anticipated. And I'm only addressing the security because you referred to it, Senator. It is a particular area that we have been looking at—both improving the conditions of the staff and their rostering, and looking at the training and development they receive and the duties they perform. It's an area that requires more work. I did mention the PSPF in my opening statement, which is a change that has been implemented. It requires us to change the way we report on our security framework, both from an IT and a physical security perspective. So there's additional work that's been put on the department to make sure that, rather than playing catch-up, we are an exemplar.

Senator KITCHING: Has anyone located the missing security manual?

Mr Stefanic: If you're referring to—

Senator KITCHING: The BAE—

Mr Stefanic: the BAE matter, I don't believe so.

Senator KITCHING: Okay. I just want to go to the IT strategy, and I'm very pleased to see Mr Stinziani here. Can I ask about the digital strategy update. In estimates in October 2018, the department indicated that implementation of the digital strategy plan was still expected to commence on or around 1 July 2019. After additional estimates in February 2019—just recently—the answer to question on notice 25 indicated that the underpinning road maps won't be completed until September 2019. Does this mean that the implementation isn't going to occur on 1 July?

Mr Stinziani: The strategy itself was signed off and is now in place. It's 2019-22, so for the calendar year it's underway. The road maps are essentially the 'how' of that strategy. The strategy is really why we're doing what we need to do and what it's going to look like in three years time, and the road maps themselves are the 'how'. It doesn't mean that we're going to commence the 'how'. We're already underway with lot of the 'how' side of things. We've already started initiatives around cloud computing. We're already improving our ICT security side of things. The road maps are a guide to take us out beyond three years, but we already have a pretty good view of what needs to be done immediately, and certainly for next financial year the planning is underway for those. The road maps are really to set the
direction. For our decision-making and our investment decisions over the next couple of years, we do have a light on the hill, if you know what I mean, that we can aim for.

**Senator KITCHING:** A light on the hill that you hope to aim for—what does that mean? When's the light on the hill coming?

**Mr Stinziani:** In terms of 'light on the hill' statements, it's around statements in the digital strategy, around a move towards cloud computing, for example. So what that is is, basically, as new projects come on board over the next three years, the guidance the strategy provides is for our staff to say, 'Is cloud computing an option for the delivery of this particular project?'

**Senator KITCHING:** Mr Stefanic, I think we e-mailed you about the lack of connectivity in the building, and in your email back to me, on 13 February 2019, you said: 'I know that the current service is unacceptable and the planned upgrade doesn't help you right now. We are unfortunately playing catch-up on all our infrastructure upgrades, which should have occurred some years go.'

**Mr Stefanic:** In that conversation I was specifically addressing the issue of the mobile telephony in the building, which is well known to have many black spots and inadequacies. The system was built in the nineties. It's been upgraded to its fullest extent. We have been unable to upgrade it any further. In the last two years a significant body of work has been undertaken to develop specifications for a replacement network. That work was completed. I'm happy to say that, following an NPP, we've been successful in getting funding to upgrade that mobile communications network, which I would hope we'd have completed before the end of financial year 2020.

**Senator KITCHING:** So next year?

**Mr Stefanic:** Yes, the funding was for 2019-20. The specification work has all been completed. I believe the actual works themselves would be conducted under the auspices of Telstra. And that is essentially close to ready to go. So there should be no actual delays in the implementation.

**Senator KITCHING:** There won't be any delays in the implementation?

**Mr Stefanic:** There should be none. We estimate the project may take about eight months.

**Senator KITCHING:** You're going to start it sometime towards the end of this calendar year?

**Mr Stefanic:** Yes, that's the objective.

**Senator KITCHING:** I note you have a digital strategy document, which I don't think is available online, which is a little ironic. But it is available in hard copy. How much did this cost to produce?

**Mr Stinziani:** Senator, it is available online. It's on the APH website. I can take on notice the exact cost for the production of the physical copies.

**Senator KITCHING:** Yes, I'd like to know how many you made, what it cost, how much it cost to produce.

**Mr Stinziani:** Certainly.

**Senator KITCHING:** Just the standard questions. It's very broad scope though, wouldn't you say? It's not very specific.
Mr Stinziani: No. The road-mapping exercise will have the specifics around how we're going to go about delivering it.

Senator KITCHING: I think there were two instances last calendar year when the system in Parliament House failed, one where we got a piece of paper in our in-trays saying, 'By the way, there's no e-mail'—sorry, the first time I think an email was sent out about the fact that there was no email, so obviously people didn't receive that until after the system came back online. So that doesn't seem to be an optimal way to communicate with people—in a medium which isn't working. And then the second time I think there was a slip of paper put in our in-trays. Do you think it's possible to send out text messages? Of course, most people in the building actually revert back to their provider to get connectivity because the wireless connectivity does not work. What are we doing in the future? Are you going to text message people?

Mr Stinziani: Those two incidents have really forced us to have a look at how we go about that and to formalise our comms plan during major outages. Of course, email, when systems are available, is the primary way, but we do have other methods in place around voice messages on landline phones, and there's a text-messaging arrangement that we do have in place, but we go through the presiding officers, in cooperation with the whips, to text message parliamentarians that way.

Senator KITCHING: But that hasn't happened yet, has it?

Mr Stinziani: It has, yes.

Senator KITCHING: In the last—

Mr Stinziani: It happened the last time.

Senator KITCHING: When the system last went down?

Mr Stinziani: Yes. It happened around the major security outage that we had.

Senator KITCHING: I'm going to move to Comcare. Mr Stefanic, you can correct me if I'm wrong, but in the additional estimates in February I asked you for an improvement notice and you wouldn't give it to me. I then asked Comcare for a copy and they gave it to me straightaway. I'd like to know why it wasn't possible for you to give it to me? I don't really appreciate spending time going around to other agencies when we could have had a discussion in February about the improvement notice of which you said it was not possible for me to get a copy, but then the other agency, Comcare, gave me a copy very quickly. I'd like to know what that was about.

Mr Stefanic: If the agency was able to give it to you privately, that's certainly one matter. What we would be reluctant to do is publicly publish a document that speaks to the operational security of the building.

Senator KITCHING: It wasn't given to me privately.

The PRESIDENT: Did they table the document?

Senator KITCHING: It was a question on notice. No. 1204. It was me asking the Minister for the Department of Jobs and Small Business for the Comcare improvement notice and I received the improvement notice.

The PRESIDENT: It may be that DPS and Comcare have a different view. Sometimes I've noticed, as we've covered in other estimates, as we covered earlier, that other agencies
aren't as cognisant of the issues around parliament, whether that be privilege or whether that be security. I don't know if there was any further engagement with Mr Stefanic. I can't recall any, but there may be a difference of view about whether the document should be published.

Senator KITCHING: I think Comcare would be an agency that would understand privacy, for example—

The PRESIDENT: With respect, I think—

Senator KITCHING: because it deals with it all the time.

The PRESIDENT: Yes, but Mr Stefanic talked about the operational security of parliament. I think we had a discussion earlier in the Department of the Senate around privilege and how some agencies don't necessarily—not through anything malevolent or intentional—have the sensitivity to some aspects of parliamentary operations. It could just be that the two agencies have a different view of whether the document should have been published.

Senator KITCHING: I can read you the improvements notice. I presume you have a copy, you just wouldn't give it to me.

Mr Stefanic: We do have a copy of the improvement notice, yes.

Senator KITCHING: What I asked them, so you're aware, was, with reference to Comcare's answer to question on notice—long sequence of numbers—from the 2018-19 supplementary budget estimates hearings from the Education and Employment Legislation Committee, 'Can Comcare produce a copy of all correspondence between it and the Department of Parliamentary Services relating to the mishandled powder out of place incident in Parliament House on 22 November 2017, including without limitation the improvement notice?' Answer: 'The relevant documents are attached. Personal details and information not relevant to the incident of 22 November 2017 have been redacted.' Then I've got a series of papers, as you can see. I'm happy to table these, but Mr Stefanic will actually have these documents. As you can see, there are extensive documents here.

Mr Stefanic: Senator, I would rather you didn't table it. If Comcare would have sought my advice about it, I would have advised against publication of the document.

Senator KITCHING: Why?

Mr Stefanic: Because of the operational security discussion in it. I certainly wouldn't have an issue with it being provided privately to a senator. That is always an option.

Senator KITCHING: You didn't give me that option, Mr Stefanic.

CHAIR: Senator Kitching, as you know, in estimates it's not an option for evidence to be provided in any way other than public.

Senator KITCHING: That's right, but there was no private briefing offered. There was nothing, as happens in other committees. It happens all the time in terms of the Committee on Foreign Affairs, Defence and Trade.

The PRESIDENT: Senators can always ask if it's possible to deal with it outside the process. If it wasn't offered—I don't make the offer all the time, but it's standing there. If a senator wants it, we can do it. We did it with the ICT issues, I think.
Senator KITCHING: On the second page of the improvement notice in paragraph 8, Comcare describes some of its findings. Here's an extract from the improvement notice: ‘Through examinations of these documents’—

which is referring to two DPS policies, so policy documents—and further discussion a number of differences were identified between the requirements of the policies/procedures and actions undertaken.' Does the department agree with that statement?

Ms Saunders: I'll answer this question. Yes, the department did agree with that statement.

Senator KITCHING: In paragraph 11C it refers to a person's ability to distinguish between powder substances and it says: 'There is also no explanation provided to describe who can make an assessment to determine if there is little or no risk of a biochemical threat or what training or qualification is required to be able to make this assessment.' Do you agree with that?

Ms Saunders: Yes. The department agreed with all the statements in that notice.

Senator KITCHING: In estimates in February 2018, I was told from the President: Senator Kitching, neither of us have the training or experience that Mr Anderson has. The fact that he has outlined in great detail the steps he took indicates how seriously these matters are taken and that he is qualified to make these assessments. We employ people to do that, and I think we do need to trust expert judgement when dealing with such technical matters.

But Comcare says that in fact there is no way that a person is available to distinguish between powder substances.

Mr Stefanic: The issue's much broader than just being able to distinguish powdered substances. The issue is identifying the threat posed by the substance, its placement, the location, the quantity and the nature of its appearance—they are all relevant factors that are taken into account by people who are formally trained in making those assessments.

Senator KITCHING: Yet Comcare says that no-one is able to really make those findings, and certainly not by licking and tasting the substance, and that in fact the requirements of the policies and procedures did not match the actions that were undertaken.

Ms Saunders: That statement is correct, and I've read it in the improvement notice. The main finding from Comcare was that the policies and procedures didn't actually reflect practice and needed to be updated.

Senator KITCHING: When did you reach that conclusion?

Ms Saunders: It's described in there.

Senator KITCHING: I don't want to go into too much detail because I don't want to encourage these incidents, but the policies and procedures that you had in place were not followed. When did you make a decision that they needed to be updated; and have they been updated yet?

Ms Saunders: I can answer the second question. Yes, they have been updated. They were in fact updated back in October of last year. I understand that—

Senator KITCHING: But didn't Comcare tell you to update? Wasn't that part of their finding? Comcare told you to update your process—

The PRESIDENT: The process was underway prior to the Comcare note. Is that correct?
Ms Saunders: That's correct.

The PRESIDENT: That's my recollection.

Ms Saunders: The procedures were already being considered for updating prior to when Comcare issued the improvement notice.

Senator KITCHING: Comcare, in the improvement notice, told you to update?

Mr Stefanic: No, the work to update had commenced before Comcare issued its improvement notice.

Ms Saunders: The main area that required updating, in accordance with Comcare's recommendations, was specifically in relation to how to manage a type 1 incident, which, in the earlier version of the policy and procedure document, is an incident with little or no risk of biochemical threat. In the new and updated procedure, that's referred to as an incident which is neither suspicious nor hazardous. Comcare also noted that there was no reference to the use of the HazMatID Elite machine, which is the one that confirms the type of substance that the unidentified substance is.

Senator KITCHING: And that's the one in the basement that people have training on on Fridays? I think it was Fridays.

Ms Saunders: Mostly on Fridays, yes.

Senator KITCHING: The Work Health and Safety Act was breached, wasn't it?

Ms Saunders: Yes, it was.

Senator KITCHING: And nowhere in either the former policies and procedures or in the updated ones would walking into a partially set up location that had been partially secured be foreseen as a good way to behave in that circumstance?

Mr Stefanic: In normal circumstances the AFP would have attended.

Senator KITCHING: But you didn't notify the Australian Federal Police. This is another instance, Mr Stefanic, where I had to then go to the agency and ask them the questions that I had asked you. How did they learn about it? They learnt about it from the media. You didn't notify the AFP.

Ms Saunders: Yes, we did.

Senator KITCHING: You can go back and look at the Hansard. They found out from the media.

Ms Saunders: We will go back and check, but there were two attempts made to contact the AFP.

Mr Stefanic: There are two elements here. The first is the attempts to contact the AFP to attend the matter. We've been on record repeatedly. Whether there was a report to the AFP specifically about that as a matter which appeared in the papers, no-one contemplated that this would become an issue of media interest, because it had been determined it wasn't an incident because of the nature of the material.

Senator KITCHING: Paragraph 12 of the improvement notice reads: 'DPS has breached sections 19(1), 19(3)(c) and (f) of the Work Health and Safety Act and contravened regulations 37, 38 and 39 of the Work Health and Safety Regulations in a way that make it
likely that the contravention will continue or be repeated.' That is Comcare's assessment. Are you going to keep breaching those provisions and those regulations?

Ms Saunders: On 5 November 2018 Comcare wrote to DPS and explained that all the actions that were agreed that DPS would undertake had all been completed and they were satisfied to close the matter. So Comcare are satisfied that DPS has undertaken everything that it needs to satisfy them that those issues will not continue—primarily through updating the policy and procedure, making people aware of the changes to the policy and procedure and training people.

Senator Kitching: On how many occasions in the past has Comcare issued a formal sanction under the Commonwealth Work Health and Safety Act, including, but not limited to, improvement notices and prohibition notices requiring or preventing the department from doing something which could have been prevented had the department demonstrated acceptable management?

Ms Saunders: We'll take that on notice.

Senator Kitching: Mr Stefanic, at last estimates I said to you: I'm running short of time. What's the maximum monetary penalty, for exposing the taxpayer, for the department being issued with an improvement notice?

You answered: There is no monetary penalty involved.

Can you explain then why on the final page of the improvement notice it states: 'Penalties. You must comply with this notice. Failure to comply may incur a maximum penalty of $100,000 for an individual, $500,000 for a body corporate'.

Mr Stefanic: I wasn't referring to the legislation itself; I was referring specifically to our situation, and there was no financial penalty imposed on DPS as a result of their findings.

Senator Kitching: I know you wouldn't share the improvement notice with me, but you didn't have it with you? You hadn't read this? Obviously there are penalties involved. I didn't ask you about a specific incident. What I said was: What's the maximum monetary penalty, for exposing the taxpayer, for the department being issued with an improvement notice?

You said: There is no monetary penalty involved.

In fact, that is not correct.

The President: The way I read it is, if you don't comply with the notice, you're subject to a penalty. You're not subject to a penalty for the notice being given.

Senator Kitching: I'm not asking that.

The President: That's the way I hear your question.

Senator Kitching: What I asked Mr Stefanic was, 'What's the maximum monetary penalty?' Mr Stefanic said, 'There is no monetary penalty.'

The President: But the rest of your question, Senator Kitching, leads me to believe it was: 'Up until this point, does the provision of this notice involve a financial penalty?' I don't think it does. I think failure to comply with the notice can trigger that.
Senator KITCHING: On 18 July 2018 at 8.38 am—I'm giving you that so it'll be easy to find—Comcare sent the department a high-priority email containing the following: 'As discussed at our meeting of 13 July 2018, you were to provide me with dates and calendar invites for update meetings to verify the actions taken by DPS in relation to the improvement notice. I have not received these to date.' So Comcare issued a formal sanction of an improvement notice to the department, and the department didn't comply with the undertakings it's given to Comcare.

Mr Stefanic: I'm not aware of what you're referring to, Senator.

Senator KITCHING: I can give you the date and time of the email again. It's 18 July 2018 at 8.38 am. It's a high-priority email.

Mr Stefanic: I think what I need to refer to is that Comcare came back on site on a number of occasions to assess progress against the improvement notice. According to my records, they came on site on 31 July, 23 August, 20 September and 11 October and then, as Ms Saunders mentioned, on 5 November formally advised that we had fully complied with the requirements of the improvement notice and the matter was now closed.

Senator KITCHING: There are other examples of noncompliance: 'DPS agreed to provide a copy of this document by 21 October 2018. However, this has not been forthcoming.' That's from the Comcare inspector's report of 19 October 2018. 'At verification inspection, DPS provided the inspector with a hard draft copy of documents. DPS undertook to provide these electronically. As of 10 October 2018, these documents had not been provided to the inspector.' That's the Comcare inspector's report of 19 October 2018. It goes on: 'Based on the information reviewed and discussed at the meeting on 18 September 2018, and the progress of document preparation, it appears that DPS may have difficulty meeting the directions of the improvement notice.' Again, that is from the Comcare inspector's report of 19 October 2018.

Mr Stefanic: I'm not sure what document you're referring to, Senator. I've never seen it.

Senator KITCHING: It's Comcare reference MC00006537, report No. 1. I'm slightly concerned you're not familiar with it.

Mr Stefanic: I'm presuming that that's part of the documentation that Comcare provided you with directly, which we would not have had access to.

Senator KITCHING: But they've obviously provided it to you as well.

Mr Stefanic: I'm not sure of that.

Senator KITCHING: You're the relevant secretary, Mr Stefanic.

Mr Stefanic: If we have not received the documents, I can't say that we have. I just don't know.

Senator KITCHING: So you think Comcare gave me the documents but not you, the secretary of the relevant department?

Mr Stefanic: You have much greater powers than I have to request that information.
The PRESIDENT: I don't know the documents to which you refer, Senator Kitching. But it is entirely possible Comcare gave you some internal working documents that were not provided—

Senator KITCHING: It's a report. I'm happy to table it.

The PRESIDENT: I think the secretary asked that it not be tabled. By all means provide it to facilitate DPS chasing it up. I gather the questions you're asking all go to dates before Comcare's advice that the secretary has referred to that there's been full compliance. So those questions go to the timing to get to that date in November. I'm happy to be corrected if I'm wrong, but all the dates you refer to are prior to that formal advice. So there may have been an iterative process getting to that point in November.

Senator KITCHING: I can tell you to whom the report was issued. It was issued to the FAS, Building and Security Division, which was Paul Cooper at the time. I think, Ms Saunders, you're now in his office, so there might be many interesting documents in there to avail yourself of.

Ms Saunders: It's actually Ms Knight who's in that office.

Senator KITCHING: Well, Ms Knight, you've got exciting times ahead of you, because this report was issued to Paul Cooper, so it has been sent to the department.

The PRESIDENT: I'm not disagreeing, but it is dated prior to 5 November, isn't it? I suppose what I'm trying to narrow down here is: is there any document or claim about what the secretary said about the advice from Comcare on 5 November that there's been complete compliance? By all means, how we got there is entirely legitimate to discuss, but I'm just keen that we're all in agreement that there is complete compliance and there's nothing that challenges that date.

Senator KITCHING: There were further documents. In the inspector report dated 17 July 2018, Comcare stated: 'DPS should be aware that they have shared duties with the Australian Federal Police. DPS and the AFP have a duty to consult with each other.' The AFP have confirmed that they have a presence in Parliament House 24/7, so they're not difficult to find. They also advised that they have no records of a missed call or calls that day and no messages left. You say you phoned them twice, but they have no record of missed phone calls, for example, or messages left on their phone system. So there is inconsistency between your evidence and the AFP's evidence. Do you want to comment on that?

Mr Stefanic: That's new information to me.

Senator KITCHING: Maybe you can come back on that. After all of this, you then sent Mr Anderson on a $20,000 taxpayer-funded trip. Who authorised Mr Anderson's trip?

Mr Stefanic: It would have been either Mr Cooper or probably myself. If it involved overseas travel, I am most likely the person that would have approved it.

Senator KITCHING: I've got QON 861, and I think it was you, Mr Stefanic. Why did you authorise that?

Mr Stefanic: There was—

Senator KITCHING: What did you think?

Mr Stefanic: If you saw the agenda, you would see that it was quite an involved agenda with a lot of meetings within a very short space of time. It was to establish a benchmark
against other Westminster parliaments and how they were managing their operational security. The value of that report has gone beyond us, because we have shared the body of work that was produced out of that with our colleagues in other jurisdictions, including New Zealand—

Senator KITCHING: I'm just interested in the fact that you authorised a trip after what was a pretty poor example of management. Chair, I've finished.

CHAIR: Thank you, Senator Kitching. Are there any further questions for the Department of Parliamentary Services? If not, I thank them very much for their evidence and attendance here this morning. The committee was scheduled to move to the Parliamentary Service Commissioner and the Parliamentary Service Merit Protection Commissioner at this point, but I understand that senators do not have questions for them. In that case, I can thank the President of the Senate for his attendance and his evidence here this morning. The committee will now move to the Australian Public Service Commission. The Minister for Finance is on his way. When he is here, we will resume.
PRIME MINISTER AND CABINET PORTFOLIO

In Attendance
Senator Cormann, Minister for Finance and the Public Service
Senator Ruston, Assistant Minister for International Development and the Pacific
Senator Seselja, Assistant Minister for Treasury and Finance

Department of the Prime Minister and Cabinet

Outcome 1
Overview
Ms Stephanie Foster PSM, Deputy Secretary, Governance Group
Dr David Gruen, Deputy Secretary, Economic Group and G20 Sherpa
Mr David Williamson, Deputy Secretary, APS Review Taskforce
Mr Simon Duggan, Deputy Secretary, Industry and Jobs Group
Ms Caroline Millar, Deputy Secretary, National Security Group
Dr Roslyn Baxter, Acting Deputy Secretary, Social Policy Group

APS Review Taskforce
Mr David Williamson, Deputy Secretary, APS Review Taskforce

Corporate Division
Ms Charlotte Tressler, First Assistant Secretary, Corporate Division

Drought Taskforce
Ms Sachi Wimmer, First Assistant Secretary, Joint Agency Drought Taskforce
Mr Neil Williams, Assistant Secretary, Joint Agency Drought Taskforce

Economic Division
Mr Brenton Goldsworthy, First Assistant Secretary, Economic Division
Mr Jason Lange, Executive Director, Office of Best Practice Regulation

Government Division
Mr John Reid, First Assistant Secretary, Government Division
Ms Celeste Moran, Assistant Secretary, Legal Services Branch
Mr Peter Rush, Assistant Secretary, Parliamentary and Government Branch

Protocol and International Visits Division
Mr Mark Fraser, First Assistant Secretary, Protocol and International Visits Division
Ms Alison Green, Assistant Secretary, Protocol and International Visits Branch

Ministerial Support Division
Mr Gerard Martin, First Assistant Secretary, Ministerial Support Division
Mr Brendan MacDowell, Assistant Secretary, Ministerial and Parliamentary Support Branch

Cabinet Division

FINANCE AND PUBLIC ADMINISTRATION LEGISLATION COMMITTEE
Ms Yael Cass, First Assistant Secretary, Cabinet Division
Ms Megan Edwards, Assistant Secretary, Strategic Coordination and Implementation Taskforce Branch
Ms Rebekka Wheate, Acting Assistant Secretary, National Security and Cabinet Systems Branch
Ms Michele Graham, Assistant Secretary, Cabinet Secretariat Branch

**Industry, Infrastructure and Environment Division**
Ms Helen Wilson, First Assistant Secretary, Industry, Infrastructure and Environment Division
Ms Paula Stagg, Assistant Secretary, Environment Energy and Climate Change Branch

**International Division**
Mr Justin Hayhurst, First Assistant Secretary, International Division

**National Security Division**
Mr Jason Blain, Acting First Assistant Secretary, National Security Division
Mr Trevor Jones, Assistant Secretary, Home Affairs Branch

**Policy Innovation and Projects Division**
Ms Katrina Di Marco, Acting First Assistant Secretary, Policy Innovation and Projects Division
Mr Andrew Lalor, Assistant Secretary, Data and Digital Branch
Mr Simon Gordon, Acting Managing Director, Behavioural and Economics Team of Australia (BETA)

**Social Policy Division**
Ms Tara Oliver, Acting First Assistant Secretary, Social Policy Division
Ms Kathryn Mandla, Head of National Office for Children Safety

**Vocational Education and Training Review**
Ms Rachel Lloyd, Assistant Secretary, VET Review Taskforce

**North Queensland Livestock Industry Recovery Agency**
The Hon. Shane Stone AC QC, Chief Executive Officer
Mr Nico Padovan, First Assistant Secretary, North Queensland Livestock Industry Recovery Agency Taskforce
Mr Brad Cook, Assistant Secretary, Corporate Branch, North Queensland Livestock Industry Recovery Agency Taskforce
Mr Colin Hunter, Assistant Secretary, Strategy and Policy Branch, North Queensland Livestock Industry Recovery Agency Taskforce
Ms Trish Johnston, Assistant Secretary, Communications and Engagement Branch, North Queensland Livestock Industry Recovery Agency Taskforce

**Office for Women**
Ms Trish Bergin, First Assistant Secretary, Office for Women
Ms Rachel Livingston, Assistant Secretary, Office for Women
Ms Esther Bogaart, Assistant Secretary, Office for Women

**Workplace Gender Equality Agency**
Ms Libby Lyons, Agency Head
Ms Janin Bredehoeft, Executive Manager, Research and Analytics
Ms Kate Lee, Executive Manager, Engagement
Ms Anne Beath, Executive Manager, Operations

**Office of the Official Secretary to the Governor-General**
**Outcome 1—Program 1**
Mr Paul Singer, Official Secretary to the Governor-General
Mr Steve Murtagh, Acting Deputy Official Secretary to the Governor-General

**Office of National Intelligence**
Mr Nick Warner, Director-General of National Intelligence
Mr Lee Walton, Chief Operating Officer

**National Australia Day Council**
Karlie Brand, Chief Executive Officer
Karen Wilson, Chief Operating Officer

**Australian Public Service Commission**
**Outcome 1**
Mr Peter Woolcott AO, Australian Public Service Commissioner
Ms Mary Wiley-Smith, Deputy Australian Public Service Commissioner
Mr Richard Bartlett, First Assistant Commissioner
Ms Kerren Crosthwaite, Group Manager, Integrity, Performance and Employment Policy
Ms Naomi Boccola, Acting Group Manager, Engagement and International
Ms Emma Enzerink, Acting Group Manager, Workplace Relations
Ms Caroline Walsh, Group Manager, Inclusion and Implementation
Ms Helen Bull, Group Manager, Strategic Policy and Research
Ms Liz Quinn, Group Manager, Leadership and Capability
Ms Donna Tait, Acting Group Manager, People and Business Management
Ms Michelle Black, Acting Group Manager, Technology and Digital Strategy

**Digital Transformation Agency**
Mr Peter Alexander, Acting Chief Executive Officer
Ms Joanne Hutchinson, Chief Portfolio Officer
Dr Anthony Vlasic, Chief Strategy Officer
Mr George-Philip de Wet, Chief Operating Officer

**Australian National Audit Office**

FINANCE AND PUBLIC ADMINISTRATION LEGISLATION COMMITTEE
Program 1.1 and 1.2

Ms Rona Mellor PSM, Deputy Auditor-General
Ms Deborah Rollings, Senior Executive Director, Corporate Management Group
Dr Tom Ioannou, Group Executive Director, Performance Audit Services Group

Australian Public Service Commission

[11:55]

CHAIR: I now welcome the Minister for Finance and the Public Service, Senator the Hon Mathias Cormann, representing the Prime Minister, and note that Mr Woolcott is appearing in his primary role as the Australian Public Service Commissioner. I further note that Mr Woolcott will take on notice any questions intended for the Merit Protection Commissioner, Ms Linda Waugh. Minister, do you wish to make an opening statement?

Senator Cormann: No, thank you.

Senator McALLISTER: Mr Woolcott, I wanted to ask questions about public sector bargaining. How many agreements are being negotiated at the moment?

Mr Woolcott: Four agencies are currently bargaining, two of those are APS—Australian Public Service—agencies and two are non-APS.

Senator McALLISTER: How many are due to commence negotiations in the next 12 months?

Mr Woolcott: Forty-four enterprise agreements will reach nominal expiry dates in 2019.

Senator McALLISTER: So there is a big bargaining round approaching.

Mr Woolcott: Correct.

Senator McALLISTER: I want to talk about the government's Workplace Bargaining Policy 2018. Clause 2 states:

… remuneration increases are to be modest and to remain within agencies’ existing budgets, reflecting the need for wages restraint in the current economic circumstances …

I was hoping you could explain what you think the current economic circumstances are and why they require wage restraint?

Mr Woolcott: I'm very happy to talk about the 2018 guidelines, but it's really a matter for the government to set the parameters around what would be the annual increase in the pay rates.

Senator McALLISTER: I see. So this idea about current economic circumstances is a government idea?

Mr Woolcott: The government sets the parameters around what the wage rise would be for each year.

Senator McALLISTER: So the APSC didn't take any advice about current economic circumstances in relation to wage restraint?

Mr Woolcott: No.

Senator McALLISTER: This clause was put in place in 2018. Is it the APSC's view that current economic circumstances are the same now as when the clause was put in place?

Mr Woolcott: The APSC will be guided by the government on that.
Senator McALLISTER: I see. Does the clause mean the current economic circumstances require wage restraint across the entire economy, or just in the public service?

Mr Woolcott: That will be a matter for the government.

Senator Cormann: Obviously, our wages policy, as a government, across the public service, relates to the public service. In the low-inflation environment that we're in, and given the budget position that we inherited from the previous government, as we've said on a number of occasions now, it was our view that the budget repair effort needed to be carried not just by the community by also by the public service. Everybody was required to make a proportionate contribution to the budget repair effort, and, in the context of a low-inflation environment, we believe that our public sector wages policy is appropriate.

Senator McALLISTER: Mr Woolcott, I asked your predecessor about this, but does the APSC consider that public sector wages have a macroeconomic effect?

Mr Woolcott: That's not for me to answer that question.

Senator McALLISTER: Really?

Senator Cormann: Macroeconomic policy's a matter for Treasury, and they appear tomorrow. There's a macroeconomic section of Treasury if you want to ask to what extent public sector wages, as opposed to private sector wages, have macroeconomic implications. That is core business for the macro group in Treasury.

Senator McALLISTER: Mr Woolcott, Do you provide any advice to the government about wages in the public service?

Mr Woolcott: No. Sorry; we provide data to the government.

Senator McALLISTER: I see—data. Mr Woolcott, the previous APSC Commissioner once said that the public sector should neither lead nor lag the private sector's wages and conditions. You gave evidence at the last estimates hearing that you thought that was a fair comment. Is that still your view?

Mr Woolcott: Yes.

Senator McALLISTER: Do you know what the wage growth projections are in the budget for the economy generally? They're in Budget Paper No. 1, in statement 1 on page 8.

Senator Cormann: They're published in the budget papers, as you know, so—

Senator McALLISTER: That's right. I'm just wondering if Mr Woolcott is aware of them.

Mr Woolcott: I don't have that information in front of me.

Senator McALLISTER: Okay. I can tell you that they range from 2.1 per cent through to 3½ per cent. That's the range for wage increases. Do you know what the forecast public sector wage growth is in the budget, Mr Woolcott?

Mr Woolcott: I'll take that on notice.

Senator McALLISTER: I can tell you. It's 1.75 per cent, Mr Woolcott. If the government is projecting across the whole of the economy wage increases between two and 3½ per cent but the public sector is forecasting a 1.75 per cent increase, do you think that the public sector wage growth is—

Senator Cormann: 'Do you think'?—I think you're asking him for an opinion.
Senator McALLISTER: I'm asking as a matter of fact.

Senator Cormann: No, you're not asking a matter of fact. 'Do you think'—

Senator McALLISTER: Is your analysis that it is lagging? I'm rephrasing the question.

Senator Cormann: You can't ask him for an opinion about the decisions of the government may be.

Senator McALLISTER: I'm asking for analysis. Is it your analysis that public sector wage growth is lagging?

Senator Cormann: 'is lagging'? You can't say that, because that is looking back and looking at the present. You're asking him to make a comment on the future. We're obviously not in the future just yet.

Senator McALLISTER: I mean, the budget is about the future. You're very keen on surplus in the future—not yet delivered but in the future.

Senator Cormann: We actually have got the budget back in the surplus. Our performance against budget has been way more credible than that of our predecessors. If you look at our last three financial years, you'll find that we've outperformed our budget forecasts. But, when it comes to wages, we've openly and transparently said that, when it comes to the public sector, in the context of the budget repair effort, we would ask the public sector to contribute to the budget repair effort in the same way as we've asked the broader community to contribute to the budget repair effort. We're now in a position where the budget is getting back into surplus, and into the future that obviously gives the government more flexibility to make future judgements in relation to some of these matters. But right now the settings are as they are reflected in the budget papers.

Senator McALLISTER: Which sees public sector wages forecast to lag the general—

Senator Cormann: Which makes certain assumptions based on, obviously, a whole series of negotiations that have taken place and agreements that have been signed in recent times, including in relation to wages.

Senator McALLISTER: All right. No further questions.

CHAIR: Thank you, Senator McAllister. Do any other senators have questions for the APSC?

Senator WONG: No.

CHAIR: If not, I thank you very much for your attendance and your evidence here this morning. If not, the committee will now move to the Department of the Prime Minister and Cabinet.

Department of the Prime Minister and Cabinet

[12:04]

CHAIR: I now welcome Ms Stephanie Foster, the Deputy Secretary of the Governance Group, and officers from the Department of the Prime Minister and Cabinet and note that the committee will be examining outcome 1. The committee has set 24 May 2019 as the date by which answers to questions on notice are to be returned. Minister, do you have an opening statement?
Senator Cormann: No, but I guess I'm in the hands of the committee as to when you would like me to deal with some of the matters that were raised last week and which were the subject of Senator McAllister's letter.

CHAIR: Probably now, but I'll just check if Ms Foster has an opening statement?

Ms Foster: I simply want to note that Alison Larkins commenced with us today as Deputy Secretary of the Social Policy Group, but, given that it's her first day and that we're partway through the process, I propose that Dr Baxter continue to take the social policy questions.

Senator WONG: I'm sure she'd be up to it! We have some questions we'd like to get done. If the minister has some issues, I wonder if the quicker way of dealing with that might be if I can look at his response and then we can deal with it after lunch?

Senator Cormann: I'm happy to deal with it after lunch. That's fine.

CHAIR: Okay. Senator Wong.

Senator WONG: Thank you. Senator Cormann, there was obviously a lot of expectation across the parliament and the community that an election would be called last weekend. Can I ask when you became aware that the Prime Minister was not calling an election over the weekend?

Senator Cormann: Firstly, I would note that it appears that the Labor Party, over the last year, has had an expectation that an election is just around the corner and that various commentators have made all sorts of propositions.

Senator WONG: I reckon most of the community was interested in it.

Senator Cormann: I disagree. It is well understood that the election is not due until the end of May. There is a 33-day statutory period in between the election being called and the election being held. We continue to provide good government in the ordinary course of events; we continue to operate as the elected government of the day. Obviously last week the government delivered a budget. There is still more work to be done. The Senate decided to schedule a Senate estimates week for this week.

Senator WONG: So when did you know?

Senator Cormann: Obviously it is entirely a matter for the Prime Minister to determine when the election is going to be. I was working on the expectation that we would have Senate estimates this week, and I'm indeed here to answer your questions. I don't know what is in other people's minds, but, as far as I'm concerned, the Senate had provided for this Senate estimates week, and here we are.

Senator WONG: Well, a lot of your colleagues were openly talking to members and senators on the other side saying that they expected an election to be called but then Mr Morrison changed his mind.

CHAIR: Perhaps they were speculating.

Senator Cormann: I don't think that's accurate.

Senator WONG: It is, actually.

Senator Cormann: You know what is inside the Prime Minister's mind?

Senator WONG: No, I'm telling you what people have said to us. I don't know what's in his mind; I'm telling you what your colleagues have said to members and senators across the
parliament—that there was an expectation and that the Prime Minister changed his mind. I want to know—

Senator Cormann: I've got to respond to this.

Senator WONG: I'm telling you what people said.

Senator Cormann: I'm responding to it.

Senator WONG: I want to know: why the delay?

Senator Cormann: There is absolutely no delay. I completely reject the proposition of any delay. The election is due at the end of May. I'm very confident that it will take place by the end of May, and in the ordinary course of events there is a statutory election period which is prescribed in legislation—it has been for a very long time—of 33 days. I'm very confident that the election will be called at the right time to ensure that the election can take place by the end of May and that there will be an election period of at least 33 days, as prescribed in the Commonwealth Electoral Act.

Senator WONG: He's delaying because he wants to advertise more.

Senator Cormann: I completely reject the proposition of a delay. I've already made it very clear—

Senator WONG: He's delaying because he wants to use taxpayers' funds to advertise in the lead up to the election.

Senator Cormann: I completely reject that proposition. The Labor Party, in 2013—

Senator WONG: Bring that on!

Senator Cormann: continued advertising during the caretaker period. We're not in caretaker.

Senator WONG: Bring that on! It was to prevent people smuggling. I thought that was a unity ticket.

Senator Cormann: We're not in caretaker.

Senator WONG: Hang on, I want to know something: how much per day?

Senator Cormann: Let me just—

Senator WONG: How much per day, Mathias?

Senator Cormann: The government—

CHAIR: Order! Senator Wong—

Senator WONG: I apologise—Senator Cormann.

Senator Cormann: You've obviously baited the cameras for—

CHAIR: Order, Senator Wong—

Senator WONG: They appeared, magically!

Senator Cormann: This is—

CHAIR: Senator Wong, as I'm sure—

Senator WONG: I want to—

Senator Cormann: This is good preparation for the Cormann-Wong show, clearly!

CHAIR: Order! Minister, order!
Senator WONG: I'll call him 'Senator Cormann'. Will that make you feel better?

CHAIR: That would make me feel much better. But it's not really for my benefit, Senator Wong.

Senator WONG: How much are you spending, per day, of taxpayers' dollars—

Senator Cormann: I see—

Senator WONG: this week, to advertise?

Senator Cormann: This is obviously for the gallery.

Senator WONG: Let me—

Senator Cormann: This is designed for the evening—

CHAIR: Order! Order!

Senator Cormann: Once you get your grab—

CHAIR: Order! Order! Minister! Senator Wong! Order!

Senator WONG: Minister—

CHAIR: No, no, Senator Wong! Order! Minister and Senator Wong, you're both equally guilty in this instance of speaking over each other.

Senator WONG: I have a question—

CHAIR: Order, Senator Wong! You can ask the question, but please allow the minister to answer after you've done so, which you haven't completely been doing so far. And, Minister, equally, I ask you to allow Senator Wong to ask her questions before you begin your answer. Senator Wong.

Senator WONG: How much are you spending per day on government advertising? How much?

Senator Cormann: Senator Wong—

Senator WONG: Per day this week—tell us how much per day.

Senator Cormann: Senator Wong, I understand that you are running this to get a grab on the evening news, but you know that the area—

Senator WONG: How much?

Senator Cormann: Chair!

CHAIR: Senator Wong—

Senator Cormann: You know that the area that provides the sort of information you're seeking is the Finance department, which provides all of government information in relation to government advertising. What I would say, again, is: there is no delay to the election. The government continues to be the government of the day. We continue to function as the government of the day. We're not in caretaker. And we continue to inform Australians on very important matters, including how to reduce their electricity bills, how to talk to their children about online safety, how to encourage Australians to join the Australian Defence Force, and, indeed, informing employers about incentives to hire apprentices and mature-aged workers. Now I can't help it if the Labor Party is against information campaigns to inform employers on how to hire apprentices and mature-aged workers. I can't help it if you are against the campaign to help Australians reduce their electricity bills. But the truth of the matter is that
we continue to be the government, and, despite all of the wishful thinking of the Labor Party, the election is not due until the end of May, and the Prime Minister has got ample time to call the election, consistent with the requirements of the electoral act.

Senator WONG: Well, you're here representing the Prime Minister.

Senator Cormann: Indeed.

Senator WONG: I'm asking the Prime Minister's representative: how much per day?

Senator Cormann: Again, this is a matter that comes squarely into the Finance portfolio, and there is an area of Finance which will be able to answer these questions tomorrow—

Senator WONG: How much per day?

Senator Cormann: Well, you can repeat the same question in the wrong portfolio as often as you want—

Senator WONG: Okay.

Senator Cormann: Let me tell you: despite the conspiracy theories of the Labor Party, this is actually not what is top of mind for the Prime Minister right now. The last election was on 2 July 2016. The three years are not up yet. As much as you believe that the election has already taken place and that the Australian people have already made a decision, that is not actually the case. We continue to be the government. We continue to inform Australians about important matters such as how to best reduce electricity prices, how employers can hire apprentices and mature-aged workers, and of course encouraging Australians to join the Australian Defence Force, and how parents can best talk to their children about online safety—

Senator WONG: You know—

Senator Cormann: These are matters that governments do, as a matter of course.

Senator WONG: You can read your lines out, Senator Cormann.

Senator Cormann: Well, you're reading your lines out.

Senator WONG: Australians are watching television—

Senator Cormann: You're trying to—

CHAIR: Order!

Senator WONG: Australians are listening to the radio, Australians are online—

CHAIR: Order, Senator Wong! Minister!

Senator WONG: and they are being inundated by ads that they are paying for—

CHAIR: Order! Order!

Senator WONG: from a desperate government using their taxpayer funds—

CHAIR: Senator Wong—

Senator WONG: to try and get re-elected.

Senator Cormann: Senator Wong, you are trying to get an angle up on the evening news—

CHAIR: Order!

Senator WONG: No. I want a figure.
CHAIR: Order!

Senator WONG: I want a figure. I want a figure.

CHAIR: Order!

Senator WONG: I'm not trying to get an angle. I want numbers.

Senator Cormann: You are trying to get an angle—

CHAIR: Order! Senators! Order! Minister, please! Order, order! As much as I'm sure everyone is enjoying the theatre, this is now becoming disorderly.

Senator WONG: You could just give me the number!

CHAIR: Order! Order! Senator Wong! Order!

Senator Cormann: That—

CHAIR: Order! Minister! As much as I am sure everyone is enjoying the theatre, this is now becoming disorderly. Senator Wong, you're certainly entitled to ask those questions, but they are for outcome 2.5 of the Finance department who are scheduled tomorrow afternoon.

Senator WONG: I can ask the Prime Minister.

Senator Cormann: You can ask, but you already know you won't get an answer—

CHAIR: Order! Order!

Senator WONG: So will you commit—

CHAIR: Order! Minister and Senator Wong!

Senator WONG: Okay. I'll come to Finance tomorrow; will you commit to give an answer?

Senator Cormann: Well, Finance—

Senator WONG: Will you commit? You're the Finance minister. Will you commit to give an answer to this question: how much per day is Scott Morrison's government spending in this week on government advertising? How many taxpayer dollars—

Senator Cormann: I'm very happy to—

Senator WONG: Will you give that answer?

Senator Cormann: give a commitment that the appropriate area of government, which is—

Senator WONG: Will you commit to give the answer?

CHAIR: Order! Senator Wong!

Senator Cormann: If I can get one sentence out without you jumping down my throat again, that would be very helpful. Clearly, by this little show that you've displayed in order to get a grab on the evening news, the finance department now has proper notice of your interest in this matter. I'm pretty sure that they are busily making sure that the appropriate information is collated. But, again, your core assumption is wrong. Firstly, there is no delay to the election. Secondly, we continue to be the elected government of Australia; we're not in caretaker mode. Thirdly, as part of the usual routine business of government, we continue to provide appropriate public information to the Australian people, as you did. In fact, you did more than that; you, in breach of caretaker conventions, spent money on government advertising during a campaign, during caretaker mode.
Senator WONG: People smuggling. I thought we had a unity ticket on stopping people smuggling. That was what—

Senator Cormann: Let me tell you that the finance secretary—

Senator WONG: Can I just—

Senator Cormann: David Tune, at the time, said that—

Senator WONG: Can I just—

Senator Cormann: he was the subject of a lawful instruction—

CHAIR: Order!

Senator WONG: Yes. Six years—

Senator Cormann: that he was very unhappy with.

Senator WONG: Yes. Which was released. All right. Six hundred thousand a day; that's the public figure. Five million for the week.

Senator Cormann: So you know—

Senator WONG: No. I'm asking. I'm saying that's being reported. I'm asking you to confirm or deny it.

CHAIR: This question has been addressed.

Senator WONG: No. I have not asked that question once, Chair.

Senator Cormann: The Department of the Prime Minister and Cabinet—

Senator WONG: I'm asking you to confirm or deny—

Senator Cormann: does not look after whole-of-government advertising.

Senator WONG: the $600,000 per day figure.

Senator Cormann: The Department of the Prime Minister and Cabinet does not look after whole-of-government advertising.

Senator WONG: You're representing the Prime Minister.

Senator Cormann: Indeed.

Senator WONG: I'm asking you as Mr Morrison's representative—

Senator Cormann: And the responsibility in Senate estimates—

Senator WONG: is Mr Morrison spending $600,000 a day on government advertising?

Senator Cormann: for this is to the finance department.

Senator WONG: It is a simple question. I'm asking you—

Senator Cormann: You're just trying to get—

Senator WONG: as the Prime Minister's representative.

CHAIR: Order! Order!

Senator WONG: It's a simple question.

Senator Cormann: The area of estimates—

Senator WONG: No. I'm asking you as the Prime Minister's representative.
CHAIR: Senator Wong, order! All senators, order! Senator Wong, as has been addressed already, this is not a question appropriately directed to the Department of the Prime Minister and Cabinet.

Senator WONG: I'm not directing it to the department. I'm directing it to the minister representing the Prime Minister.

CHAIR: The minister will be back in his capacity as the finance minister tomorrow—

Senator Cormann interjecting—

Senator WONG: I'm asking him. He's the Prime Minister's representative. I'm asking him: does Mr Morrison confirm or deny spending $600,000 per day on government advertising this week?

Senator Cormann: We continue to provide public information to the Australian people, including about how to reduce their electricity prices and how to talk to their children about online safety. We are encouraging Australians to join the Defence Force and indeed we are providing information about incentives to employers for hiring apprentices and mature age workers. That is something we'll continue to do, while we are the elected government of the day. You have mentioned some numbers. This is obviously not the part of government that deals with these matters, but I'm very confident that the finance department has taken proper note of your interest and will be able to provide appropriate answers tomorrow.

Senator KITCHING: Senator Cormann, who created that list that you were reading from—quite well, by the way, by rote almost?

CHAIR: Order, Senator Kitching, that's not—

Senator KITCHING: Was that your office or the PMO?

Senator Cormann: This is my office.

Senator KITCHING: Your office created that list of advertising—

Senator Cormann: I'm just talking to a number of campaigns that are currently running, because I had a fair idea, given some of the media angles on the weekend, that this could be a matter of interest, so I made it my business to know what campaigns were currently running.

Senator KITCHING: But you also said at the start that the budget was released and you still have more work to do on it. Do you mean by that that you have more work to do selling it, and therefore in fact you're going to do the selling on the taxpayers' dime rather than on the Liberal Party's dime? Is that what you meant by that?

Senator Cormann: So, hang on; you're now complaining about the Prime Minister and the Treasurer talking to the Australian people about the budget? Are you serious?

Senator KITCHING: If you had called an election, it wouldn't be the taxpayer paying for the advertising campaign that this government is now running.

Senator Cormann: We're not running an advertising campaign on the budget. That's not right.

Senator KITCHING: We're in a faux election campaign now, as you well know.

Senator Cormann: No. Hang on. The Prime Minister of Australia, the Treasurer of Australia—

Senator KITCHING: It must be very annoying for you to have to be here this week.
Senator Cormann: So you're suggesting that the week after the budget it is not appropriate for the Prime Minister of Australia and the Treasurer of Australia to talk to the Australian people—

Senator KITCHING: If the Prime Minister had called the election on the weekend—

Senator Cormann: But we haven't.

Senator KITCHING: it wouldn't be the taxpayer paying—

Senator Cormann: We didn't have to and we haven't.

Senator KITCHING: for the running around that's going to happen this week by the Prime Minister and the Treasurer to sell their budget.

Senator Cormann: You can't get used to the fact that there is such a thing as a Constitution and the law—

Senator KITCHING: And it's going to cost taxpayers $600,000 per day for your—

Senator Cormann: So you're now challenging our constitutional and longstanding arrangements under the Electoral Act?

Senator KITCHING: You know exactly what you're doing.

Senator Cormann: I can understand that the Labor Party is desperate—

Senator KITCHING: The cynicism of what this government is doing—

Senator Cormann: You wanted us to rush to the election very quickly—

Senator WONG: Rush?

Senator Cormann: because you were worried, that the longer this goes—

Senator KITCHING: We're not worried.

Senator Cormann: I told Senator Wong last year, I think, in question time that we made a decision a long time ago to pursue this slowly. We're going to pursue this slowly and we're going to do it in good time, consistent with the constitutional arrangements and consistent with the arrangements under the Electoral Act. The last election was on 2 July 2016. The next election is not due until the end of May. There's a 33-day statutory period for the election campaign, which has been prescribed in the Electoral Act for a very long time. I understand the Labor Party are worried about the fact that the longer this goes the harder it might be for you—

Senator WONG: No, it's not.

Senator Cormann: but that is your political consideration.

Senator WONG: No, actually, what we're reflecting, Senator Cormann—

Senator Cormann: You're just desperate for this—

Senator WONG: No, Senator Cormann, you want to make an accusation like that. What we're reflecting is legitimate concern across the community—

Senator Cormann: There is no legitimate concern.

Senator WONG: excuse me—about the amount of government advertising people are being inundated with. Mr Frydenberg, on Insiders, when he was asked by Mr Cassidy about the figure, said, 'All that information will be made available.' When will that be made available?
Senator Cormann: It is of course being made available in the usual way. You know that there is regular reporting on government advertising. You know that there is regular reporting on the cost of government advertising. Indeed, tomorrow, outcome 2.5 in the Finance portfolio deals precisely and specifically with this.

Senator WONG: Will you make the information available?

Senator Cormann: But the timing of this little stunt is driven by the timing of the evening news tonight. We know that that's what it's about.

Senator WONG: Will you make the information available?

Senator Cormann: We will answer the questions, as we always do.

Senator WONG: Will you tell people how much is being spent per day?

Senator Cormann: People now know what it is that you're after, and I'm very confident that Finance is busily putting all of the relevant information together.

Senator KITCHING: So you'll keep Mr Frydenberg's promise?

Senator Cormann: Mr Frydenberg was just making a statement of fact.

Senator KITCHING: He said:

... all of that information will be available.

Senator Cormann: All of that information is always made available on a regular basis, and you know this.

Senator KITCHING: So tomorrow?

Senator Cormann: Tomorrow, the Department of Finance will appear—

Senator Cormann: in outcome 2.5, and, as you always do, you will be asking questions and we will be providing answers. These things are routinely reported, as I know you know.

Senator WONG: The AusTender documents suggest that the value of advertising contracts for the period, I think, from January 2018 to February 2019—so obviously they're out of date, or they're not up to date—is around $252 million, which is around $600,000 a day. So I'd just like to know: has the Prime Minister made a decision? Has the government made a decision to increase the daily spend? It's already a very large spend.

Senator Cormann: The spend is actually in line with what it was under your government.

Senator WONG: No. I've got the figure. I can do this tomorrow, but I've got the figures that demonstrate—

Senator Cormann: Tomorrow is actually the right time to do it.

Senator WONG: It's interesting. Coalition governments do enjoy it. The last spend of this magnitude was John Howard on Work Choices in the 2007 campaign. That worked well, didn't it?

Senator Cormann: What are you suggesting?

Senator KITCHING: Are you getting your advertising campaigns on your phone—

Senator Cormann: Ha, ha. We all understand what it is that you're trying to do. You're trying to get a few lines up on the evening news. You know that the area to ask these questions if you are interested in information is tomorrow in the Finance portfolio, outcome
2.5. You know because that's where you always ask these questions normally. It's the first time that I've been asked questions in this portfolio in relation to these matters, and it's for an obvious political purpose.

Senator WONG: What discussions did you have with Mr Frydenberg after he agreed yesterday to make the information available?

Senator Cormann: I did not speak to him about this particular matter, because what Mr Frydenberg said was just a statement of fact. The government routinely provides information about the level of advertising spend through the ordinary processes of parliament. You know this, of course, and that is what we will continue to do.

Senator WONG: Has the government made any decisions about advertising in the last two weeks?

Senator Cormann: Not that I'm aware of. You can ask that question, of course, in the Finance portfolio tomorrow—and, incidentally, I'm not personally responsible for the area that deals with government advertising. That's a question you can ask there, but not that I'm aware of. The thing is that you don't have much longer to wait, Senator Wong. This is the good news. The election is due by the end of May, and you can count back. Thirty-three days is the statutory period, so it's not going to be weeks before the election is called.

Senator WONG: Thank you for reminding me about 33 days, but I do want to go back to what involvement or what discussions you've had with the Prime Minister about government advertising during this period, Senator Cormann.

Senator Cormann: I have not had any discussions with the Prime Minister about government advertising, none. In talking about matters relating to the budget and matters related to the timing of Senate estimates and the like and even in terms of the Prime Minister communicating what his intention is for this week, government advertising is not top of mind for us. It might be top of mind for you, because there is a view there is some conspiracy theory going. But from our point of view, these sorts of campaigns are business as usual.

Senator WONG: You think this is about the Labor Party; this is about the community. People can't turn on a radio, television, go online without some government ad about how fabulous you are being thrown at them, funded by taxpayers.

Senator Cormann: I have not done any saying how fabulous we are.

Senator WONG: Clearly you must be very busy doing other stuff. The legitimate question has been raised and you can't say this is just us. This has been raised by journalists—

Senator Cormann: You have not asked a question; you have raised assertions.

Senator WONG: There is the question: how much? Is it more or less than the $600,000 a day?

Senator Cormann: That is, again, a number that you're bandying around. You know AusTender is not an appropriate indicator because often expenditure is less than the top level of contract value that's been indicated. It's up to—

Senator WONG: No, you can't get away with that. It could be more.

Senator Cormann: Austrac contract notices provide information about up to amounts. It is likely to be less.
**Senator Wong:** You tell us why that's wrong. You can't get away with this, Senator Cormann.

**Senator Cormann:** I just indicated to you.

**Senator Wong:** No, no. You can't say—

**Senator Cormann:** AusTender notices give you an abstract amount.

**Senator Wong:** You cannot say it is the $600,000 figure is accurate but refuse to give people the correct figure.

**Senator Cormann:** Tomorrow—

**Senator Wong:** You're going to give us the daily spend tomorrow?

**Senator Cormann:** You know this is not the area of estimates to deal with this. You can ask this question in outcome 2.5 in the estimates tomorrow and, if you are really interested, that is where you'll ask the question.

**Senator Wong:** I'm interested in knowing what the Prime Minister thinks about this. I am interested in knowing what the Prime Minister thinks about the extent of government advertising. I am interested in knowing whether the Prime Minister knows or cares how much he is spending on government advertising, a desperate spend in the lead up to an election which he appears to be delaying as far as possible.

**Senator Cormann:** The Prime Minister is very focused on making decisions in the national interest and the Prime Minister is very focused on making sure that Australians have the right information in terms of reducing electricity bills. He is very keen to ensure that Australians have the right information in terms of the opportunities to join the Australian Defence Force and, indeed, the Prime Minister is very keen to ensure that employers have the right information about the incentives available to them in the recruitment of apprentices and mature-age workers, all things I would have thought the Labor Party would have been supportive of. They are certainly all things that I would have assumed in the past you were supportive of. Just because there is an election around the corner doesn't mean we all now all of a sudden have to go into conspiracy theories. The election is due to be called at some point over the next few weeks, and I'm sure it will be done in the appropriate fashion at the appropriate time.

**Senator Wong:** So you'll tell us how much?

**Senator Cormann:** Again, you're clearly not asking these questions repetitively here because you're interested.

**Senator Wong:** You haven't actually answered.

**Senator Cormann:** You're just trying to get a tight quote on to the evening news.

**Senator Wong:** Senator Cormann—

**Senator Cormann:** I am still answering.

**Senator Wong:** I'll give you a commitment: you give me that figure and I'll stop asking questions.

**Senator Cormann:** As I have told you on many occasions, the appropriate time and place to ask these questions is tomorrow when Finance appears, outcome 2.5.
Senator WONG: Well, I'll make a commitment: I will truncate questions if you give me the figure. Are you going to give us the figure tomorrow?

Senator Cormann: You know I can't make deals like this. I can only provide the right information in the appropriate forum. The Prime Minister's portfolio doesn't have this information in front of it because it is not an area the Prime Minister's portfolio deals with.

Senator WONG: Will the government do what the Treasurer said and make the information available or not?

Senator Cormann: I have already indicated to you, that is what the government always does and that is what the government will continue to do.

Senator WONG: When?

Senator Cormann: The government, in the ordinary course of events—

Senator WONG: When?

Senator Cormann: At the appropriate time.

Senator WONG: What is the appropriate time? Is the appropriate time tomorrow or after the election?

Senator Cormann: Tomorrow is the best opportunity to get the answers you're seeking, as I have indicated to you, and you absolutely know this; it is quite disingenuous to press this point here.

Senator WONG: Can I just be clear then?

Senator Cormann: Yes, please.

Senator WONG: I don't want to get tomorrow and have you handball this to Senator Seselja later in the day. I will be asking advertising questions first up.

Senator Cormann: Well then we will have Senator Seselja first up; that's fine because it is the area he looks after.

Senator WONG: Senator Cormann, we need you there.

Senator Cormann: You need me there? Why is that?

Senator WONG: Because you might actually give us the answer.

CHAIR: Ministerial representation is already determined according to the requirements of the Senate that the relevant people are here at the relevant time. On that note, the committee will break and return at 1:30.

Proceedings suspended from 12:30 to 13:32

CHAIR: The committee will now resume. Senator Cormann, do you have any matters to report on from earlier?

Senator Cormann: Yes. We received a letter from Senator McAllister reminding us of a series of questions that were taken on notice last Thursday, so I think it might be best if I go through the issues raised and talk through them. The first item related to the budget process. I'm happy to inform the committee that in December 2019 budget prioritisation letters were sent to ministers—
Senator Wong: Sorry, Minister, do you mind stopping for just 30 seconds, because I don't have a hard copy of the letter. I was just going to have it in front of me, if I may? The secretariat is very kindly getting it for me. My apologies.

Senator Cormann: I'm happy to wait.

Senator Wong: Thank you.

Senator Cormann: The first question is in relation to the budget process. I'm happy to confirm that budget prioritisation letters were sent by the Prime Minister to ministers in December 2019 that the Expenditure Review Committee process and finalisation of the budget occurred in the January-March period. I'm going to go into more detail. Budget books closed on 27 March. Relevant ERC meetings were on 24 January, 8 February, 13 February, 15 February—

Senator Wong: Sorry. Can you just slow down.

Senator Cormann: On 24 January, 8 February, 13 February and 15 February. Then there were two meetings on 21 February—that is, of ERC—and a further meeting on 5 March; and then, between 5 March and 27 March, we went through the finalisation of the budget, with remaining items being resolved through correspondence. The cabinet meetings were on 29 January, 4 February, 11 February, 26 February, 12 March, 26 March, 1 April and then the meeting we discussed last week, on budget day, 2 April, but that was not a meeting at which any decisions were made; that was essentially just to discuss budget related information.

The next series of questions goes to the issue of the energy assistance payment: when PM&C was first notified of the original measure, was the energy payment policy proposal brought forward by PM&C at the request of the Prime Minister or otherwise, and was the energy payment proposal brought forward by ministers or was it generated from the department? The responses to these questions are that PM&C became first aware of the energy assistance payment proposal on 20 March; costs were agreed by Finance for the original energy assistance payment on 21 March; the proposal was formally submitted to the Prime Minister for consideration on 22 March, which is when PM&C provided advice to the Prime Minister on the proposal; on Sunday, 24 March, the government decided to include the energy assistance payment in the budget; and then, the following Sunday, 31 March, the energy assistance payment was announced by the Treasurer and by Minister Fletcher. The proposal was initiated by ministers and was a repeat of the same measure which had been legislated by parliament with Labor's support in mid-June 2017. All other aspects of those questions go to the deliberative processes of cabinet.

Senator McAllister also asked when the Department of the Prime Minister and Cabinet got the letter from Minister Fletcher. The response is that that was received at five past nine in the evening of Tuesday, 2 April, when Minister Fletcher sent a letter to the Prime Minister, requesting policy authority to make changes to the energy assistance payment, including providing cost estimates, so the legislation could be passed. The Prime Minister's office received Minister Fletcher's letter at 9.06 pm, and immediately forwarded it on to the Department of the Prime Minister and Cabinet.

The question was asked whether there were any note-takers present at the meetings on budget night in relation to discussion on the amended measure. I can inform the committee that the initial discussion occurred on the sidelines of cabinet between 5.30 and 6 pm on
Tuesday evening, 2 April, between relevant ministers, which included the Prime Minister, the Treasurer, the finance minister, Minister Pyne and Minister Fletcher. Dr Parkinson was the note-taker at that cabinet meeting, and the cabinet secretary was present, but there were no note-takers for this discussion.

**Senator WONG:** Sorry, can I—

**Senator Cormann:** There were no items for decision at this cabinet meeting; it was just a pre-budget meeting to run through key budget information. The nature of this initial discussion was to raise the issue and essentially decide on a process to get further information about what it would cost to make the amendments to the measure which would help facilitate efficient passage through the parliament.

**Senator WONG:** Sorry, can I just be clear. The question in relation to note-taking was not in relation to cabinet. It was in relation to the initial discussion on the sidelines of cabinet. Is the answer that Dr Parkinson was present at the initial discussion on the sidelines of cabinet? No.

**Senator Cormann:** No, no, that's not what I'm saying—

**Senator WONG:** So there were no PM&C note-takers at that initial discussion?

**Senator Cormann:** At that initial discussion—that's right. I'm now quoting from Senator McAllister's letter:

Minister Cormann states he has taken on notice who else was in what meetings on Budget night …

And that was repeated various times. She also asked 'whether Mr Fletcher attended either of the meetings and whether there were any note-takers'. Some of it is going to be a bit repetitive. The response is:

Ministers Pyne and Fletcher were involved in the discussion on the sidelines of Cabinet from 5:30-6:00pm. Dr Parkinson was notetaker at the Cabinet meeting and the Cabinet Secretary was present at the meeting, but there were no notetakers for this discussion. The meeting after the Budget speech was during a post-Budget debrief after 10.15pm, between the Prime Minister, Treasurer and Finance Minister, to discuss the information and cost estimates of $85 million provided by Minister Fletcher in his policy proposal letter.

Verbal policy authority for the amended measure was provided by the PM at that time, subject to no material change to the costing, directly to the Treasurer and the Finance Minister, with formal letter to follow in the morning. This was also communicated by the PMO to relevant offices at that time—

That is, on Tuesday evening.

I was then asked for the time PM&C, DSS and Finance considered the implications and merits of the proposal of when Minister Fletcher's letter came in:

Approximately 7:00pm: House PLO alerted PM&C Government Division that there was a potential change to the EAP being considered by Government.

7:18pm: Social Policy Division in the Department of the Prime Minister and Cabinet was first made aware (by PM&C Government Division) that the Government was considering an extension to the one-off Energy Assistance Payment to recipients of additional welfare payments.

7:30-8pm: DSS Deputy Secretary (Social Security) Nathan Williamson was contacted 'during the Budget Speech' by Minister Fletcher's Office regarding the revised EAP, as he noted in DSS Senate Estimates Friday 5 April, at approximately 5pm.

8:16pm: Finance was contacted by DSS to discuss costings.
8:42pm: PMO emailed PM&C advising of the proposed policy change and that formal correspondence from Minister Fletcher would follow.

9:05pm: Minister Fletcher sent correspondence requesting policy authority to make the agreed changes to the Energy Assistance Payment (including cost estimates).

As I've already indicated, the PMO received and immediately forwarded that correspondence. Finance confirmed the indicative costings provided by Social Services at 11.40 pm on the evening of 2 April.

I was also asked about the time the Prime Minister's letter was finalised to write back to Minister Fletcher providing policy authority:

In the evening of Tuesday 2 April, during a post-budget de-brief after 10.15pm, the PM provides verbal policy authority for the amended measure, subject to no material change to the costing, with formal letter to follow in the morning. Authority was relayed to relevant Ministers' offices.

Early morning Wednesday 3 April: Treasurer confirms in an interview at 7:02am that the Energy Assistance Payment measure will include Newstart and other payments.

Wednesday 3 April - 8:03am: Draft authority letter from Prime Minister to Minister Fletcher received in the PMO.

It is received back in signed form by 9.04 by Minister Fletcher. It would have been signed sometime in the intervening period; we haven't been able to pin down the precise time.

Further:

Wednesday 3 April - 9:05am: Minister Fletcher received the Prime Minister's formal policy authority for the changes to the Energy Assistance Payment.

I was asked whether costings available at the time PM&C finalised the letter from the PM:

Yes. Indicative costs were provided by Minister Fletcher in his letter of 9:05pm, which were confirmed by Finance at 11:40pm on Budget night.

Do you want me to keep going through the other issues?

Senator WONG: On that—yes, I do.

Senator Cormann: There is only a bit more. There's actually very little left. I can do Christmas Island.

Senator WONG: Are you able to table this?

Senator Cormann: No, there are handwritten notes all over it.

Senator WONG: Okay.

Senator Cormann: If you want, I can get it into a form where it can be tabled.

Senator WONG: That would be useful, but I guess we'll just have to transcribe it. Go on.

Senator Cormann: There were some questions in relation to Christmas Island. I can confirm that the visit to Christmas Island was attended by the Prime Minister, Minister Coleman, officials and journalists. The Prime Minister arrived on Christmas Island at 8.18 in the morning, local time, and he departed at 2.29 pm, local time. The total net cost of the trip will have to be collated from a range of sources, including those from whom costs are being recovered, and, as such, will be provided on notice in the usual way.

In relation to significant appointments, you'd be aware that at each estimates each department provides to the president a list of appointments for estimates, as per the Senate order first established in 2008. However, I've verified how current the information is that is
provided through that process and it goes to 14 March. Given that the question was for over the last few weeks, in the period from 14 March to 5 April about 120 to 150 appointments have been made out of a total, I hasten to add, of more than 3,500 available positions.

Senator WONG: And between January and March?

Senator Cormann: That's not what I was asked in the letter. The letter asked me 'over the last few weeks'. Everything up until 14 March has been tabled—it's actually public.

Senator WONG: The second question: how many appointments has the government or cabinet made since the beginning of the year?

Senator Cormann: I thought the question was—

Senator WONG: There are two.

Senator Cormann: I'll check that and I'll get that today. I guess the answer is that up until 14 March everything has been tabled. Consistent with the Senate order, every department has provided that information through the normal process. And from 14 March up until 5 April—there hasn't been a cabinet meeting since then—the number is 120 to 150.

Senator WONG: If you're not able to provide a statement, I will ask that we'll transcribe that. As far as I can tell, taking notes as you were going, what is clear on that timetable is that the signed letter from the Prime Minister giving policy authority to include Newstart and other allowance recipients in the energy assistance payment would have been received by Mr Fletcher after this had been flagged in the morning on the radio by the Treasurer?

Senator Cormann: That's right. The Prime Minister had given verbal policy authority on the Tuesday evening, subject to the finance department confirming the indicative costings provided by the Department of Social Services, which they did. And you've got to bear in mind—and I know that you remember this well—we were in a circumstance where last Wednesday was the last sitting day in the Senate, given Thursday, unusually, had been scheduled as an estimates day. So, time was really of the essence if we wanted to get this measure passed and if we wanted to ensure that age pensioners were able to get this cost of living pressure relief. Having initially made the decision to explore whether this was feasible in the 5.30 to 6.00 pm window, having received the information and the proposal and made a judgement that it was feasible, we felt it was important, instead of continuing to pretend otherwise, to let people know that this was a decision that the government had made. But, yes, the formal paperwork was finalised between 8.00 and 9.00 am, roughly, that morning, in good time before the measure going into the parliament for the parliament's approval. But given that we were driven by a desire to see this measure passed, that was really the only way it could be done at that time.

Senator WONG: If you're able to get anything to table, that would be useful? If not, we'll just have to do it ourselves. Who prepared this information? Was that Dr Parkinson or was the information just outlined prepared at the political level?

Senator Cormann: Given that I'm here appearing on behalf of the Prime Minister, I took a level of personal interest in making sure that the information was available, because I wanted to be in a position to answer your questions. I understand that there's been a level of fact-finding to make sure that all of the information was accurate and up to date, involving all relevant agencies and ministers' offices. I think my office took responsibility to make sure that happened, at my direction.
Senator WONG: There are a few things also in the International Division—I'm just flagging now that questions were asked, questions were taken on notice, in relation to the US policy on Syria and also some questions on notice, the answers for which had been left in the PMO, on Jerusalem and the process leading up to—

Senator Cormann: On this I can confirm that all answers have been lodged, by 9.23 am today.

CHAIR: I think some were circulated by the secretariat.

Senator Cormann: Most of them were lodged last week, but I did follow that up, too.

Senator WONG: That's fine. I want to go back to the issue of government advertising. Senator Cormann, whilst I was asking you questions, some further revelations were published in the media which demonstrate that marketing and advertising campaign contracts that this government has entered into since the beginning of the year now totals, to date, $136 million. That's contracts notified between January and April. Just to put it in perspective, I've gone back and looked at the historical series of advertising media expenditure, and that is more than in three and a bit months than was spent in the whole 2012 calendar year. That's a pretty impressive effort. So I guess my first question is, does the Prime Minister consider that this level of campaign advertising is reasonable?

Senator Cormann: My advice is that the level of government advertising in the seven months leading up to this election will be less than the level of government advertising in the lead-up to the 2013 election, and that is in nominal terms—not even taking into account the effect of inflation. If you look, on average, at the level of spend on government advertising in our period in government over six years and your level of expenditure over six years in government on government advertising, being generous I'd say that it's broadly on par, but you actually have your nose in front. I understand why you're—

Senator WONG: No, Minister, I've got the Department of Finance report on government advertising for 2017-18. For the calendar year 2012 it is $111.9. That's for the whole year. You have signed off, in three and a bit months—

Senator Cormann: You are taking one year in isolation.

Senator WONG: In three and a bit months—

Senator Cormann: And as I've indicated before—

Senator WONG: Let me finish the question.

Senator Cormann: This is not the area to ask questions on advertising.

Senator WONG: You, in 3½ months, have spent more than that. That's impressive.

Senator Cormann: This is not the area to talk about government advertising. You know it's outcome 2.5.

Senator WONG: Well, does the Prime Minister think it's acceptable—$136 million in three months?

Senator Cormann: The Prime Minister thinks that it's very important to ensure that Australians have the information required to reduce their electricity bills. He thinks it's very important for us to continue to encourage Australians to join our defence forces. He thinks it's very important for employers to know the incentives available to hire apprentices and indeed
mature-age workers. And it's obviously very important to ensure that parents have the right information about how best to speak to their children about online safety matters. These are all matters that routinely are part of the government advertising budget, and I'm rather surprised that you would take this sort of approach.

Senator WONG: I'm rather surprised—I think Australians are rather surprised—that your government, the Morrison government, has signed off on $136 million worth of advertising contracts since January. That is more than the entire spend for the whole year in 2012.

Senator Cormann: Well, you're not providing any detail on what period that is going to be over. You know that an 'up to' level of expenditure doesn't mean that that is—

Senator WONG: Then tell us what the actual spend is.

Senator Cormann: Well, you know that there is a usual process that is longstanding, and the governments of both persuasions, in terms of providing information to estimates committees about the level of actual spend—it is provided on a regular basis when all of the information has been appropriately collated from all of the various departments. That's what happens on the same basis under our government—

Senator WONG: We're talking about something different, aren't we?

Senator Cormann: No, we're not talking about something different.

Senator WONG: This shows something about the intention of the government: across the board, you've got $136.9 million worth of contracts in advertising and market research that this Morrison government has entered into since January 2019.

Senator Cormann: You can repeat the same assertion. What you've just asserted has got no bearing on what is actually being spent in this period.

Senator WONG: You can't have it both ways. You can't say, 'We're not going to tell you what's being spent, but your figure's wrong because what's being spent is less.' You can't have it both ways.

Senator Cormann: I'm not going to let you make inaccurate, misleading assertions just because you decide to repeat misleading and inaccurate assertions in an area that doesn't deal with government advertising.

Senator WONG: Which is the misleading assertion?

Senator Cormann: This proposition that somehow, because contract notices are let in a period from January to March, that reflects the level of expenditure in the months of April and early May in the lead-up to an election. That's just not true. You know that there are a whole range of government advertising campaigns that run all year around, including and in particular the advertising in relation to the recruitment of Defence personnel and various other campaigns. You know that very well. You're a former finance minister. You're making a point for political effect, and I get that. That's fine.

Senator WONG: Have you finished?

Senator Cormann: Are we continuing to deal with issues in Finance now?

Senator WONG: Yes. I'm just making the point. I make two points arising out of that answer, or non-answer. First, I and the public are—certainly members of the media are—making the point that that is a very high amount of expenditure to sign up for in a three-month
period. That is expenditure on advertising and market research that is well beyond most calendar year spends, in three and a bit months. That is the first point. The second is that, if you tell us, 'Well, that figure's too high because that's a contract figure; the spend will be less,' but refuse to tell us what the spend is, I think Australians can infer from that pretty clearly that you just don't want to tell them.

Senator Cormann: The reason that is really disingenuous—and you know better than most that this is a disingenuous question—is that you know which area in which department has that information at its fingertips, and you know that it is not this department.

Senator Wong: So will Finance tomorrow disclose to me, to the estimates and to the media and the Australian people how much you're spending on advertising?

Senator Cormann: Finance will be able to provide you the best available information in a way that is consistent with the information that you provided when you were the finance minister.

Senator Wong: In other words, no.

Senator Cormann: Did you not provide that information? Ah, okay.

Senator Wong: I hope I'm wrong. I hope that you actually do. But I anticipate that, just as the Prime Minister has refused to tell people how much is being spent, Senator Seselja will be rolled out tomorrow, as the Prime Minister's patsy, and told, 'Don't tell them anything.'

Senator Cormann: Chair, that is—

CHAIR: Order!

Senator Wong: All right, I withdraw 'patsy'.

Senator Cormann: The problem, Senator Wong, is that because you are a former finance minister you know better than most how to ask questions disingenuously in this space.

CHAIR: Either way, let's just ask questions rather than making statements. Senator Wong, are you finished on this section? Senator Rice is taking the call, and I know she has other committees to balance between.

Senator Wong: Shall I be as courteous to her as she was to me last week?

Senator Rice: I ceded to you.

CHAIR: I don't know. I wasn't there.

Senator Wong: Very begrudgingly, certainly.

Senator Rice: I want to ask about a report that was in The Australian last week that a number of coalition Queensland MPs met with the Prime Minister to demand approval for the Adani groundwater-dependent ecosystems management plan, as to whether that report was accurate.

Senator Cormann: I wouldn't believe everything you read in the newspaper. Obviously, the Adani project is an important project which has received a whole series of approvals, state and federal, over an extended period. From time to time, the Prime Minister meets with his colleagues, but I can't go into specifics of the private meetings that the Prime Minister has with his colleagues. But I would not agree with the characterisation of what was presented in that article.

Senator Rice: So you can't confirm or deny whether that meeting took place?
Senator Cormann: I'm being as helpful as I can be. The Adani project is an important project which has already received substantial and many approvals. I understand that, at a federal level, fundamentally, they have received all of the approvals they need, but there are some subapprovals, as has been explained, that are still required.

Senator RICE: I'm interested in the meeting, Minister.

Senator Cormann: The Prime Minister—

Senator RICE: Do you deny that the meeting occurred?

Senator Cormann: The Prime Minister meets with his colleagues and talks about matters of public interest, but I would not agree with the characterisation of any meeting the Prime Minister had as you have put it to me.

Senator RICE: So you can't tell me who attended that meeting then?

Senator Cormann: Sorry?

Senator RICE: You can't tell me who attended? You're not denying that the meeting took place. I'm presuming that the report's accurate.

Senator Cormann: Hang on. I'm not denying that the Prime Minister meets with his colleagues from time to time. If you want to ask me about a specific meeting, including who may or may not have attended a specific meeting, I would have to take that on notice, because I don't have that information.

Senator RICE: If you could, that would be appreciated.

Senator Cormann: That's fine. I'll take that on notice.

Senator RICE: Do you know what assurance the Prime Minister has given? Would he take into account the political sensibilities of Central Queensland in whether to rubberstamp this critical groundwater management plan?

Senator Cormann: I completely reject that proposition. Any approvals at a federal level in relation to environmental or other matters are done consistent with the law and consistent with the considerations required under the relevant acts of parliament.

Senator RICE: The Courier-Mail also reports today that Lucas Dow last week had a frank conversation with the Prime Minister.

Senator Cormann: Who?

Senator RICE: Lucas Dow.

Senator Cormann: Who is that?

Chair: I think he's the CEO of Adani.

Senator RICE: Can you confirm that that meeting occurred?

Senator Cormann: I can't confirm that, no, but I'm happy to take it on notice.

Senator RICE: The question is whether it occurred at the demand of Queensland LNP members, who have issued public demands—nothing in terms of confidential meetings—for Minister Price to approve the groundwater management plan to boost their electoral prospects.
Senator Cormann: I'll take that on notice, but I would just note that, obviously, environmental approvals are a matter for the Minister for the Environment. It is not the Prime Minister who, under relevant legislation, provides these sorts of approvals.

Senator RICE: Do you know whether the Prime Minister has given assurances to Adani and CEO Lucas Dow in relation to Canberra's handling of the groundwater management plan?

Senator Cormann: I have no idea.

Senator RICE: Do you consider it proper, given that the government's in the late stages of considering the environment approvals, for the Prime Minister to meet with the Adani CEO?

Senator Cormann: I think that you are making all sorts of wrong assertions and then trying to draw an implication which is contrary to what I've just mentioned to you. Firstly—

Senator RICE: Let me put on the public record—

Senator Cormann: If I may; you've asked the question. Firstly, the Prime Minister is not a decision-maker when it comes to environment approvals; the Minister for the Environment is the decision-maker. That's point No. 1. Point No. 2: any decisions to provide or to not provide a relevant approval have to be provided consistent with the relevant legislation. It's got to be consistent with the law. There are no other considerations. The question is yes or no. Something is in front of the minister with statutory responsibility for that decision; is it or is it not consistent with the requirements of the law?

Senator RICE: Given the reports of that and given that we've we had Senator McGrath calling for the environment minister to waive through this critical groundwater management plan or face calls for her resignation, are you concerned that this level of influence actually might compromise the legality of any decision made by the minister to approve the groundwater management plan?

Senator Cormann: The thing is that we live in a free world; we live in a democracy and individual people are entitled—

Senator RICE: But as—

Senator Cormann: Although, if I may—

CHAIR: Order, Senator Rice!

Senator Cormann: Individual people are entitled to their individual views and they are entitled to express their individual views. But, in the end, there is only one decision-maker, and that is the Minister for the Environment, and she is required to take into account all of the relevant requirements under the relevant legislation, and I'm very, very confident that that is precisely what she is doing and will do.

Senator RICE: So you're not concerned, then, about this apparent attempt to influence, at a political level, these decisions?

Senator Cormann: Hang on—

Senator RICE: Given, as you say, Minister, that administrative law requires that the making of any delegated decision not to be the improper exercise of the power conferred by the legislation—
Senator Cormann: Senator Rice, if I took that view, I could be concerned about the fact that you're trying to influence the other way. The truth is you're entitled to express your views, and lots of people express views. The question is: what—

Senator RICE: But I'm not a member of the same party as the minister.

Senator Cormann: The point, though, is: individuals and individual members of parliament, in particular those who haven't got direct executive responsibility, are entitled to express their views. That is actually the way our system works. The question is whether the person in government who is the decision-maker is making the decisions based on proper considerations and consistent with the relevant legislation and in the public interest, and I'm very confident that that is precisely what Minister Price is doing. This is a space where people from all sorts of different perspectives are trying to influence views, including, dare I say, from your perspective. That is just the way the cookie crumbles. But, ultimately, I'm confident that Minister Price will make the right decision based on the public interest and based on the requirements in the relevant legislation.

Senator RICE: So you're not concerned that this pressure would invalidate any decision made by your minister?

Senator Cormann: I'm very confident that Minister Price knows what she needs to do and what her responsibilities are under the act as the statutory decision-maker, and there is really nothing else to it. With these sorts of matters, there are invariably different interests and different perspectives, including environmental pressure groups, trying to secure certain outcomes, but the decision-maker has only one thing in front of them—

Senator RICE: And that is to make a decision in the public interest and consistent with relevant legislation.

Senator Cormann: and that is to make a decision in the public interest and consistent with relevant legislation.

Senator RICE: So you're not concerned that the threat to a career of a minister, which concerns a senior minister being asked to resign their position, in consideration of the LNP electoral fortunes is not opening up the legitimacy of that decision if it were approved?

Senator Cormann: There is so much implied in that question that is wrong, including that you seem to be pre-empting a decision that, as far as I'm aware, hasn't been made. I'm not sure how you can draw on the basis of a decision that hasn't been made just because of, again, some media and some political noise. Your drawing all sorts of conclusions, which, quite frankly, I think are completely erroneous.

Senator RICE: The concern is that, if the decision were made to approve the groundwater management plan, given this political interference, it in fact may be opened up to legal challenge because of that.

Senator Cormann: I completely reject that. You're falsely implying that the decision-making is in any way influenced by political pressure, and I'm rejecting that 100 per cent.

Senator RICE: Thank you, Minister. Thank you, Chair.

CHAIR: Senator Wong, are you seeking the call?

Senator WONG: Thank you.

Senator Cormann: I think I've got a form that I can table now, to be helpful to Senator Wong. This is essentially what I was reading out before—I hope!
Senator WONG: Do you want me to proceed with something else, Chair, whilst that is being copied?

CHAIR: Yes, perhaps that's a good idea, Senator Wong.

Senator WONG: Can I ask how many times Mr Morrison or his office have sought briefings on potential election dates?

Ms Foster: Senator, to my knowledge, we've not provided any formal briefing to the Prime Minister on election dates. That would normally be the province of the Australian Electoral Commissioner.

Senator WONG: Correct. But when the AEC provides that advice, PM&C presumably is aware of that. If the AEC is going to brief the Prime Minister, presumably you would be aware of that?

Ms Foster: It's possible that we would be, but not necessarily so. It's also possible for the Prime Minister's office simply to ring the Electoral Commissioner and ask his advice.

Senator WONG: Do you have any knowledge as to on how many occasions the Prime Minister has been briefed by public servants as to potential election dates?

Ms Foster: I'm aware that the Prime Minister's Office asked to speak with the Electoral Commissioner on one occasion. Whether or not that meeting went ahead I don't know. I didn't receive confirmation or feedback.

CHAIR: There was something about this the other night with the AEC. I think they said that they had provided a briefing.

Senator WONG: When was that?

CHAIR: With the AEC on Friday.

Senator WONG: No, when was the meeting? When was the briefing request?

Ms Foster: It was early last week, from memory.

Senator WONG: So early last week the PMO asked to speak with the Australian Electoral Commissioner in relation to timing?

Ms Foster: That's correct.

Senator WONG: How did PM&C become aware of that?

Ms Foster: The chief of staff advised me that he was going to do that.

Senator WONG: Sorry, I'm having trouble hearing you. Maybe it's because I got up early or I'm getting old—or all of the above!

Ms Foster: The chief of staff in the Prime Minister's office advised me that he was going to seek a meeting with the Australian Electoral Commissioner.

Senator WONG: Did he explain why?

Ms Foster: It was in the context of talking about election timing.

Senator WONG: So this is a conversation you were having with the chief of staff?

Ms Foster: That's correct.

Senator WONG: No advice from you?

Ms Foster: No.
Senator WONG: So I'm not asking you about advice to government; I'm asking you what was communicated to you. Did the chief of staff raise any particular set of election date possibilities with you in that discussion?

Ms Foster: No, he didn't.

Senator WONG: Did he raise the need for a half-Senate election? Did he reference that?

Ms Foster: No, he didn't.

Senator WONG: Did he give you any time frames about the constraints upon the government?

Ms Foster: No, he didn't.

Senator WONG: Did he indicate to you that the Prime Minister had changed his mind about when the election would be called?

Ms Foster: No, he didn't.

Senator WONG: What did he tell you?

Ms Foster: He told me that he was intending to call the Australian Electoral Commissioner speak with him about the mechanics, I guess, of election timings.

Senator WONG: Is that the only conversation you've had with the PMO about election timing?

Ms Foster: I think that phone call was triggered by me making contact with the Prime Minister's Office to ask if they wished to have advice from us or from the Electoral Commissioner.

Senator WONG: Say that again?

Ms Foster: I think the discussion around meeting with the Electoral Commissioner was triggered by me contacting the Prime Minister's Office to ask if they wished to have advice from us.

Senator WONG: Okay.

Ms Foster: And when I say 'us' I mean—

Senator WONG: PM&C.

Ms Foster: PM&C and/or the Australian Electoral Commissioner.

Senator WONG: The Public Service of Australia?

Ms Foster: Yes.

Senator WONG: Prior to that time, had advice been sought or provided?

Ms Foster: I'm sorry?

Senator WONG: Prior to that call, to your knowledge, had advice been sought or provided?

Ms Foster: Not to my knowledge, no.

Senator WONG: There was an article in which Mr Benson, who often is very well informed by this government, indicated that the Prime Minister—

Senator Cormann: That's why you thought it would be this weekend! You just assumed that the newspapers were right.
Senator WONG: I thought it would be this weekend because all of your people were packing up, including the ministers.

Senator Cormann: That was because the House of Representatives was not sitting.

Senator WONG: Members and senators—

Senator Cormann: I could not possibly miss one minute of Senate estimates with you, Senator Wong! I'm very happy that the election hasn't been called yet.

Senator WONG: You really shouldn't tell fibs.

Senator Cormann: I'm sure that your colleagues are very grateful too—

Senator WONG: We all know you're fibbing.

Senator Cormann: I think estimates is fantastic.

Senator WONG: Yes. It's a very important aspect of our democracy. But we all know you're fibbing when you say you're really happy to be here.

So Mr Benson wrote that the Prime Minister was 'eyeing a federal poll on 11 May'. This was after Premier Berejiklian was re-elected. Was any advice provided by the department in relation to this date?

Ms Foster: No.

Senator WONG: Were Dr Parkinson or PM&C asked to provide any advice regarding arrangements consistent with an 11 May polling day?

Ms Foster: No.

Senator WONG: Has a draft letter to the Governor-General or arrangements for the Prime Minister's visit to Government House been prepared for any date, to date?

Ms Foster: We've prepared all the necessary documentation to give effect to an election being called and to be ready for when the Prime Minister advises us that that's what he wishes to do.

Senator WONG: Do I infer from that, Ms Foster, that your preparation of the relevant documentation and the relevant arrangements—that is, the letter to the Governor-General, and arrangements for a visit to Government House—have been undertaken in relation to more than one date?

Ms Foster: What we've done is prepare paperwork ready for a date to be filled in.

Senator WONG: When was the paperwork prepared?

Ms Foster: We've been working on it for a little while. Certainly, we had it ready for last week because the Prime Minister had stated publicly that he was considering the 11th, 18th or 25th as election dates. And so, obviously, we made sure that we were ready for any of those three possibilities.

Senator WONG: So you've prepared it for the 11th, the 18th and the 25th?

Ms Foster: We prepared the paperwork to have any of those dates filled in, but we needed to have it ready, of course, in time for an 11 May election because the Prime Minister had stated publicly that that was one option he was considering.

Senator WONG: There's an assertion that he's made in a few of the media articles that there's a government view—obviously, we have Good Friday and Anzac Day potentially in
the election period—that, depending on the timing of the writs issued by the Governor-General, public holidays could interfere with important administrative timelines. Are you able to advise me or tell the committee what those—

Senator Cormann: What is the source of that?

Senator WONG: I'm reading from a Sun Herald article dated 7 April. I'm not asserting it as being true. I'm asking: has there been any consideration of, or are you aware of, the possibility of public holidays 'interfering with important administrative time lines'?

Ms Foster: That level of detail is something for the Electoral Commission. That's something which we wouldn't go into.

Senator WONG: Minister Representing the Prime Minister, at any point, has Mr Morrison, the Prime Minister, been advised by the AEC of the impact public holidays might have on electoral timelines?

Senator Cormann: I'm not aware of the advice that the Prime Minister may or may not have received, but the Electoral Commission is due to appear tomorrow, I believe.

Senator WONG: Are you aware as to whether or not the Prime Minister has requested or received any advice in relation to the impact public holidays may have on voting habits?

Senator Cormann: On which?

Senator WONG: Voting habits.

Senator Cormann: Voting habits?

Senator WONG: That's what I've been told is asserted in the media.

Senator Cormann: I'm not aware.

Senator WONG: Okay. Did Mr Morrison or his office meet with the AEC in budget week? I'm trying to get the timeline of the meeting that Ms Foster is referring to.

Senator Cormann: I'm not aware, but I can ask for that information to be provided.

Senator WONG: Minister, the Prime Minister's previously ruled out, or said he had no plans to call, a half-Senate election. Does that remain the government's position?

Senator Cormann: That remains the government's position. Sorry, did you say 'rule out a half-Senate election'?

Senator WONG: Yes. Are there no plans to call—

Senator Cormann: A half-Senate-only election?

Senator WONG: Yes.

Senator Cormann: We don't have any plans to call a half-Senate-only election.

Senator WONG: Ms Foster, can I ask about SES leave. Has any advice been given to SES staff regarding time frames for leave since the beginning of the year?

Ms Foster: No.

Senator WONG: Minister Cormann, can I confirm all relevant ministers will be representing their portfolios in estimates this week?

Senator Cormann: Yes.
Senator KITCHING: Laura Tingle said on Insiders that the government may appreciate the opportunity for some extra government fundraisers this week. Are you going to be here all week?

Senator Cormann: I'm going to be here all week, yes.

Senator KITCHING: Any fundraising going on?

Senator Cormann: Nothing planned. I'm scheduled to appear every day, so I don't have any spare capacity. I'm not quite sure how Laura Tingle would come to that view, given where we are.

Senator KITCHING: Are there any fundraisers the Prime Minister, the Treasurer or you were meant to be attending this week?

Senator Cormann: I was not meant to be attending anything other than Senate estimates this week, which has been scheduled, as you know, for some time, and it's been a very high profile commitment in my diary for a long time. In relation to the Prime Minister's and the Treasurer's commitments, I would have to take that on notice, but let me add that this is the traditional post budget week, and, for as long as I can remember, with governments of both persuasions, in the week after the budget week there is obviously a level of community engagement that takes place nationally.

Senator KITCHING: For 'community engagement', would you consider including fundraising?

Senator Cormann: I think that you'll find, again—it is not a breaking newsflash—it's completely unremarkable that from governments of both persuasions relevant candidates and others seek to raise funds to conduct an election campaign.

Senator WONG: Can I go now, in part, to some of the questions that Senator Rice was asking. I'm asking you first, Minister, in your capacity representing the Prime Minister. On Friday, Sky News journalist Laura Jayes tweeted that resources minister Matt Canavan threatened to quit cabinet over the delay in approval to Adani. I'm asking you directly, Minister: did Senator Canavan ever threaten to quit parliament?

Senator Cormann: Not that I'm aware of, and he has denied it.

Senator WONG: Can you explain to me why a respected journalist would have been briefed accordingly, then, by a member of the government?

Senator Cormann: You're now asking me to speculate about speculation that is unsourced. So, I can't really assist you with that. I do agree with you that Laura Jayes is a respected journalist. I certainly, like others, hold her in high regard. But that doesn't mean that everything that is put to her is always in all respects accurate. I note that Senator Canavan has firmly denied that report.

Senator WONG: It is a very serious allegation to come out of the government—or a very serious allegation. It's a very serious story, because it suggests that a federal cabinet minister threatened resignation over the exercise, or the potential exercise, of a statutory power of another minister.

Senator Cormann: It's not accurate. To the extent that you're asking me to comment on unsourced speculation, I can't assist you.
Senator WONG: Has Minister Canavan made representations to the Prime Minister about the Adani approval process?

Senator Cormann: Minister Canavan has got responsibility for the resources sector, so, without talking about specifics that I'm not aware of, I suspect that, as a senator for Queensland and as a minister with responsibility for the resources sector, in the ordinary course of events he's got a role, but the decision-maker in relation to the approval that people are focusing on is the Minister for the Environment and the Minister for the Environment alone.

Senator WONG: Are you aware of the content of the representations Minister Canavan has made about the Adani approval process?

Senator Cormann: I'm not aware.

Senator WONG: Has he spoken to you, as Leader of the Government in the Senate, about the approval process?

Senator Cormann: He has not spoken to me about the approval process, but at various times we've certainly had conversations about the importance of that project for jobs in Queensland.

Senator WONG: Prior to this becoming public, did you have any knowledge of the possibility of resignations, be they cabinet or ministerial, being threatened if the Adani approval process was not undertaken in accordance with—

Senator Cormann: The first time I heard these inaccurate reports, which have been denied, was when these inaccurate and denied allegations and assertions were made in the media.

Senator WONG: The media reports also are that the delegation of Queensland members of parliament have lobbied the Prime Minister over this issue. Has the Prime Minister had any meetings in the last two or three weeks about the approval of the Adani coalmine?

Senator Cormann: I'll have to take that on notice. Obviously the Prime Minister meets with colleagues on a regular basis. In terms of what specifically the topics of conversation were in various meetings that he's had with colleagues over the last few weeks, I'll have to get that on notice.

Senator WONG: Do you know?

Senator Cormann: I don't know, no. I've not been part of any meetings myself. You might remember that, at the material time that is alleged in the media to have been the time when certain meetings supposedly took place, I was here, fully committed and fully engaged, providing answers openly and transparently to your questions. So I don't really know.

Senator WONG: Has PM&C provided or been asked to provide to the Prime Minister any advice in relation to the Adani approval process?

Ms Foster: Not to my knowledge. I'll see if any of my colleagues have that answer.

Senator WONG: Has the Prime Minister met with the environment minister in relation to the Adani approval process? If so, when?

Mr Duggan: Not to my knowledge.
Senator WONG: Have you provided advice in relation to the Adani approval process, Mr Duggan?

Mr Duggan: No.

Senator WONG: Is PM&C aware of any meeting between the Prime Minister and either Mr Canavan or other Queensland MPs and senators in relation to the Adani process?

Mr Duggan: No.

Senator WONG: Has the approval of the Adani coalmine gone to cabinet?

Mr Duggan: No, not to my knowledge.

Senator Cormann: Again, it's not a cabinet decision. It is a statutory decision for the Minister for the Environment.

Senator WONG: Has someone explained that to Minister Canavan?

Senator Cormann: On what basis are you making that assertion? You can only make that on the basis of unsourced speculation which has been denied.

Senator WONG: I'm asking you, Minister, this question. There was a report in the media—The Australian—on Saturday in which it was asserted:

A delay of one week will also allow the Coalition to continue making a range of important decisions before the election forces the government into caretaker mode, including signing off on the long-awaited environmental assessment on the Adani coal mine.

Is that correct, Minister?

Senator Cormann: No, it's not correct. I'll tell you why it's not correct: it's because there has been no delay. You keep making this inaccurate assertion that there is a delay—

Senator WONG: No, actually I think that's Minister Canavan, not Penny Wong! With respect, I think you might need to be talking to your colleagues, not me.

Senator Cormann: If I can finish my answer. In the lead-up to every election there is a lot of speculation about timings of elections.

Senator WONG: I'm actually just quoting The Australian.

Senator Cormann: Sure. As I was saying, in the lead-up to every election there's lots of media speculation and speculation by other stakeholders as to when precisely the election will or will not take place. It's just that: speculation. And then not only do we get speculation about the timing of the election; then we get speculation on what the motivation is for not going with one day rather than another. It's just that: speculation. It doesn't make it true, and I completely reject that particular proposition.

I do hasten to add that we continue to be the elected government of Australia. We went to the last election, we won the last election and that was less than three years ago, on 2 July 2016. Until such time as the next election is called, we continue to be the Australian government, making decisions in the public interest.

Senator WONG: Can we perhaps not be distracted by the use of the word 'delay' there? I was actually quoting someone else. Leaving that aside—

Senator Cormann: The timing of the election has nothing to do with the topic you are raising.
Senator WONG: Right, but the assertion that I'm asking you to clearly rule out is that the government is seeking to try to resolve the environmental assessment and environmental approval process on the Adani coalmine before the election is called.

Senator Cormann: The approval, which is one of many approvals that has already been dealt with in the past by both federal and state governments, is not a matter for the government as a whole. It is a matter for the Minister for the Environment to resolve consistent with legislation, in the public interest and in the time frame that she requires under the legislation.

Senator WONG: Okay. Consistent with the theme of public pressure or pressure being put on Ms Price, the front page of *The Courier-Mail* on 8 April had as its first paragraph: 'Fired-up LNP Senator James McGrath has sensationally warned environment minister Melissa Price that he will publicly call for her resignation if she fails to treat the Adani project fairly. In terse and blunt correspondence, Senator McGrath told the embattled minister he would issue a press release calling for her ministerial scalp if Queensland jobs were thrown under the bus.' Are you aware of this letter?

Senator Cormann: I've read the report on the front page of *The Courier-Mail*, obviously. I'm not aware of the letter.

Senator WONG: Were you aware of it before reading?

Senator Cormann: No.

Senator WONG: Was the Prime Minister aware of this?

Senator Cormann: Not that I'm aware, but I'm happy to check on notice.

Senator WONG: Have you seen a copy of the letter?

Senator Cormann: No.

Senator WONG: Has PM&C seen a copy of the letter?

Mr Duggan: I haven't seen a copy of the letter.

Senator WONG: Have the Prime Minister or his office had any discussions or meetings with Minister Price about her handling of the approval process?

Senator Cormann: I'd have to take that on notice.

Senator WONG: Does the Prime Minister have a view about Senator McGrath making these sorts of public statements about a minister's performance?

Senator Cormann: Senator McGrath is a backbench senator expressing a view as a backbench senator. He's not a member of the executive. He's obviously not the minister responsible for making the decision. Obviously, I would have much rather that he had not made that sort of communication, but he has, and we are where we are.

Senator WONG: He's threatened her with issuing a press release calling for her 'ministerial scalp'.

Senator Cormann: Allegedly. I have not seen any such correspondence.

Senator WONG: Have you contacted him?

Senator Cormann: I have not.
Senator WONG: Has anyone from the Prime Minister's office contacted him? It's a front page. You've got a senior cabinet minister who's in a public and extraordinary display of disunity and disloyalty by Senator McGrath. This is an attack on a cabinet colleague, an attack on a member of the cabinet and an attack on the legal process. Does the Prime Minister do anything?

Senator Cormann: If your question is asking me to provide you with information on what the Prime Minister has done in relation to this, I'm happy to take that on notice.

Senator WONG: Do you know what he's done?

Senator Cormann: I don't, no.

Senator WONG: Has anyone spoken to Senator McGrath?

Senator Cormann: I haven't, and I will find out for you whether somebody in the Prime Minister's office has.

Senator WONG: What are Australians supposed to think when you've got members of the coalition publicly attacking each other on the front page of a major paper?

Senator Cormann: That is your characterisation.

Senator WONG: 'You'll pay the price' is the headline.

Senator Cormann: I don't think Senator McGrath wrote the headline.

Senator WONG: How would you like me to describe it, Minister? Do you want a less pejorative phrase than 'attacking'? I could have said 'bullying'!

Senator Cormann: Obviously local members in Queensland feel very strongly about this project and are forcefully expressing a view. But the minister who has got the sole responsibility for making the decision is Minister Price, and she will be guided only by what is in the public interest and by the requirement to act consistent with the law.

Senator WONG: I'm asking about the unity of the government. It's also about the Prime Minister backing his cabinet. Surely the Prime Minister has spoken to Senator McGrath and told him to pull his head in?

Senator Cormann: The Prime Minister has full confidence in Minister Price, and I've already taken on notice the question on what, if anything, he has initiated or done himself in relation to Senator McGrath. I'm personally not aware; I'm engaged in this estimates process here. The Prime Minister is in Queensland today. He is talking to the Queensland community about our budget to make the economy stronger and create more jobs. I suspect he might have even been at the same function as Senator McGrath; I don't know. But I will find out for you on notice and get that information for you.

Senator WONG: You say the Prime Minister has full confidence in Minister Price. Has he said so?

Senator Cormann: He clearly has full confidence in Minister Price.

Senator WONG: No, no, I'm not trying to—

Senator Cormann: I have not spoken to him today in relation to this matter.

Senator WONG: No, I meant publicly. You've got a LNP senator who was at some point, you might recall, instrumental in the take-down of Mr Abbott for Mr Turnbull—I think it was that way around. Or was he in the other one? I can't recall. But he was previously—
Senator Cormann: Like Mr Shorten was involved in the downfalls of Mr Rudd and Ms Gillard, too.

Senator WONG: My point is: Senator McGrath is publicly attacking a minister. If you would like another phrase than 'attacking', I'm happy to—

Senator Cormann: He's advocating on behalf of a project.

Senator WONG: He's not. He's saying he's going to call for her ministerial scalp. He's saying he's going to issue a press release calling for her ministerial scalp. That's what's been given to the paper.

Senator Cormann: That is the assertion.

Senator WONG: Well, you tell me what he did say in the letter.

Senator Cormann: I don't know. I'm not here answering on Senator McGrath's behalf. He's a backbench senator. The best person to answer that question would be him.

Senator WONG: No, I think they should table the letter in the estimates.

Senator Cormann: If there is such a letter.

Senator WONG: You tell me if there is or not. It's your government that's having a whack at each other on the front page of the paper. You tell me if it's true.

Senator Cormann: Obviously some people in Queensland are feeling very strongly about this.

Senator WONG: Which people?

Senator Cormann: We've already gone through this, Senator McGrath clearly being one of them.

Senator WONG: And Senator Canavan?

Senator Cormann: Some other Liberal and National members in Queensland are very passionate about the fact that this is an important project for future economic prosperity, in particular across Central Queensland. But that doesn't do away with the core requirement that any approval must be provided by the appropriate decision-maker in the public interest consistent with the requirements under relevant legislation, as it will be. The decision-maker in relation to this approval, which is one of a long series of approvals, is Minister Price.

Senator WONG: This backbench senator, as you described him, was the Assistant Minister to the Prime Minister between September 2015 and August 2018.

Senator Cormann: He's a backbench senator. What you've just read out confirms precisely what I've just said.

Senator WONG: No; I said this backbench senator, as you called him, was Assistant Minister to the Prime Minister of Australia between September 2015 and August 2018.

Senator Cormann: How is that inconsistent with what I've said?

Senator WONG: I'm making the point that he is someone who has had some weight. He's publicly attacking a cabinet minister and undermining a legal process—as you correctly point
out, this is a statutory power exercised by the environment minister. I am interested to know whether or not, since that attack, the Prime Minister has at any point publicly backed Minister Price in?

**Senator Cormann:** I know that the Prime Minister has full confidence in Minister Price.

**Senator WONG:** That's not what I asked.

**Senator Cormann:** I don't know what has been said, since I've been sitting here in estimates. The Prime Minister's in Queensland and I'm in Canberra. I don't know what the Prime Minister has said today. Mr Shorten used to say that whatever it was that somebody said, he agreed with. I'm not in that same category.

**Senator WONG:** You've got a senior minister and, regrettably, one of most senior women in the LNP being publicly attacked by a member of the party room. I would have thought that the Prime Minister would have backed her in publicly.

**Senator Cormann:** The Prime Minister absolutely backs in his ministers—

**Senator WONG:** Publicly. If you're reading *The Courier-Mail*—

**Senator Cormann:** including Minister Price.

**Senator WONG:** If he has, I look forward to seeing it. Maybe he has; I don't know. I haven't looked at all the media. Have you been advised or has the Prime Minister been advised on when a decision on Adani is likely?

**Senator Cormann:** I have not been advised. I will take that on notice. I don't know what the Prime Minister has been advised on this.

**Senator WONG:** Mr Duggan, what involvement has PM&C had in the Adani issue?

**Mr Duggan:** To date, we've had very little involvement. This has been run out of the Department of the Environment and Energy. We haven't provided any advice to the Prime Minister at this point.

**Senator KITCHING:** Have you been kept informed of the department's briefings to the minister?

**Mr Duggan:** My staff may have. I haven't had those conversations with the department of the environment.

**Senator KITCHING:** Is there someone from your office here who could answer that?

**Mr Duggan:** There are members of my office here who might be able to help me.

**Ms H Wilson:** Could you please repeat the question?

**Senator KITCHING:** Mr Duggan was saying that perhaps someone in his area had been briefed by the department, and I asked if there was anyone here and you've come to the table. What kind of communication have you had with the department about Adani?

**Senator WONG:** The department of the environment.

**Ms H Wilson:** I've had no communication with the Department of the Environment and Energy recently on this particular matter.

**Senator WONG:** Do you know what the status of the approval consideration is?

**Ms H Wilson:** Yes, I'm getting that advice at the moment. If you don't mind, I'll take it on notice and, as soon as my official comes back, I'll get that to you. As Mr Duggan has already
indicated, some of these questions are best directed to the Department of the Environment and Energy but I'm getting what advice I can.

**Senator WONG:** We're just seeing how far we can get here.

**Ms H Wilson:** That's right.

**CHAIR:** Senator Spender, are you seeking the call?

**Senator SPENDER:** Yes.

**CHAIR:** I'll go to Senator Spender, and then I'll come back to Senator Kitching.

**Senator SPENDER:** This might be very brief. I just want to know where my questions might best be directed. If I'm interested in discussing the policy decision about extending the energy payment, you might consider that it's not something that you want to comment on and—

**Senator Cormann:** The best area to ask questions about the policy rationale is the Department of Social Services, which appears on Thursday, I believe.

**Senator SPENDER:** So, if I asked you why it was extended, you won't—

**Senator Cormann:** I provided answers in relation to this last Thursday. What I said then is that, given the budget in 2018-19 was tracking more than $10 billion better, in terms of the bottom line, than anticipated when the budget was first released, we made a judgement that the initial cost, which was $285 million from memory, was affordable in the context of a materially improved budget bottom line and that this enabled us to provide cost-of-living pressure relief in particular to aged pensioners and various other eligible welfare recipients. That was the policy rational.

**Senator SPENDER:** Based on the better tracking for 2018-19, between roughly when the numbers were prepared in the budget and—

**Senator Cormann:** No. This is between the 2018-19 budget being delivered in May 2018, when we forecast the $14.5 billion deficit, and the final deficit coming in just above $4 billion, which was $10 billion less. The government being mindful of the cost-of-living pressure being felt, particularly in the context of energy bills, we made a judgement that we had the opportunity to provide this one-off energy assistance payment and we made the decision accordingly. But, if you want to go much beyond that, it's probably best to address that to the Department of Social Services.

**Senator SPENDER:** That's not new information, basically. You didn't have new information in the last fortnight that would give you reason to think that you could now afford it.

**Senator Cormann:** We did have new information, and that is obviously the economic parameter information. There are a lot of different things that feed into what your revised bottom-line information is for a particular year, and that information gets finalised just a week or two before the budget is delivered.

**Senator SPENDER:** Okay, I'll ask further policy questions of the department. Finally on that, you don't see any particular issue with the fact that the payment in 2017, upon which this was based, only went to aged pensioners, disability support pensioners and single parenting payment recipients?
Senator Cormann: Obviously the measure in 2017—you're quite right—did not go to Newstart allowance recipients and the like, and that was the form in which it was supported by the parliament, including the Labor Party. But it became obvious this time around that, in order to facilitate passage of this measure, we needed to expand it somewhat, which is what we subsequently did, and that is reflected in the updated measure that was ultimately passed by the parliament.

Senator SPENDER: Did you get any indication, such as from Labor, that they wouldn't support the bill in its original form?

Senator Cormann: I didn't directly engage with Labor myself. Let me just say that the judgement that the government formed about the measure, as originally put forward in the budget—which was the same measure as the one passed by the parliament as a one-off measure in June 2017—was that if we wanted to make sure, given the shortness of time, that the measure could pass efficiently then it was best done in the amended form, which we ultimately did.

Senator KITCHING: Senator Cormann, we had a conversation about the government's relationship with Senator Hanson last year. You might recall she was holding a large novelty cheque to announce an $8.9 million government grant. There was an article in The Courier Mail on Saturday titled 'Hanson declares 18 May election day'. The article says, "The election will be on 18 May," she wrote on her Facebook page, next to a selfie taken in her hospital bed. "I know this because the Liberals' advertising has been leaked and runs through until 15 May." Why is Senator Hanson announcing the election date?

Senator Cormann: Let me tell you she ain't Robinson Crusoe in announcing the election date! It seems to be a national sport. From about 12 months out from an election, everybody's trying to pick the election date.

CHAIR: A very sad national sport, Minister, amongst a very small group of people.

Senator Cormann: Journalists try and pick election dates. Political operatives try and pick election dates. Oppositions try and pick election dates. All sorts of people try and pick election dates, and every now and then somebody backs themselves in on a particular proposition. I would put what you just described into that category.

Senator KITCHING: She cites a leaked advertising calendar as the basis for her electoral announcement. Are you aware of this leaked calendar?

Senator Cormann: No. Senator KITCHING: What did you surmise she was referring to?

Senator Cormann: To be honest—I have to disappoint you—I had not read that story. I arrived back in Perth very late on Friday night. I had meetings all Saturday morning, and I had only a very small window with my family before coming back to Perth, so on Saturday I did not read stories about these or other such matters.

Senator KITCHING: She just says that there's been a leaked calendar. What steps has Mr Morrison or the department, Ms Foster, taken to investigate whether any government advertising schedules have been leaked?

Senator Cormann: Hang on. I think you're now fudging things. As I understood what you quoted, you were talking about an advertising calendar going to 15 May, which clearly is not
a government advertising calendar. You were referring to a Liberal Party advertising calendar, which is what I think you actually also quoted. I don't think you can ask Ms Foster about election period campaign advertising.

Senator KITCHING: Who has access to the advertising schedule?

Senator Cormann: This is not a matter for the government. If you want to ask, as a Labor Party member, questions about Liberal Party matters, I would refer you to the Federal Director of the Liberal Party, who I'm sure would be very helpful to you within the bounds of what would be appropriate. I would expect the same response, openly and transparently, back from the National Secretary of the Labor Party too.

Senator KITCHING: In fact, what I'm asking about—and you have today read out a list; I'm very admiring that you've managed to rote learn the various advertising campaigns.

Senator Cormann: But this is different. This is government advertising—

Senator KITCHING: I didn't ask about the Liberal Party advertising campaign—

Senator Cormann: You referenced a Liberal Party—

Senator KITCHING: I asked about the government advertising schedule.

Senator Cormann: No, I'm sure that the story that you read referenced advertising going to 15 May, which necessarily can only be Liberal Party advertising.

Senator KITCHING: And now I'm asking Ms Foster about the government advertising schedule.

Ms Foster: I have no knowledge of the government advertising schedule or its potential leaking. That's not an issue which the Department of the Prime Minister and Cabinet manages.

Senator Cormann: As I had hoped by now would have been obvious, the area that deals with government advertising is outcome 2.5 in Finance, which is due to appear tomorrow afternoon.

Senator KITCHING: I will ask Finance because you've undertaken to give us a response tomorrow because Finance is the appropriate department.

Senator Cormann: I've said that I'm sure that Finance would have noted the interest and is putting all of the relevant information together. What I've said is consistent with the way these questions were answered by previous governments in the past and on the same timetable, given that we face the same limitations in terms of getting all of the information collated from right across government in all of the various departments.

Senator KITCHING: Has Ms Hanson been briefed by the government or any minister or indeed the Liberal Party or the National Party or the LNP in Queensland about the date of the election?

Senator Cormann: No.

Senator KITCHING: Or the Liberal Democrats?

Senator Cormann: All Australians will be briefed about the date of the election at the same time.

Senator KITCHING: So Senator Hanson doesn't know something that the Australian public—
Senator Cormann: No. As I've already indicated, I think Senator Hanson is participating in the national sport of trying to pick the date of the election, and she, like Australians from time to time do when they punt on a particular proposition, is backing herself in.

Senator KITCHING: Mr Morrison took some time to arrive at the conclusion that he might preference One Nation and perhaps Senator Anning et cetera down the bottom of the ticket. Is it more evidence that this government continues—

Senator Cormann: Sorry, say that again.

Senator KITCHING: Mr Morrison took some time to make announcements about preference deals with One Nation, far Right parties et cetera. He took some time to do that. He was dragged kicking and screaming to it. Is this more evidence that the government continues to cuddle up to Senator Hanson and One Nation to shore up its own political fortunes, particularly for LNP candidates?

Senator Cormann: No. The answer is no, and the second point is—and we went in some detail through this during the PM&C estimates last week, when we clearly pointed out—that these are not matters for government; preference arrangements are matters for political parties. Scott Morrison as Leader of the Liberal Party has made the decision, and that's been clearly communicated, to preference Labor ahead of One Nation and other similar such candidates. We will make final decisions on the order once we know who is in the mix, and that is because, as the Prime Minister indicated as Leader of the Liberal Party, there's a lot of competition to go last. There's a lot of competition between extremist parties and extremist candidates around who should be last.

As we've also said, it's time for Mr Shorten to make a decision to put the Liberal Party ahead of the Greens, given that they are an incredibly dangerous party who are advocating for us to walk away from our alliance with the United States, when that has underpinned our national security for decades and decades; pursuing death taxes; and many other such terrible proposals. Is Mr Shorten going to announce soon that he will put the Liberal Party ahead of the Greens? We're waiting for that.

Senator KITCHING: Ms Foster, is it normal practice that the secretary of the Prime Minister's department would be told the election date by now?

Ms Foster: No, Senator.

Senator KITCHING: Has there been any reaction within the department to Senator Hanson's announcement?

Ms Foster: I'm not aware of anyone being aware of Senator Hanson's announcement.

Senator Cormann: I'm quite intrigued. You obviously follow her very closely.

Senator KITCHING: It's early general news in The Courier-Mail.

Senator Cormann: Clearly, everybody's turned up at Senate estimates—

Senator KITCHING: Ready to enjoy themselves for the week!

Senator Cormann: so nobody has assumed that the election has been called. This is great. In fact, maybe we should extend it by another week.

Senator KITCHING: The reps would have to come back as well.

Senator Cormann: Even more fun!
Senator KITCHING: I've been intrigued by the Liberal Party's Back in Black advertisement posted to social media accounts. It features the Prime Minister and the Treasurer walking the corridors of parliament while spruiking their projected budget surplus in 2019-20. What resources were allocated to the making of this video?

CHAIR: Senator Kitching, I'm fairly sure these questions were asked last week.

Senator Cormann: Precisely that same question.

Senator KITCHING: We are asking again. We are hoping to see what other information—

CHAIR: The questions were answered by the department.

Senator KITCHING: They were different—these are different—

Senator Cormann: These are not matters for government. These are matters for the relevant party organisation.

Senator KITCHING: I'm asking whether there were any resources—

CHAIR: The department answered that.

Senator Cormann: The department said no.

CHAIR: To refresh your memory: the answer was that the department had no involvement.

Senator Cormann: The precise same questions were asked.

Senator KITCHING: What about the mugs that are being circulated—the coffee mugs?

Senator Cormann: Nothing to do with the government. This is now being repetitive. We literally have gone through precisely these questions.

Senator SPENDER: I don't think Labor were prepared to come back to Senate estimates this week.

Senator DEAN SMITH: They've been caught by surprise.

Senator KITCHING: Not really. Given your answer in this time line document in relation to some questions that Senator McAllister asked particularly about the number of appointments, and I think, Senator Cormann, you said there were 120 to 150 since 14 April—is that right?

Senator Cormann: 14 March. 14 April is next week.

Senator KITCHING: Sorry, 14 March—

Senator Cormann: To 5 April, yes. Up until 14 March, all relevant appointments fell under the longstanding order to report that information to the President of the Senate.

Senator KITCHING: So the 120 to 150—which areas are they in?

Senator Cormann: Across the whole of the government.

Senator KITCHING: Have you got a compilation of those?

Senator Cormann: They've obviously been announced or are in the process of being announced, and they will be reported to the Senate in the usual way. I haven't got in front of me a list of which those appointments are. You know that there is an ordinary, routine process of reporting that will continue to take place.
Senator KITCHING: Are there any in PM&C?

Senator Cormann: I don't know. That's the truthful answer.

Ms Foster: I'm sorry, Senator?

Senator KITCHING: Of the very recent appointments—

Senator Cormann: In the last couple of weeks, from 14 March to 5 April, were there any appointments made to boards or whatever in the PM&C portfolio?

Ms Foster: I don't believe so, but I'll check for you, Senator.

Senator KITCHING: Thank you. Would you be able to come back about that?

Ms Foster: I'll try.

Senator KITCHING: Are you expecting to do any announcements this week, Senator Cormann?

Senator Cormann: In the Prime Minister's portfolio?

Senator KITCHING: Across government?

Senator Cormann: Well—

Senator KITCHING: Well, since you've been able to compile the last few weeks—

Senator Cormann: the cabinet is not meeting, because we've got Senate estimates, so I'm not aware of any appointments being made. It might well be that in some parts of government not all of the appointments that have been made have yet been announced because sometimes there are other processes that have to follow after a cabinet decision, such as submission of a recommendation to the Governor-General. I can't provide you a holus-bolus answer, in all sincerity. All I can say is that, in the period from 14 March to 5 April, which is the period up to which public reporting has already occurred, about 120 to 150 positions have been filled—out of more than 3½ thousand, I hasten to add. They would be in various stages of public announcement.

Senator KITCHING: What's the last day the government's able to make appointments prior to the Prime Minister going to Yarralumla?

Senator Cormann: That is a question that goes to caretaker conventions, and I might ask Ms Foster to answer that independently.

Ms Foster: It depends a little bit on what process the appointment takes. There are different processes for different appointments of different levels of significance. If an appointment needs to go to an Ex-Co, to the Governor-General, then clearly there needs to be an Ex-Co scheduled to view that appointment.

Senator KITCHING: Is Ex-Co scheduled this week, Senator Cormann? You're on the—

Senator Cormann: Under the relevant Cabinet Handbook, I'm sure that I'm not at liberty to broadcast when Ex-Co might or might not be meeting. Ms Foster is nodding, but Hansard doesn't pick up a nod.

Ms Foster: Sorry. As you know, Senator, when Ex-Co does meet, its decisions are made public on the Governor-General website. So, post fact, that will be made public.
Senator KITCHING: I look at that website. It's quite interesting. What I want to know is this. In the caretaker period, there will be some appointments that could be made in that period?

Ms Foster: Normally, the caretaker provisions would say that no significant appointments should be made during the caretaker period. Technically, the answer is your question is: when caretaker starts—that is, when the House is dissolved. All I was saying before was that practically, if there are other steps to take place, that could push the date back a little bit.

Senator Cormann: Now we're entirely in the realm of the conceptual and theoretical. If there were an urgent, significant appointment during the caretaker period, it could be made subject to the appropriate consultation between the government and the opposition.

Senator KITCHING: Up until recently, the Liberal and National Party parliamentarians have been more than happy to have their photos taken with electric vehicles. Is that correct?

Senator Cormann: Say that again.

Senator KITCHING: Liberal and National Party members have been quite happy to have their photos taken with electric vehicles.

Senator Cormann: Yes, sure—and the point is?

Senator KITCHING: Well, Stuart Robert, the Prime Minister's close friend, went to the Tesla factory in May 2015 and tweeted about it, saying that it was 'a real part of the future of the automotive industry'. The current Deputy Prime Minister, Michael McCormack, welcomed the installation of electric vehicle chargers throughout New South Wales on 14 March 2019. He said:

This initiative will not only support the local community but will help attract more tourists to visit #blandshire

The current Treasurer—

Senator Cormann: So what's the point?

Senator KITCHING: I'm coming to my questions. I'm just letting you take in the full suite of your parliamentary colleagues and what they get up to. The current Treasurer, Josh Frydenberg, when talking with Kieran Gilbert in January 2018, likened electric cars impacting the transport sector to iPhones in communications, saying 'those ridiculing them will end up buying them'. Is Mr Frydenberg correct?

Senator Cormann: Yes. Can I give you a newsflash? I like ice cream and I buy ice cream, but I'm not proposing a law that 50 per cent of everybody's food has to be ice cream. So, yes, of course we like electric vehicles; of course we think that it's an exciting new development. It's a big leap from that to making a decision to force Australians to take that choice away—to what extent they have to buy electric vehicles. Do I believe that Australians should have the option available to buy an electric vehicle if that's what they want to do, if it suits their particular professional and personal living arrangements? Sure.

Senator KITCHING: This sounds like you would agree with Mr Frydenberg when he wrote in January 2018, in quite racy language for a Liberal Party Treasurer—

Senator Cormann: Racy language?

CHAIR: Senator, you need to get out more.
Senator KITCHING: He said:
A global revolution in electric vehicles is underway and with the right preparation, planning and policies, Australian consumers are set to be the big beneficiaries.

Senator Cormann: I think a global revolution in healthy food is underway. I happen to think that brussels sprouts is an amazing and very healthy food and I eat it happily regularly, but I'm not proposing a law that 50 per cent of all food that Australians consumed must be brussels sprouts.

CHAIR: Why do you hate brussels sprouts, Minister?
Senator Cormann: I love brussels sprouts.

CHAIR: They should be compulsory, then.
Senator WONG: Can I just say: that's such a ridiculous proposition.

Senator Cormann: That is a completely—
Senator WONG: No—excuse me. We regulate fuel standards, we regulate electricity, we regulate a whole range of things. To suggest that, somehow, changes to how you might deal with the vehicle fleet is equivalent to regulating whether or not you have your ice cream is, frankly, ridiculous.

Senator Cormann: Let me say: I was responding to the introduction by my valued colleague 'the Hon.' Senator Kimberley Kitching when she was putting—

Senator WONG: She's not 'the Hon'.

Senator Cormann: certain quotes to me to the effect that various Liberal members of parliament had said they liked electric vehicles. The point I was making was that, just because you like a particular product doesn't mean that you need to reduce the choice of Australian consumers by imposing a 50 per cent mandatory target. I was just objecting to the leap in the logic.

Senator KITCHING: Is Angus Taylor correct when he wrote in a media release, in October 2018, about the rollout of rapid charging points across Australia and said: The ultra-rapid charge will provide a range of up to 400 kilometres in just fifteen minutes, compared to a current charging time of several hours.

Senator Cormann: I hope it does. Again, none of these—

Senator KITCHING: Some of your colleagues have rubbished that.

Senator Cormann: I said, 'I hope it does.'

Senator KITCHING: Have they told Angus Taylor he's incorrect?

Senator Cormann: If I may: I hope that ends up being the case. That doesn't mean that the government of Australia should impose this mandatory imposition on the Australian people. It doesn't mean that the Australian government should take away people's choice. That is precisely what you're proposing to do. Many people, particularly in outer suburban and regional areas, are very concerned about it.

Senator KITCHING: There's a whole list of current Liberal MPs and National MPs talking in favour of electric vehicles. Even the former Prime Minister Malcolm Turnbull has tweeted in support of electric vehicles.
Senator Cormann: Being against compulsion is not being against electric vehicles. The whole point underpinning—

Senator Wong: He's not tweeting in support of your lot; he's tweeting in support of electric vehicles.

Senator Cormann: Great.

Senator Kitching: EVs are far more efficient and have much greater—

Senator Cormann: The proposition underpinning all of your questions—

Senator Wong: Can the senator finish her question before he starts talking over her? I know it's embarrassing that former Liberal prime ministers are not supporting your policy decision.

Senator Cormann: That's actually not right. Again, that is a twist in logic.

Chair: Order! Let's make a deal, Senator Wong. If Senator Kitching—

Senator Wong: I didn't say anything!

Chair: I know, but since you're interceding on Senator Kitching's behalf—if Senator Kitching allows the minister to answer without interruption, then he should in return allow her to ask questions without interruption.

Senator Wong: I'll see if I can cut that deal.

Chair: If we can all uphold that, that would make things much easier.

Senator Kitching: Let me read the tweet. This is on 1 April 2019:

EVs far more efficient and have much greater torque than internal combustion engines. As soon as they become cheaper and have more range (as they will) they will take over the light vehicle market and no doubt others.

Is your former Prime Minister correct?

Senator Cormann: If there are evolving consumer needs and wants and likes and if there are evolving consumer preferences in a free market, that is one thing, but for the government to mandate compulsorily what people have to buy when it comes to their cars and take choice away from them in relation to a whole series of options that are available to them right now is not something we support. That is completely consistent with the various quotes that you've read out to me just now.

Senator Kitching: That's the scare campaign you're trying to mount, but Lucy Turnbull has also tweeted in support of electric vehicles. In one tweet, on 5 April 2019, Ms Turnbull says:

Very exciting—

and then there are three hand-clap emojis—

ABB Launches 8-minute Charger for Electric Vehicles.

That's three hand-clap emojis.

Senator Cormann: That's good. I see her enthusiasm.

Senator Kitching: It would show that Ms Turnbull is quite impressed—as you say, enthusiastic and excited—by this announcement. She tweeted earlier today in support of an electric vehicle that has travelled 95,000 kilometres from Amsterdam to Sydney.
Senator Cormann: None of what you're reading out, including that tweet by Ms Turnbull, in any way suggests that any of those great people support compulsion and taking away choice for Australians when it comes to the purchase of their vehicles from options that are currently available to them. None of these tweets and messages in any way support a proposition that Australians should be forced to buy up to 50 per cent of their vehicles as electric vehicles.

Senator KITCHING: Again, that's a scare campaign that you are running and that this government would seek to run. Is the Prime Minister backing away from your plan for electric vehicles? Are you backing away from the commitments you've given around electric vehicles?

Senator Cormann: We're not backing away from anything—

Senator KITCHING: Is this another policy change?

Senator Cormann: We're not backing away from anything.

Senator KITCHING: You're not backing away from electric vehicles; is that correct?

Senator Cormann: I have not suggested that we're backing away from electric vehicles being one of the options available to Australians, which should be incentivised, but we're not supporting the level of compulsion that the Labor Party has put forward.

Senator KITCHING: That, again, is your scare campaign. That is your government's scare campaign. So, where did this change come from?

Senator Cormann: I just said there's no change and then you say, 'Where does this change come from?' I can't really follow.

Senator KITCHING: Certainly the rhetoric of the government and its ministers would be that, when they thought about it, it was really fantastic. We announced something exciting and then you've backed away from it.

Senator Cormann: No, that's not right. I've explained which aspect we are unhappy about and I've explained that you can be supportive of something without wanting to remove people's choice.

Senator WONG: Should people still be able to choose to have lead in the petrol? It really is a ridiculous—

Senator Cormann: I think that is a different proposition.

Senator WONG: No, it's not. It is the same proposition around a public good and governments regulating for the public good, just in the way even your government has regulated the electricity sector to try and continue the Renewable Energy Target—eventually, after you had to—and in various other ways. It's just one of those—

Senator Cormann: If that is your position, then you should explain to people quite openly and transparently—

Senator WONG: I'm just making the point that it's philosophically ridiculous.

Senator Cormann: how much that means in additional cost for their cars and which size of cars they will no longer be able to purchase in the future.

Senator WONG: Is this really the best you can do? 'Don't vote for Bill Shorten because he's going to take your ute.'
Senator Cormann: You're asking me questions. I'm just responding to you.

Senator WONG: Really? The scare campaign is that he'll take your ute, there are socialists under the bed—and what was the other one? I can't remember. Really? Don't insult people's intelligence.

Senator KITCHING: Is this why Malcolm Turnbull is no longer Prime Minister?

Senator Cormann: As we've discussed here last week, the policies in relation to climate change under the Abbott, Turnbull and Morrison governments have been consistent. We've been committed to the same emissions reduction targets. We've been committed to the same Emissions Reduction Fund policy. There's been consistency all the way through our 5½ years in government so far in the way we've approached this.

Senator WONG: Come on! You've had 12 energy policies.

Senator Cormann: We're meeting and exceeding the emissions reduction target—

Senator WONG: Consistency? I'm actually agog.

CHAIR: Senator Wong, you just asked me a few moments ago to ensure the minister—

Senator WONG: I'm sorry. He just used the word 'consistency'.

CHAIR: It doesn't matter what word he uses; it still isn't in order to interject.

Senator WONG: Twelve energy policies!

Senator Cormann: I can't ever get a sentence out—

Senator WONG: That's not true.

Senator KITCHING: That is so not true.

CHAIR: Order, Senator Kitching!

Senator Cormann: So, as I was saying, the emissions reduction target, which was agreed to under the Abbott government, was maintained under the Turnbull government and which continues to be our emissions reduction target today, is one that we're very confident we'll be able to meet by 2030, in the same way as we are not just meeting but exceeding the 2020 emissions reduction target from Kyoto.

Senator KITCHING: Has the Prime Minister or his office given an edict to Liberal and National Party members and senators that there are to be no more photo opportunities with electric vehicles?

Senator Cormann: Nobody has given me any edict.

Senator WONG: Is that because you're out of the loop?

Senator Cormann: Maybe. Maybe I just don't know where I can be photographed.

Senator SPENDER: Have you ever been photographed with an electric vehicle?

Senator Cormann: We believe in freedom. We believe in freedom on our side of politics—individual freedom.

Senator WONG: Freedom to have an internal war on climate change and energy such that the country has not been able to implement an effective policy for nearly a decade.

Senator Cormann: That is not right. That's just political rhetoric.
Senator WONG: It's not. It is not. Two-thirds of our generation capacity is beyond its design life—
Senator Cormann: Yes, because you were very successful during the six years of the—
Senator WONG: because you lot can't provide any investment certainty.
Senator Cormann: During the period of the Labor-Green government—
Senator KITCHING: Labor-Green?
Senator WONG: Yes, they love that.
Senator Cormann: between 2007 and 2013, it was very successful!
Senator WONG: They really love that!
Senator Cormann: That's my point!
Senator WONG: That's the other sphere. Sorry, I forgot—socialists and Greens, as well as the ute dealers. I forgot.
Senator Cormann: Your coalition partner didn't agree to your Carbon Pollution Reduction Scheme. If they had, who knows?
Senator KITCHING: They voted with you to scrap the debt ceiling.
Senator WONG: I want to understand the cabinet committee process in relation to advertising decisions. I've not been doing Finance estimates, thankfully, for about three years—I will have to come back to them tomorrow—but I think in 2016 I asked questions about what was then described as the Service Delivery and Coordination Committee of the cabinet. There was also an IDCC.
Senator Cormann: This comes under the—
Senator WONG: No, I'm just asking about the cabinet bit.
Senator Cormann: Sorry, I was being helpful, because you said you hadn't been around.
Senator WONG: Yes, I know. I'd like to understand, if you can tell me, what the involvement of the cabinet or the cabinet subcommittee is, and then I will ask some more questions tomorrow about the process. Is there still a cabinet subcommittee that approves government advertising?
Senator Cormann: Yes.
Senator WONG: Who is it chaired by?
Ms Foster: I'll have to check. I'll do that right now.
Senator WONG: Can we have the Cabinet Division to the table? I've got a few questions, including dates and time frames for decisions.
Ms Foster: Sure.
Senator WONG: Thank you.
Ms Foster: The chair is Minister Tehan.
Senator WONG: Minister Tehan?
Ms Foster: Yes.
Senator WONG: When did he take over? It was Mr Pyne in 2016. So, who chaired it through this period?
Senator Cormann: I think that you'll find that this was as a result of the changes post the end of August 2018.

Senator WONG: So this is after Mr Turnbull—

Senator Cormann: After Mr Morrison became Prime Minister.

Senator WONG: Right. So then it was Mr Tehan?

Senator Cormann: Yes.

Senator WONG: Is it still called the Service Delivery and Coordination Committee?

Ms Cass: It is called the Service Delivery and Coordination Committee.

Senator WONG: Is that the only subcommittee of the cabinet that deals with advertising?

Ms Cass: It is the cabinet committee that looks at government communications campaigns.

Senator WONG: Which is market research and advertising?

Ms Cass: It's the suite of campaigns included within the government's communication campaign set, which are largely campaigns with a budget of more than $500,000 in a financial year.

Senator WONG: Does that include advertising spent and market research?

Ms Cass: I believe it's the suite of costs covered by that campaign. But I should note that we don't administer or support the conduct of this government communications campaign oversight. The Department of Finance, as Minister Cormann has said, is responsible, and the Communications Advice Branch can answer these questions.

Senator WONG: Sure. But they're held in the cabinet room?

Ms Cass: The meeting of the SDCCs is a cabinet meeting.

Senator WONG: Do you take notes?

Ms Cass: The Department of Finance has note takers.

Senator WONG: And PM&C?

Ms Cass: Correct.

Senator WONG: And notices are sent out by the Cabinet Division of PM&C?

Ms Cass: That's right, and the decisions that are made are put to cabinet for endorsement.

Senator WONG: When you say 'support', do you mean analysis? What do you mean? You say, 'We don't do it,' but you obviously still administer—

Ms Cass: Our role is really the logistical support, which is the scheduling of meetings and support for people attending those meetings.

Senator WONG: Which ministers are on this committee? Is it chaired by Mr Tehan? Who else is on it?

Ms Cass: The membership is Minister Tehan, the Minister for Education; the Minister for Regional Services, Sport, Local Government and Decentralisation, Minister McKenzie; the Minister for Small and Family Business, Skills and Vocational Education, Senator Cash; the Assistant Treasurer, Minister Robert; Minister Hawke, as Special Minister of State; and the Minister for Immigration, Citizenship and Multicultural Affairs, Minister Coleman.
Senator WONG: Wow; there are a lot of moderates on that committee! So Coleman, not Dutton?

Senator Cormann: Coleman.

Senator WONG: Well, there you go. So you are responsible for scheduling the meetings. How often does the committee meet?

Ms Cass: I would need to get back to you on that information and I would need to check whether the frequency and dates of meeting is something that the minister at the table would be comfortable with.

Senator WONG: The minister at the table kindly provided me with the ERC dates.

Senator Cormann: I am happy for you to do that.

Ms Cass: You are?

Senator Cormann: Yes.

Ms Cass: Then I will ask for that information and provide it to you.

Senator WONG: I appreciate that. What sort of time frame would we be looking at, Ms Cass?

Ms Cass: I assume that my people would be looking at providing that.

Senator WONG: They're listening to us as we speak and they are saying, 'We're going to try to get it.' I'm happy to contain my question. I don't need it for the last six years, but I'd be interested in what the schedule has been and how often it's met between the last half of last year and the first half of this year and this year to date.

Senator Cormann: We will give you that sometime today. Can we get that on notice for some time today, because I would like to review the information first?

Senator WONG: Of course. How many times between July and December and then how many times since January to date?

Ms Cass: Yes.

Senator WONG: Does the Prime Minister ever attend the committee, or is he represented by Mr Hawke, or does his chief of staff attend?

Senator Cormann: Minister Hawke is obviously the Special Minister of State, and you'll find that special ministers of state traditionally have that responsibility in that portfolio. Mr Dreyfus as Special Minister of State, of course, had that responsibility in 2013, when he instructed David Tune—

Senator WONG: That was a really clumsy pivot. That was very clumsy. You usually do better than that.

Senator Cormann: to continue a campaign during the caretaker period.

Ms Foster: It would be very unusual, I think, for the Prime Minister to attend this committee. We can't recall an occasion.

Senator WONG: Is that right, Ms Cass?

Ms Cass: That is correct. I can't recall an occasion.

Senator WONG: Does a member of his staff attend? I think Ms Credlin attended.

Ms Cass: Yes, I believe that a member of his staff attends.
Senator WONG: Who's that?
Ms Cass: I will check for you, and I will advise you.
Senator WONG: What is the position? Press secretary? Chief of staff? Deputy chief of staff? Principal adviser? You don't know?
Ms Foster: Ms Cass doesn't normally attend the meetings. It's one of the other members of Cabinet Division at a more junior level.
Senator WONG: Sorry. Okay.
Ms Foster: That's why we're trying to get the information.
Senator WONG: Fair enough. I think you answered this question in the opening, Ms Cass. I was going to ask the monetary threshold. So it's any campaign above $500,000?
Ms Cass: That is my understanding. That's correct.
Senator WONG: How many campaigns have been considered by the committee in this financial year?
Ms Cass: I don't have that information with me, and I know that the Department of Finance is better placed to answer questions about specific campaigns.
Senator WONG: Maybe the minister can assist. Do you have any knowledge of the 15 campaigns which have been approved by the government since January about which there's been public reporting? Do you have a list of those? You kept reading out things.

Senator WONG: You know, I love this: 'We'll give you a little bit of information that says your figures aren't quite correct, but we won't give you the figure.' Just tell us what you have spent.
Senator Cormann: I can give you the figure if you ask the questions with the appropriate officials present. But in an abundance of helpfulness, again, I will tell you about the campaigns that are underway—this is the period January-June 2019, and that would obviously be interrupted by the election period. There are two campaigns on Defence Force recruiting. There is the campaign on national airline safety. There's the information campaign on Quality Schools reform. There's the information campaign out of the Department of the Environment and Energy in relation to Powering Forward, helping Australians reduce their electricity bills. There is the Smartraveller campaign out of Foreign Affairs and Trade. There's the Department of Health childhood immunisation information campaign. There's the health star rating campaign. There's the Pharmaceutical Benefits Scheme information campaign to make sure that people understand what they need to know in relation to the operation of the PBS. Then there are various other campaigns on jobs, small business, informing employers about incentives available to hire apprentices and mature-aged workers—
Senator WONG: Tax.
Senator Cormann: and, indeed, on tax and the economy.

Senator WONG: You have a big spend. The AusTender figures show a very significant spend in Treasury.

Senator Cormann: Again, this is not the area to deal with government advertising. That is, of course, outcome 2.5 tomorrow. But certainly my advice is that we will be spending less on the government advertising in the seven months to this election compared to the seven months in the lead-up to the 2013 election.

Senator WONG: On the AusTender website, for example, there is a $16 million spend in Treasury—$6 million in jobs, $4 million in Austrade, $7 million in education and $7 million in health.

Senator Cormann: I've already explained it to you—

Senator WONG: That's only the advertising component. In fact, the market research is on top of that?

Senator Cormann: If I can just remind you, AusTender does not report spending. The contract notices on AusTender record the maximum value that may be committed under a contract, including reporting the total aggregated value of multiyear contracts at a point in time.

Senator WONG: So, give us the information if this is wrong. We can only work on what's provided? I'll look forward to getting it.

Senator Cormann: The appropriate department that holds the information is the Department of Finance—in outcome 2.5. They're the custodians of this information on AusTender.

CHAIR: As we've discussed at some length—

Senator Cormann: In this figure, which is potentially quite inflated, you're including information in relation to contracts that could run over several years.

Senator WONG: And doesn't include campaigns that you might have previously authorised prior to January that might be—

Senator Cormann: The point is that you can't take a point-in-time picture on AusTender.

Senator WONG: There are lots of ways we can cut this.

Senator Cormann: Sure. What you've just said is right.

Senator WONG: Why don't you just tell us what you're spending every day?

Senator Cormann: Because—

Senator WONG: You can't. You don't want to.

Senator Cormann: You know why. This is where I'm going back to what I said earlier. As a former finance minister you do know how to ask disingenuous questions about this, because you do know what is required to assemble accurate information from all of the relevant departments. You do know that AusTender data only gives you a point-in-time snapshot of contracts by maximum value, including multiyear contracts. You do know that they're not a proxy measure to indicate what is likely to be spent in that particular period. These are all things that you know but yet you're persisting with using that information in a way that I would submit is misleading.
Senator WONG: Can someone tell me—and again we will ask questions tomorrow—is the independent communications committee or its successor still in operation?

Senator Cormann: That is not for—

Senator WONG: I just want to know if it exists?

Ms Foster: Is that the committee that used to be run in Finance?

Senator WONG: It was a committee that used to have to approve expenditure or campaigns before they went to this cabinet subcommittee. Has that been abolished?

Senator Cormann: These are questions that are best directed to the relevant department.

Senator WONG: I'm happy to ask tomorrow if people don't know.

Ms Foster: I don't know.

Senator WONG: Do you know, Senator?

Senator Cormann: This is not in my area of responsibility. I don't have day to day—

Senator WONG: So, there's no part of the cabinet process, Ms Cass, where this committee has to look at something before it's allowed to be brought forward to the SDCC?

Senator Cormann: We haven't made any changes to the way these approval processes work, compared to what was in place.

Senator WONG: That's why I just asked the question.

Senator Cormann: Which is what I'm telling you. But if you want to go through the forensics of that process—

Senator WONG: They're responsible for logistics. Does the ICC, which from memory was a public servant and external tick off, still tick off before submissions go to SDCC?

Ms Cass: I believe that the independent communications committee does still exist and it does look at campaigns as part of the sequence of work that Finance oversees. But it is better for you to actually run through that process with the Department of Finance.

Senator WONG: Do you know who's on it? Is PM&C on it?

Ms Cass: No, I do not know who is on it.

Senator WONG: PM&C is not on it?

Senator Cormann: This is not for this portfolio?

Senator WONG: I just asked if PM&C was on it.

Ms Foster: I don't believe so.

Senator WONG: You're responsible for logistics, but finance supports the work of the committee. Does PM&C provide any advice to the Prime Minister about submissions coming forward to the SDCC, as you would usually brief your minister for cabinet?

Ms Cass: I don't believe we provide advice for those meetings. Our role in supporting SDCC is the logistics and conduct of the meetings. The preparation of support and oversight of the program and relevant briefing is provided through the Department of Finance.

Ms Foster: We would only provide advice to the Prime Minister normally for a meeting he was attending.
Senator WONG: Right. And your evidence is that you haven't provided advice and you don't recall his attending?

Ms Foster: That's correct—and we're checking that.

Senator WONG: He's demonstrated he's the ad man—doesn't he want to turn up!

You're getting advice for me or responding to me, and I do want it today, so I'd rather just constrain the information.

Senator Cormann: Is this in relation to the dates?

Senator WONG: The dates, or the numbers at least.

Senator Cormann: We will get that today.

Senator WONG: I assume that, as this is a subcommittee of cabinet, cabinet still has to sign off on or endorse the subcommittee's decisions.

Senator Cormann: She has said that. She's made that point.

Senator WONG: Would you not brief the Prime Minister in that context?

Ms Cass: No, we would not normally brief the Prime Minister in the context of minutes being endorsed.

Senator WONG: Is there capacity, as per other areas of expenditure, for the Prime Minister to authorise expenditure without SDCC and cabinet approval on an advertising campaign?

Ms Foster: I think that goes to the policy or the running of the advertising—

Senator WONG: No, it actually goes to the Prime Minister's authority in relation to the cabinet. We've already heard evidence today that the Prime Minister, as is correct, provided policy authority to the Treasurer to essentially overturn a cabinet decision without cabinet meeting to approve it.

Senator Cormann: Amend a budget measure.

Senator WONG: He provided policy authority to amend a budget measure in a manner inconsistent with a prior cabinet decision. All I'm asking is: does the Prime Minister have the authority to authorise advertising expenditure without the matter going to SDCC? My next question is: if so, has he done so?

Senator Cormann: Let me clarify that on notice.

Senator WONG: And, if so, has he done so?

Senator Cormann: I don't believe so, but let me check that on notice.

Senator WONG: I want to go back to the time line, but I need to have a look at it. I've given mine away.

Senator Cormann: In relation to numbers, I can tell you that there were 15 SDCC meetings in the second half of last year—that is 1 July to 31 December 2018—and that there were 10 meetings held in the calendar year to date to 8 April.

Senator WONG: So from 1 July to 31 December 2018 there were 15, and then there were 10 meetings in the last three months?

Senator Cormann: Yes. As to specifics beyond that, we're still getting that information.

Senator WONG: What's the end date to this?
Senator Cormann: The 8th of April, which is today.

Senator WONG: So there were 15 in six months and then 10 in three and a bit?

Senator Cormann: I've answered the question openly and transparently.

Senator WONG: Were these meetings held at the Prime Minister's request?

Senator Cormann: The chair of the committee is Minister Tehan. In fact, I should say that Minister Tehan started chairing the SDCC from the first meeting in 2018, which was 5 February 2018. So it was somewhat earlier than we previously indicated.

Senator WONG: Can you explain why the tempo of meetings has increased?

Senator Cormann: I'm not aware; I'm not involved in these meetings. I've got no visibility at all.

Senator WONG: You're representing the Prime Minister. Why has the advertising subcommittee of the cabinet met so much more often?

Senator Cormann: That is in early 2019 compared to the second half of 2018. It might well be that the second half of 2018 was abnormally low. I don't know what the usual frequency is.

Senator KITCHING: Just on the tempo, how many meetings were held from 1 January 2018 to 30 June 2018?

Senator Cormann: I'd have to take that on notice. I don't have that information. What I can advise in response to another question that was asked is that the principal private secretary and a senior adviser in the Prime Minister's office attend those meetings.

Senator WONG: So two members of the Prime Minister's office—the principal private secretary and a senior adviser?

Senator Cormann: Yes.

Senator WONG: Why do they attend the meeting?

Senator Cormann: My experience of a whole range of cabinet subcommittee meetings is that relevant staff of the relevant ministers' offices and the Prime Minister's office attend these meetings. It's the same with the National Security Committee meeting.

Senator WONG: But they don't sit at the table?

Senator Cormann: No, and I didn't say that they were sitting at the table. I said that they are in the room. I don't know what the table seating arrangements are, to be honest.

Senator WONG: There is a difference though—they're participating in decisions or they're there to advise principals.

Senator Cormann: They're there to advise ministers in the same way as at various other subcommittee meetings. I'm sure it would have been the same in your period of government. There are certainly senior staff who sit around the table, as there are senior officials who sit around the table at Expenditure Review Committee meetings. That is not unusual. I've not attended the SDCC meeting for some time.

Senator WONG: I'm asking because I'm trying to work out if the sort of approach that is asserted to have occurred under Prime Minister Abbott—and they were only assertions and allegations, which were that Ms Credlin basically was highly influential in various cabinet
meetings and subcommittee meetings—is being retained under Mr Morrison. That's all. It's essentially being run by the Prime Minister and his office.

Senator Cormann: No, that's not right. The chair of the committee is Minister Tehan, with secretarial support provided as indicated. The area in government that has got probably the closest visibility on this is the appropriate area in Finance supporting the Special Minister of State.

Senator Wong: Are budget submissions through the budget process in relation to advertising done by portfolio or are they collated and put forward by the Special Minister of State or another minister?

Senator Cormann: Generally, they would be done by portfolio. Over the last 5½ years invariably if there were a need for public information on relevant measures then that was part of the initial proposal that would go forward.

Senator Wong: But has there been any submission process outside of that usual practice?

Senator Cormann: Not that I'm aware of. I'm framing it the way I am because that is my general recollection of how it has worked.

Senator Wong: So Mr Hawke doesn't bring forward a submission through the budget process that says, 'We've got this spend'?

Senator Cormann: No.

Senator Wong: Each portfolio is required to include that as part of their budget submission?

Senator Cormann: Yes, is required to put forward proposals as appropriate—

Senator Wong: If they've been asked to develop a campaign, funding for that is sought through the budget process via portfolios?

Senator Cormann: That's right.

Senator Wong: Not through any central—

Senator Cormann: No.

Senator Wong: Has the Prime Minister approved any expenditure outside of the budget process or the ERC process?

Senator Cormann: You've asked me that question.

Senator Wong: I have.

Senator Cormann: Not that I'm aware of.

Senator Wong: I'm asking it a different way. Just so I can be clear: you said you hoped it was the same, but this is essentially the information you opened up with at 1.30 pm?

Senator Cormann: Yes.

Senator Wong: Thank you.

CHAIR: The committee will now break.

Proceedings suspended from 15:44 to 16:07

CHAIR: The committee will now resume.
Senator Cormann: There was a question earlier in relation to whether the PM met with the Australian Electoral Commission over the last week. I can advise the committee that the Prime Minister's chief of staff met with the Australian Electoral Commission on Tuesday 2 April. The meeting was scheduled for 3.30 pm but it's possible it was slightly later than that. I understand that the Electoral Commission staff's trip to Parliament House coincided with the AEC visiting the parliament to discuss estimates with the SMOS office, and the Prime Minister did not meet with the AEC over this past week.

Senator Wong: Sorry, the Prime Minister did not?

Senator Cormann: The Prime Minister did not, but the Prime Minister's chief of staff did.

Senator Wong: Can I make sure I understand the evidence which I think you gave this morning, disclosed in the document headed 'Energy Assistance Payment: Inclusion of Newstart'. I'm trying to do this chronologically:

Initial discussion occurred on the sidelines of Cabinet … between … the Prime Minister, Treasurer, Finance Minister, Minister Pyne and Minister Fletcher … but there were no notetakers—Presumably because it was in the cabinet suite as you were walking into cabinet, correct?

Senator Cormann: No, more likely as we were walking out.

Senator Wong: Who raised it? How did this become a live issue?

Senator Cormann: The issue of Newstart had been in the public conversation in the preceding day or so. We'd all been asked questions about it in the media. On leaving the cabinet suite there was a conversation to the effect of what it would require in order to facilitate the efficient passage of this measure through the parliament within the next 24 hours, given that Wednesday was the final sitting day—certainly for the Senate.

Senator Wong: Who raised that? Minister Pyne? The Prime Minister?

Senator Cormann: There was a conversation about this measure. It might have been made in the context that it was something we had to get through the Senate. Mr Pyne had a view, but ultimately this was a very brief conversation along the lines of, 'Let's get more information and reconvene in relation to this issue when we know what the cost of expanding this particular measure would be, as we believe might be required in order to facilitate its efficient passage through the parliament.'

Senator Wong: I'm trying to get the chronology right:

… PLO alerted PM&C Government Division that there was a potential change to the EAP …

Senator Cormann: This is what I've been advised. That obviously occurred outside my direct knowledge.

Senator Wong: Then about 20 minutes later:

7:18pm: Social Policy Division in the Department of the Prime Minister and Cabinet was first made aware … that the Government was considering an extension to the one-off Energy Assistance Payment to recipients of additional welfare payments.

Senator Cormann: That's what I've been advised.

Senator Wong: By whom? It says in your note: 'by PM&C Government Division'.

Ms Foster: Parliament liaison officers work in government division. PLO essentially told their own division.
Senator WONG: And then told another division.

Ms Foster: The government division then told social policy division.

Senator WONG: You also told me in this:

DSS Deputy Secretary (Social Security) Nathan Williamson was contacted 'during the Budget Speech' by Minister Fletcher's Office regarding the revised EAP …

Senator Cormann: That would have been a result of the initial discussion on the sidelines of cabinet, bearing in mind that this is budget night, so we all had a series of commitments that evening, as I'm sure you would appreciate, including a coalition partyroom meeting from seven to 7.30. As a result of the discussion we had on the sidelines of cabinet, Minister Fletcher went to initiate the process described, which led to the minister sending correspondence requesting policy authority at 9.05 that evening.

Senator WONG: The Department of Social Security are contacted during the budget speech telling them we're now going to change the budget he's just delivering, then there is a discussion of costings.

PMO emailed PM&C advising of the proposed policy change …

This was the first advice from PMO, Ms Foster—prior to that you've been advised via the PLO, correct?

Ms Foster: That is correct.

Senator WONG: Can you provide me with a copy of the letter—have you done that already?

Senator Cormann: Which letter?

Senator WONG: The letter from Mr Fletcher?

Senator Cormann: No.

Senator WONG: You can't provide it or you haven't provided it.

Senator Cormann: I will not provide it and we have not provided it. It's cabinet in confidence. It goes to the deliberative process of cabinet.

Senator WONG: It didn't go to cabinet. That's the point.

Senator Cormann: It's still part of the deliberative process.

Senator WONG: None of this went to cabinet. This is all letters and chats while the budget was happening.

Senator Cormann: The deliberative process of cabinet is not just a cabinet meeting.

Senator WONG: It didn't go to cabinet. Has it ever gone to cabinet? Has cabinet ever approved this?

Senator Cormann: The Prime Minister's giving of policy authority is part of the cabinet processes.

Senator WONG: How and to whom did the PM provide verbal policy authority?

Senator Cormann: It says in the document.

Senator WONG: Where does it say that—10.15?

Senator Cormann: I'm pretty sure it says that verbal authority was provided to the Treasurer and myself.
Senator WONG: At 10.15?

Senator Cormann: We had a discussion after 10.15. I know because I had other requirements until 10.15.

Senator WONG: It doesn't say to whom, sorry:
In the evening of Tuesday 2 April, during a post-budget de-brief after 10.15pm, the PM provides verbal policy authority for the amended measure, subject to no material change to the costing, with formal letter to follow in the morning.

Senator Cormann: I'm just looking:
Verbal policy authority for the amended measure was provided by the PM at that time, subject to no material change to the costing, directly to the Treasurer and the Finance Minister—
I think you will find that there are two spots, and one might not have the full sentence. This is why it's a bit tricky to—

Senator WONG: That's all right.

Senator Cormann: in an abundance of helpfulness, table these documents. It goes on to say:
… with formal letter to follow in the morning. This was also communicated by the PMO to relevant offices at that time.

That is on the second page—

Senator WONG: Sorry, you're right. It appears twice and I was reading the second—

Senator Cormann: Yes, sorry.

Senator WONG: That's okay. And I think you've agreed that the Treasurer confirmed on the ABC at 7 o'clock the next morning that the EAP would include Newstart and other payments but the formal policy authority letter only came two hours after that?

Senator Cormann: The policy authority had been provided verbally by the Prime Minister on the Tuesday night, but the written confirmation only came through the next morning—that's right.

Senator WONG: By the way, where's Senator Spender? He wanted everybody to stay here for the whole week, and he was going to ask lots of questions. Has he asked any questions?

Senator Cormann: I don't think that this is an estimates to ask questions of cross bench senators!

Senator WONG: I'm just wondering. He was very vocal about the importance of all the questions he wanted to ask!

Senator Cormann: There's a lot of committees, of course, that he could be at.

Senator WONG: I'm sure he's taking his time at other committees! Can I go to appointments now?

Senator Cormann: Yes.

Senator WONG: I have written this down—I can't find where I wrote it, but I think you told me that it was 120 appointments?

Senator Cormann: Yes, 120 to 150. It's a manual process.
Senator WONG: Yes, we've been having some trouble getting analogous figures for the same reasons. So 120 to 150—

Senator Cormann: That's 120 to 150 out of 3½ thousand. That is from 14 March to 5 April. Everything up until 14 March was subject to the relevant Senate order where individual departments—

Senator WONG: Well, my office has looked at it, and we, in the time frame, have not been able—to be fair to you—to total up everything, but I would put to you that, even on the bases of what we've identified, that is a much larger number of appointments for that period of time than has previously been the case.

Senator Cormann: I don't know what was previously the case.

Senator WONG: For example, in the Attorney-General's Department—I'll just go through this—the number of people appointed between May 2018 and September 2018 is 27, the number of people appointed between October 2018 and January 2019 is 57, and the number of people appointed between February and March 2019 is 101.

Senator Cormann: This is in the Attorney-General's Department?

Senator WONG: That's just in the Attorney-General's Department. That pattern is replicated across the whole of the Minchin Order, which tells the story that the number appointed in the 22 days between the 14th and the 5th is substantially higher than across government over any analogous period that I can find under the Minchin Order.

Senator Cormann: What are you suggesting?

Senator WONG: I'm suggesting that you're rushing to make appointments before the election.

Senator Cormann: It's good housekeeping to make sure that everything is in order before you go to an election.

Senator WONG: There are slabs and slabs of appointments.

Senator Cormann: We continue to be the government of Australia, as much as you think—

Senator WONG: And you're hanging onto it, aren't you?

Senator Cormann: No, we're not hanging on at all.

Senator WONG: Seriously, why would you appointment that many people in 17 days?

Senator Cormann: We are fulfilling our duties and responsibilities as the elected government of Australia to make sure that all the bodies that provide important services to the Australian community continue to operate properly. That is what elected governments of the day do.

Senator WONG: How can you justify the uptick? Just as an example, there were 120 to 150 between 14 March and 15 April—

Senator Cormann: The 5th of April.

Senator WONG: Sorry, I should say '5 April'. That's 22 days. Let's do the Attorney-General's Department. As I said, 27 were appointed between May 2018 and September 2018, 57 were appointed between October 2018 and January 2019, and 101 were appointed between February and March 2019.
Senator Cormann: What are you suggesting?

Senator WONG: I'm suggesting that there are a lot of appointments very quickly towards the end of the term.

Senator Cormann: Is there any particular appointment that you've got an issue with?

Senator WONG: I have an issue with the number of appointments that are being made.

Senator Cormann: Any vacancy can be filled—

Senator WONG: Any vacancy?

Senator Cormann: Any vacancy that needs—

Senator WONG: Was there a discussion at your leadership group to try and get as many appointments undertaken as quickly—

Senator Cormann: No.

Senator WONG: Was there a discussion at cabinet?

Senator Cormann: Firstly, I can't talk about cabinet discussions. I think you know that. But let me just say that this is just the government making sure, as we approach the election and as we approach a period where decisions can't be made, that the house is in order and that the various bodies—

Senator WONG: What—as many mates appointed as possible?

Senator Cormann: No. I reject that.

Senator WONG: Really?

Senator Cormann: We make the appropriate appointments, in the same way as you used to do when you were the government.

Senator WONG: No, no. What I am putting to you, Senator Cormann, is that the numbers you've given me and the numbers which have been tabled in the parliament under the Minchin order demonstrate a very substantial increase in the number of government appointments being made this year and, particularly, in these last 17 days. I'm asking you why.

Senator Cormann: Because we are entering a period within which, obviously, decisions can't be made. We continue to operate as the elected government of Australia. The last election was on 2 July 2016. Governments are elected for three-year terms. Because of the interaction with the Senate in the context of a double dissolution election last time, the election has to be held somewhat earlier than it otherwise would have. Under constitutional arrangements, the House of Representatives election wasn't actually due until sometime in November, as I'm sure you know. There is no suggestion that we are in the caretaker period now. We continue to operate as the elected government of Australia. We continue to make decisions in our national interest, including to appoint appropriate people to relevant bodies of government.

Senator KITCHING: I think, Senator Cormann, you just said, in response to a question, that it was about good governance and making sure the appointments are made. If there are so many in one very small period, shouldn't that have actually been considered along the way? There aren't surprises when terms, for example, of board members come up. You know when they're going to come up, so why is it all happening now and not maybe in November, for example?
Senator Cormann: We can't win. When we do it early, we get criticised. When we do it at the time when they're due, or when the vacancies are there, we get criticised. We can't win. We've been criticised—

Senator KITCHING: That's actually a very good quote! I hope you're right!

Senator Cormann: What I'm saying is that we can't win with the Labor Party.

Senator KITCHING: Thank you! That's another good quote!

Senator Cormann: We can't win with the Labor Party in terms of decisions we make. If we make decisions early, it's bad. If we make decisions at the right time, it's bad. You say, 'You should have made decisions earlier.' We make the decisions at the right time, when we're satisfied that we've got the right people for the right positions. Sometimes that takes a bit longer. Sometimes that can be done more swiftly. But I'm sure that my colleagues would have been very focused on making sure that all of the bodies of government would continue to operate effectively over the next few months. Making sure that all of the various vacancies are properly dealt with is an important part of that.

Senator WONG: How many appointments in the Prime Minister and Cabinet portfolio have been made in the period that the minister identified, March 2019 to date?

Ms Foster: I actually asked for that to be checked before, and I don't have an answer. I'll see if there's one now. It was seven appointments in our portfolio, across all of our portfolio bodies, since 14 March.

Senator WONG: Prior to that, you had nine in the office of the National Data Commissioner, none in the Office for Women—and I had six in PM&C; I don't know what they are—and Indigenous affairs, not tabled for that period.

Senator Cormann: This is out of PM&C?

Senator WONG: Correct.

Senator Cormann: This is under the order? There's something that hasn't been tabled under the order. Is that what you're saying?

Senator WONG: I've just got 'not tabled' here in the chart that I'm looking at.

Senator Cormann: This is out of PM&C?

Senator WONG: Correct.

Senator Cormann: We will get that tabled for you.

Senator WONG: It's a complicated order to try and work through—

Senator Cormann: I understand.

Senator WONG: but we couldn't find one for Indigenous affairs.

Senator Cormann: We will track that down.

Senator WONG: Do you know what the six are?

Senator Cormann: It's very hard to answer without knowing precisely what it is that you're—

Senator WONG: I don't either. I'm not in government.

Senator Cormann: To be very clear, you're suggesting that the Prime Minister's portfolio has not, perhaps—

Senator WONG: I'm asking two questions—actually, I'll ask three. I'd like to know what the seven appointments are since the 14th, I'd like to know what the six are in the last Minchin
order tabling and I'd like to know whether there were no appointments in Indigenous affairs or there simply wasn't anything tabled.

Ms Foster: All I asked for was the raw number, I'm sorry, so I'll need to go back now and ask.

Senator Wong: Do you understand all the different periods, Ms Foster?

Senator Cormann: You're talking about the period prior to 14 March.

Senator Wong: Yes. Ms Foster, you gave me, I think, the seven since 14 March.

Senator Cormann: That's right, yes.

Senator Wong: I'm referencing—I'm saying, 'Okay, tell me what they are'. In the immediate preceding period of the Minchin order, which is February, I think, to March—

Senator Cormann: You say you've got six from PM&C but none from Indigenous affairs, and you'd like to know whether in that same period there should have been something in relation to Indigenous affairs.

Senator Wong: It's actually more—it's 15. There are six in PM&C plus nine in the Office of the National Data Commissioner. I assume that's not a departmental but a statutory body. Is the data commissioner a statutory body? I think so.

Senator Cormann: We will check that for you.

Senator Kitching: Ms Foster, I think I asked you before what appointments PM&C had made in the period 14 March to 5 April in PM&C. I think you said, 'None.'

Senator Cormann: She's corrected that just now. She said that she wasn't aware of any but she would check. She took that on notice, and she's now provided information as seven.

Ms Foster: Just to be really clear: it's in our portfolio, not in the department.

Senator Kitching: Yes, I understand. Thank you.

Senator Wong: Can I ask about Senator Bushby's appointment.

Senator Cormann: That's a matter for Foreign Affairs.

Senator Wong: What involvement did the Prime Minister have in that appointment?

Was it an appointment at his request or his initiation?

Ms Foster: We have limited, if any, involvement in such appointments.

Senator Wong: What does that mean?

Senator Cormann: Ms Foster doesn't even know where Senator Bushby is.

Ms Foster: He's in Chicago; I just wanted to check. For diplomatic postings, the process will normally be handled through the Department of Foreign Affairs and Trade.

Senator Wong: I think you've confirmed to me that PM&C had no involvement in that.

Ms Foster: Quite emphatically.

Senator Wong: Well indicated! Did the Prime Minister request that appointment be made?

Senator Cormann: I'm not aware of the precise sequence. I'll take that on notice for you to make sure that the answer is accurate. What I would say is that the process in relation to this appointment would have been similar to these sorts of processes under the previous
government. Obviously, I would expect that there would have been a level of engagement between the Prime Minister and the foreign minister in relation to that appointment, as in relation to other such appointments of this nature, but in terms of the precise logistics that were involved, I'll have to take that on notice.

**Senator Wong:** So is that answer, yes, the Prime Minister probably did engage with the foreign minister in relation to the appointment?

**Senator Cormann:** You can't verbal me.

**Senator Wong:** No, sorry. What does the answer tell me?

**Senator Cormann:** The answer tells you that I'm taking the question on notice and that my expectation is that the process will have been the same under our government as it would have been under governments previously of both political persuasions.

**Senator Wong:** Did it go to cabinet? Senator Bushby?

**Ms Foster:** It's not usual for diplomatic appointments to go to cabinet.

**Senator Wong:** Some do.

**Senator Cormann:** Which ones?

**Senator Wong:** I'm asking—don't some?

**Senator Cormann:** I can't remember diplomatic appointments—

**Senator Wong:** So this may well have just been a discussion with the Prime Minister and foreign minister?

**Senator Cormann:** I don't know. As I've said, I've taken that question on notice.

**Senator Wong:** We might come back to appointments, if you don't mind. If I may, I had some follow-up questions of the international division.

**Ms Millar:** Certainly, I'll just ask my colleague Ms Millar to come to the table.

**Senator Wong:** I'll just sit here and talk to myself. First some questions which, you'll be pleased to know, I don't intend to be about a political contest but because I think it's probably useful that we go to them. The first is that we have some media reports today from The Sydney Morning Herald, Fairfax Media and the ABC previewing, I think, a Four Corners program in relation to two Australian residents, Dr Feng and Mr Yang, reportedly being questioned by Chinese officials in Australia about Mr Garnaut at a time he worked for the Prime Minister's office. I just want to ask: is there anything the department would like to update the committee on in relation to these reports?

**Ms Millar:** We are aware of the reports. We don't have any particular additional information at this time.

**Senator Wong:** I thought it might be a useful point at which the Prime Minister's department might actually talk about how Australia manages these sorts of issues, but if you don't wish to, that's a matter for you.

**Ms Millar:** Clearly—

**Senator Wong:** This is because, in the absence of government saying something, this discussion occurs via media reports.
Ms Millar: We don't know the veracity or otherwise of the media reports. I know colleagues both in our own department, in the Department of Foreign Affairs and Trade, and in the Department of Home Affairs, who take these issues very seriously, are looking into them. Right now we don't have any particular additional information to provide.

Senator WONG: Have you investigated, or has anyone confirmed whether or not—you said you don't have any information about the veracity of the reports. It's been all over the media. Is it simply no comment?

Ms Millar: I just don't have any particular information right now. As I said, colleagues are looking into them.

Senator WONG: Do you want to add anything, Mr Hayhurst?

Mr Hayhurst: In relation to the matter of Mr Yang Hengjun, who's been detained and is under investigation in China, that, of course, is in the public domain and we, of course, know that he is in detention and under investigation in China. The Department of Foreign Affairs and Trade last Friday went through recent consular access to him, and we are, of course, kept regularly updated by DFAT about that case. That's one that's happening offshore. I don't have any additional advice on that matter. As I think my colleagues in DFAT said, we are not yet aware of the reasons for his detention, and that's of concern to the government, and the government is seeking advice about his case in China.

Senator WONG: I can't make any comment as to the veracity of it or not, but there was a media report in the Sydney Morning Herald on 7 April making assertions about these particular individuals being targeted—I use the phrase 'targeted' because that's used in the report—and then a discussion about Mr Garnaut and his involvement. As a consequence of that, did the department provide or prepare any advice for the Prime Minister?

Mr Hayhurst: We have provided the Prime Minister's office with initial advice from the Department of Foreign Affairs and Trade, and Home Affairs talking points and initial briefing about these reports, including to note that the full story has not yet aired on television and so we are anticipating more information and have been asked to provide a further briefing on that tomorrow.

Senator WONG: By whom?

Mr Hayhurst: By the Prime Minister's national security adviser in his office.

Senator WONG: I've also seen media reports of Mr Hastie making public comment. Was the department aware that a member of the government would be making public comment via these reports prior to this being made public?

Mr Hayhurst: I was not aware personally, no.

Senator WONG: Was the Prime Minister aware or the Prime Minister's office?

Ms Millar: I don't know.

Senator WONG: I am asking Senator Cormann.

Senator Cormann: I'm not aware whether the Prime Minister was aware but I'm happy to check with him.

Senator KITCHING: Has Mr Yang had access to a lawyer yet?

Mr Hayhurst: My advice from DFAT is that he has not yet had access to a lawyer.
Senator KITCHING: He's been detained for approximately 10 weeks?

Mr Hayhurst: I think it might even be longer than that. I'd have to check the precise time. As my DFAT colleague on Friday explained, given the nature of the charges he faces, the investigating authorities have wide discretion in China, including about the timing of access to a lawyer and that is why Australian officials are focusing their advocacy around the need for him to have access to a lawyer at the earliest possible time.

Senator WONG: Don't move; there will be more questions. I'll leave that point there. I think there was a recent decision—certainly a recent Tweet—by President Trump to recognise Israel's sovereignty over the Golan Heights. I think it was in a Tweet late last month. Are you aware of that?

Ms Millar: Yes, we are.

Senator WONG: Does that represent a change in the US position?

Ms Millar: Yes, it does.

Senator WONG: Can you perhaps outline for the benefit of the committee Australia's current position in relation to the Golan Heights?

Ms Millar: Yes. As the foreign minister stated on 26 March, the Golan Heights is a matter for Israel and Syria to determine through negotiations in the context of a comprehensive peace settlement. US policy positions are a matter for the US government.

Senator WONG: That's been Australia's position for some time.

Ms Millar: Yes, it has.

Senator WONG: When were we first made aware of the change in the US position?

Mr Hayhurst: I think we became aware when we saw it in the public domain.

Senator WONG: Did we know before the tweet?

Mr Hayhurst: The Department of the Prime Minister and Cabinet was not aware. I'm not sure about DFAT or the embassy in Washington. We'd have to check.

Senator WONG: Given the focus on a two-state solution, the Israeli-Palestinian conflict and the position the Prime Minister articulated during the Wentworth by-election, would it be reasonable to assume that these sorts of matters might have been brought to your attention if we'd been advised?

Ms Millar: Yes, it is reasonable to assume that.

Senator WONG: Has any advice been provided to the Prime Minister regarding the change in the US position?

Mr Hayhurst: My division sought advice from DFAT about Australia's position and provided that policy advice to the Prime Minister's office. It was not requested of us, but I think, when we saw that the announcement had been made, we did that.

Senator WONG: Has the Prime Minister been advised on any implications of the change in position?

Mr Hayhurst: We have not provided any formal advice to the Prime Minister on it, simply confirmed to his office, including through the points made by the foreign minister, what our current position is.
Senator WONG: Have you become aware of any consideration by the government to support the US position in relation to the recognition of Israeli sovereignty?
Ms Millar: No, I have not.

Senator WONG: To your knowledge, has the Prime Minister had any further meetings with Mr Sharma in relation to Israel-Palestine issues in the last two weeks? I noticed Mr Sharma was here in Canberra recently.
Ms Millar: I have no knowledge of that.
Mr Hayhurst: Not to my knowledge.

Senator WONG: Ms Foster?
Ms Foster: No.

Senator WONG: Senator Cormann?
Senator Cormann: No.

Senator WONG: I'm just wondering if he's telling him what to do again in the Middle East.

Senator Cormann: I will just ignore it, given the national interest questions at stake and respecting the way you framed your line of questions so far.

Senator WONG: I'm really happy to treat this as a national interest question and not as something to be used in a by-election by a desperate Prime Minister trying not to lose the seat. I would be very happy if this were only a national interest question.

Senator Cormann: I leave the political rhetoric to you.

Senator WONG: Have you been asked to provide any advice in relation to any lobbying by Mr Sharma about any new position the government might have?
Ms Millar: No.

Senator WONG: Mr Netanyahu indicated that, if re-elected—I am paraphrasing but I don't think it's inaccurate; but, if you think it's inaccurate, please tell me so—he would annex Jewish settlements in the occupied West Bank. Are you aware of these public statements?
Ms Millar: We've seen the media reports.

Senator WONG: What would you assess the implications of this policy to be? What would it mean?
Ms Millar: Are you asking me to speculate about Israeli policy?

Senator WONG: I'm not asking you to speculate. You're asking me; given—

Senator Cormann: You're asking for an opinion.

Senator WONG: No, I'm asking about the foreign policy implications. I'm not asking you to speculate. It has been made clear.

Senator Cormann: We can help you by confirming the Australian government position. We are not going to be able to assist you with a foreign policy analysis expressing opinion on what certain scenarios might mean in what is obviously a difficult part of the world. But I'm very happy for the officer, for the deputy secretary of PM&C, to assist you with explaining the official Australian government position on these matters.
Ms Millar: The Australian government's position remains, as it has been for some time, committed to a two-state solution, and the government has also called on Israel to refrain from unilateral measures that diminish the prospects of a negotiated two-state solution, including land appropriations, demolition, settlement activities and annexation.

Senator WONG: Could you say that again?

Ms Millar: Sure. The Australian government remains committed to a two-state solution, and the government calls on Israel to refrain from unilateral measures that diminish the prospects of a negotiated two-state solution, including land appropriations, demolition, settlement activities and annexation.

Senator WONG: Can I infer from that that a policy around unilateral annexation would be contrary to the policy position you just outlined?

Ms Millar: Yes.

Senator WONG: Have we chosen to make any representations in relation to these comments by the Israeli Prime Minister?

Ms Millar: I'm not aware of anything as yet, as the reports came in yesterday, as you know. I have not yet seen any reporting, although I think there may have been some, from our posts in Tel Aviv, and we've been here today. But we'll certainly look into that for you.

Senator Cormann: I can assist with some information if we've got a little natural break, in relation to appointments. The number of seven appointments in the PM's portfolio since 14 March 2019 is broken down as follows: one appointment to the National Australia Day Council, two appointments to the Indigenous Business Australia body, two appointments to Aboriginal Hostels and two appointments to the Australian Institute of Aboriginal and Torres Strait Islander Studies. We are still tracking down the information in relation to the period prior to 14 March, but this is the breakdown of the seven appointments in the period 14 March to 5 April.

Senator WONG: So the notabling of the Indigenous affairs bit was because they were covered in the general tabling? Remember I said to you—

Senator Cormann: The relevant Indigenous affairs related, if I can call it that, are part of the Prime Minister's portfolio.

Senator WONG: I know it's in the Prime Minister's portfolio. The table I had—and, as I said, I don't like jumping around topics—had 'PM&C (Indigenous Affairs) not tabled'?

Senator Cormann: I haven't got the document, so I'm at a disadvantage.

Senator WONG: I think it's just attempting to try and put into a tabular form the Minchin order. This relates to which period, the one you just gave us?

Senator Cormann: The one I have just given you is for the period 14 March to 5 April, and we're still tracking down the information in relation to the period covered by that particular return to order.

Senator WONG: He distracted me. Where was I? I was in Israel—

Senator Cormann: You paused; I thought there was a natural break.

Senator WONG: A natural break.
Senator KITCHING: Have you spoken with the Israeli department of foreign affairs—Mr Rotem, who obviously has many contacts in Australia from his time as ambassador. Have there been any communications with him?

Ms Millar: I'm sorry—do you mean in general?

Senator KITCHING: About this particular matter.

Ms Millar: I don't know.

Senator KITCHING: Not in general. About this.

Ms Millar: That would be a question that probably the Department of Foreign Affairs and Trade could talk to you about.

Ms Foster: If you're asking whether the Department of the Prime Minister and Cabinet has had such contact—

Senator KITCHING: Yes, I am.

Ms Foster: The answer is: no, we haven't.

Senator KITCHING: Mr Hayhurst, were you about to say something?

Mr Hayhurst: I was going to say what Ms Foster just said—that PM&C has not had any contact with the Israeli MFA. The announcement that we're discussing was made, I think, on the weekend. Our embassy will have only just opened for business today, so we can follow up with the relevant department.

Senator KITCHING: Thank you.

Senator WONG: You've now tabled answers to questions on notice 58, Jerusalem, and 59. Mr Hayhurst, are these in the same form as that which you provided to the Prime Minister's office?

Mr Hayhurst: Certainly 58 is, and 59 is as well. I think the draft we finalised in the department for submission to the office, but I'd have to check in the case of PM059 to be sure. That's my recollection.

Senator WONG: I think they simply confirm what you've eventually told me—that sounded a bit pejorative, didn't it, but it did take a little while for me to get told when the decision was actually made. Remind me when the announcement was made. Which date in October was it?

Ms Foster: 16 October.

Mr Hayhurst: The 16th, that's right.

Senator WONG: 16 October. I still don't really have an answer as to why it took a month.

Ms Foster: I don't think we have anything to add to our evidence on Thursday.

Senator WONG: What was your answer?

Ms Foster: That we were taking some time to consider what the best options were, because of the complexity of the issue, and that, in the process of doing that, as you know, the outcome landed on a panel of secretaries, essentially, and a reference group.

Senator WONG: So it's just that it took the Prime Minister a month to make the decision.

Ms Foster: The department was considering what would be the most effective option to take it forward.
Senator WONG: But how many times between 16 October and 16 November was a brief sent up for a decision on this, or with advice on this?

Ms Millar: My recollection is that the secretary, Dr Parkinson, put up a brief to the Prime Minister during that period. Also, I think he discussed it with the Prime Minister on several occasions.

Senator WONG: So there was one brief as to process and implementation of the 16 October decision, prior to the 16 November final decision?

Ms Millar: That's our recollection.

Senator WONG: Sure. What was the date of that brief?

Ms Millar: I don't have that date in front of me.

Senator WONG: Mr Hayhurst, do you?

Mr Hayhurst: I don't have a date either.

Senator WONG: How long before the decision?

Mr Hayhurst: I'd have to check to be sure. I recall it was not long, but let me check and come right back to you.

Senator WONG: Okay. There was only the one brief for advice and decision on the implementation of the 16 October announcement?

Ms Millar: That's my recollection. I can certainly check that.

Senator WONG: But there were a number of meetings between Dr Parkinson and the Prime Minister on this?

Ms Millar: My recollection is that Dr Parkinson spoke to the Prime Minister several times about it, but I wasn't in that discussion. I think he did that one-on-one.

Senator WONG: He did it one-on-one?

Ms Millar: I think so.

Senator WONG: Was he provided with advice or a briefing from the department for the purposes of those meetings?

Ms Millar: The department, in their usual way, discussed with the secretary a number of possibilities over a period of time—

Senator WONG: What does 'in the usual way' mean, and what does—

Ms Millar: Just as part of—

Senator WONG: Just let me finish the question. What does 'in the usual way' mean, and what does 'discuss' mean? Does 'in the usual way' mean you have an oral discussion or does it mean also briefing material for him?

Ms Millar: I really meant an oral discussion.

Senator WONG: Right. Who was part of that?

Ms Millar: I think there were a number of us who were part of it at different times. I certainly was. I think you were, Mr Hayhurst. There may have been others. And then, at a certain point, when the thinking started to crystallise, the secretary wrote to the Prime Minister, and I think he spoke to him subsequent to that.
Senator WONG: At the time the meetings that you described occurred, had Dr Parkinson been given any indication by the PMO or by the Prime Minister about what would or would not be acceptable as a process, or what the Prime Minister's preference was?

Ms Millar: I don't recall that.

Senator WONG: Was there ever a concern raised at meetings that either of you were in as to the risk of advice coming back from this process which was contrary to the Prime Minister's announcement—in other words, that the advice that could come back would be, 'This isn't a good idea'?

Mr Hayhurst: Nothing like that was raised in any meeting I attended.

Senator WONG: The reality is the departments have never advised what actually occurred in October, and I think that evidence is clear. Correct? It's never been a position that has been advised by the Public Service.

Mr Hayhurst: I think the departments were involved in the review which reported to cabinet, and then the Prime Minister made his announcement.

Senator WONG: I'm sorry—what did you call the wise elders group?

Ms Millar: The reference group.

Senator WONG: Was the inclusion of the reference group part of that decision on 16 April?

Ms Foster: It was 16 November.

Senator WONG: Sorry, I apologise. I'm tired—16 November. He ticks off on the decision after a month about a process. I may have asked this previously, but I just want to make sure: was the reference group specifically part of that decision—the existence of it, its membership and so forth? It doesn't look like it.

Ms Millar: I just simply don't recall. I wasn't very closely involved in it, but we can certainly—

Senator WONG: Can someone tell me? It's the Prime Minister's decision. He's briefed by the secretary, and it takes a month to make a decision just about process. All I'm asking is: did the process that was agreed on the 16th include the reference group, their membership and the nature of their involvement or did that come subsequently? Mr Hayhurst?

Mr Hayhurst: That's my recollection, but I'm going to check to be certain.

Senator WONG: What's that? I gave you two options.

Mr Hayhurst: Did you? My recollection is that when the decision was made it also encompassed the idea of a reference group, its role and membership, but I just want to check that.

Senator WONG: If you could. Can I go to the International Women's Day statement. I asked some questions in DFAT, and I'll go back again on it this week. There was an International Women's Day statement proposed by Mexico and Finland to the UN Human Rights Council, which was supported by 57 countries. Australia did not join. I want to know what your—as in the department's—involved was in consultations regarding Australia's decision not to join. Then, I do want to know whether any particular advice was sought or provided to the Prime Minister in relation to this.
Mr Hayhurst: When that matter came to attention, DFAT sent an email with quite a tight turnaround to some of my staff seeking any views from PM&C. We did not provide any feedback on the matter. I am aware, however, that the Office of Women, in our portfolio, was consulted.

Senator WONG: What was their advice?

Mr Hayhurst: I don't have their advice with me. We, in International Division, did not provide any feedback.

Senator WONG: Is the nature of the feedback sought a particular proposition—‘Do you have any problems?’ as opposed to just, ‘What do you think?’ If you don't provide feedback to a 'what do you think' then there's no position of the government. But—I assume—is it essentially: 'Here is a statement. The current recommendation is to sign up. Please advise if you have any problems'?

Mr Hayhurst: I'd have to check to be exact, but we get lots of emails about matters coming forward. With the Human Rights Council we don't provide comment on many, but we are part of what seems to be a standard email that goes to some departments with the opportunity to provide feedback. As it's been explained to me by my staff, we were simply told that their statement had been proposed. I think it was led by Mexico and Finland and the consideration was whether or not Australia should join. My division did not provide any return advice to DFAT on that matter. We left it with that portfolio, as we do most resolutions and matters coming before the Human Rights Council. We don't have the resources, or sometimes the expertise, to really make a direct contribution on individual resolutions.

Senator WONG: Was a written brief provided to the Prime Minister?

Mr Hayhurst: Not by International Division.

Senator WONG: Was there a written brief from someone else?

Mr Hayhurst: Not to my knowledge. All I know—

Senator WONG: I was wondering if you were carefully choosing your language, or whether—

Mr Hayhurst: I was carefully choosing my language, because I'm aware that the Office of Women in the portfolio was consulted on this as well, and I don't know—

Senator WONG: If they were briefed?

Mr Hayhurst: I just don't know. I don't think so, but I don't know.

Senator WONG: That's fine. We'll ask them. I think they're coming shortly. Was there any discussion with the Prime Minister's office, about which you are aware, regarding this issue?

Mr Hayhurst: Not to my knowledge.

Senator WONG: Ms Millar?

Ms Millar: Not to my knowledge either.

Senator WONG: Minister, did the Prime Minister's office request the Foreign Minister's office not to sign up to the statement?

Senator Cormann: Not that I'm aware of. I have got no knowledge of this.
Senator WONG: It concerns access to abortion—

Senator Cormann: I am happy to ask on notice.

Senator WONG: and our position notwithstanding our sensible support for reproductive health. The public commentary is that members of the government expressed concern resulting in the Foreign Minister's office directing that the statement not be joined by Australia.

Senator Cormann: I have no awareness. I wasn't even aware of the allegations. But I'm happy to take the question on notice.

Senator WONG: All right. The question is: did the Prime Minister, or his office, articulate it clearly? Did this Prime Minister, or his office, indicate to the Foreign Minister, or her office, that their preference was that Australia not join this statement because of the statements contained in it in relation to women's reproductive health?

Senator Cormann: I will have to take that on notice. I've got no knowledge of it. I have just had advice from the Prime Minister's office that the Prime Minister had absolutely no knowledge.

Senator WONG: So what is Minister Payne doing?

Senator Cormann: That is a question for the Foreign Affairs portfolio.

Senator WONG: I will be asking. People have been giving her a bit of a leave pass because they thought she was being leant on.

Senator Cormann: I'm acting on advice, and the advice I have is that the Prime Minister had no knowledge.

Senator WONG: Thank you for that. In terms of time frames, I have covered what I think I need to except Mr Hayhurst is going to come back to me. But he probably won't come back to me until after the next election, in which case it will be otiose—unless you can get it to me soon. I think my colleague was going to go back to appointments. Minister, there is nothing we are waiting on on Adani?

Senator Cormann: No.

Senator WONG: Okay. We've suggested to the committee that we can do DTA and stay for a bit longer because we would like to do the Office for Women. Chair, can we suspend for one minute?

CHAIR: Certainly. The committee will suspend, and then return in a moment.

Proceedings suspended from 17:03 to 17:05

CHAIR: The committee will now resume. I understand that we have a few more questions for PM&C. For officials who are waiting for your turn to be called: rather than moving next, as scheduled in the program, to WGEA and the Office for Women, we are going to come to those agencies between 6 pm and 6.30, when we have a minister available to represent them. Instead, when we have finished with PM&C, we are going to turn to the Digital Transformation Agency and other PM&C agencies as necessary until we get to 6 pm.

Senator Cormann: In relation to Indigenous Affairs, on 29 March, Senator Scullion wrote to deal with the order of the Senate agreed on 24 June 2018. I am happy to table that letter again for the convenience of the committee.
Senator Wong: It may simply have missed the tabling date.
Ms Foster: He wrote it. What we are trying to confirm at the moment is whether it did actually get tabled.
Senator Cormann: It was agreed for tabling, it was signed off for tabling—
Senator Wong: We can resolve that.
Senator Cormann: so I'm just going to give you the letter.
Senator Wong: I know that you made the assertion that this is not a matter that went to cabinet—that these matters, about appointments, were not matters for cabinet; they were matters for the Foreign Minister. I would just point out that the previous Foreign Minister, Ms Bishop, when she was asked about Minister Brandis's appointment, indicated that this was a matter for the Prime Minister and she had no involvement in that decision. Is that the usual way in which our heads of mission are appointed under this government?
Senator Cormann: I have been in cabinet since—
Senator Wong: I have just raised what Julie said.
Senator Cormann: I have been in cabinet since 18 September 2013 and the practice in relation to these matters has been consistent all the way through. I cannot recall any such appointments, including the one for the High Commissioner to the United Kingdom, having come to cabinet.
Senator Wong: Ms Bishop appears to think that it was the Prime Minister's decision. Of the approximately 100 appointments in the Attorney-General's portfolio that you have given evidence about today, or that I have put to you today as a consequence of the Minchin order, one was an AAT member, Mr Sutherland. This has been in the public arena. He was the president of the Mount Lawley branch of the Liberal Party in WA and he had to resign as president as a consequence of possible conflicts of interest between his party role and his role on the AAT. Minister, did you have any knowledge of this?
Senator Cormann: I saw the reports that you are referencing. I obviously had no involvement in initiating the appointment or events subsequently. It is not in this portfolio and it is not in my other portfolio. Questions relating to this are probably best addressed to the Attorney-General's portfolio.
Senator Wong: Did you advise Mr Porter—or Mr Sutherland—that Mr Sutherland should quit his party position?
Senator Cormann: No. I had no involvement in this in any way, shape or form.
Senator Wong: I've nothing further from me. Ms Foster, it's been a very interesting few years. Thank you to you and your officials for the many answers—or maybe not so many answers, but certainly responses to questions—that they have given me. I hope I see you in a different capacity—or not.
Ms Foster: A pleasure, Senator, thank you.
Chair: If there are no further questions for the Department of the Prime Minister and Cabinet, I thank all the officials for their evidence and their attendance here today. As advised, the committee will now move to the Digital Transformation Agency.
CHAIR: I welcome Senator the Hon. Zed Seselja, Assistant Minister for Treasury and Finance as Minister representing the Prime Minister and Mr Peter Alexander, acting chief executive officer, and officers. Minister, do you wish to make an opening statement?

Senator Seselja: I do not.

CHAIR: Mr Alexander, do you wish to make an opening statement?

Mr Alexander: Yes, a brief one. Thank you for having us; thank you, Chair. Mr Brugeaud asked me to pass on his apologies for not being here this afternoon. He's travelling overseas, speaking at a major digital conference and meeting with government officials from the UK, Germany and Estonia. The trip was planned some months ago.

I would like to briefly highlight a number of key milestones since our last appearance in February. We have released a hosting strategy. We continue to strengthen the security of government data, ensuring our policy settings are fit for purpose. In March, we released a new whole-of-government hosting strategy, which provides policy direction and guidance applicable to an Australian hosting ecosystem. The hosting strategy at its core outlines a clear standard for the way government agencies manage data. In order to deliver world-leading digital services, we must assure that there are adequate safeguards to meet the most stringent sovereignty and security requirements.

We have also released Connected Women in IT. We're committed to improving the participation rates of women in the rapidly growing technology sector. We have recently formed a Women in Digital network in partnership with leading ICT organisations. This network will deliver a series of events aimed at different levels of APS staff. It is designed to promote digital technologies and connect women across the APS and industry. We will continue our coaching and mentoring programs for the APS, Women Working in Digital. These programs have seen over 780 participants to date.

The Trusted Digital Identity Framework: digital identity is another important initiative that enables digital transformation. To that end, we have recently released the third iteration of the trusted digital identity framework, the TDIF. This framework sits across all elements of digital identity program to ensure a consistent approach to usability, accessibility, privacy protection and security. It is informed by stakeholders and places users at the very centre.

Improved procurement of digital services: we have also released three new digital sourcing policies under the framework for ICT procurement. The Digital Sourcing Consider First, Digital Sourcing Fair Criteria and Digital Sourcing Panels policies will ensure it's easy for the ICT industry and the APS to do work together. Current figures on the digital marketplace are also significant. To date there have been 1,465 contracts awarded, of which 72 per cent went to SMEs, at a total value of over $391 million.

In conclusion, I'm incredibly proud of the work of the DTA. As we celebrated Harmony Day in March, I was reminded of the rich and diverse workforce we have. We have made exciting progress against the Digital Transformation Strategy, with lots of work still to do. Through our continued effort across government and partnership with the Australian community, I'm confident we can put people and businesses at the centre of government services. We welcome your questions.
Senator CICCONE: The Report of the ICT procurement taskforce was brought down a few years ago as you know. There were a range of different historic reports into the use of ICT by government. What has been the DTA's role in implementing the report's recommendations?

Mr Alexander: The DTA has been responsible for implementing the recommendations of that report. I will pass to my colleague Dr Vlasic, who is leading the team doing that work.

Dr Vlasic: We're the lead agency in the implementation of the 10 recommendations.

Senator CICCONE: So you have complete oversight of the recommendations?

Dr Vlasic: Yes.

Senator CICCONE: And the team—

Dr Vlasic: So the team is mostly inside the DTA and across our portfolio. So I look after some of the recommendations, Ms Hutchinson looks after some and Mr Alexander looks after some.

Senator CICCONE: You obviously report to the various ministers' or relevant ministers' offices with updates in relation to the recommendations?

Dr Vlasic: We update progress on the activities we're taking, ongoing in ICT procurement. Yes.

Senator CICCONE: How often have you been providing updates to the ministers' office?

Dr Vlasic: We update the minister's office when we do something. So they're aware of our plan, and they're aware of the number of activities we're performing and when the activities are planned to be implemented, and they hold us to those.

Senator CICCONE: I would like an update on some of the recommendations, if I could. For example, recommendation No. 1:

The taskforce recommends adopting a framework for ICT procurement that includes ICT procurement policy principles to guide decision-making.

What action has been undertaken to give effect to that?

Dr Vlasic: A number. Firstly, you have to build the framework in the first place. That framework was released in the second half of last year. Then, off the back of the framework, the framework talked to a number of different levels of information. There are four policies recommended, plus guidance and tools. We are at the point of having built the framework and built the policies.

Senator CICCONE: So what are the four policies?

Dr Vlasic: The four policies are, as you go across, the consider first policy, the panel policy, the fair criteria policy and the ICT capped term policy.

Senator CICCONE: The taskforce recommended setting annual targets for the ICT procurement. I think it was recommendation 2. What's happened here? How can the review performance be met against targets?

Dr Vlasic: There are two types of targets, although there are about seven or eight listed. There are a set which relate to ICT procurement and a set that relate to project management effectively. Over the first couple of years we committed to focus on the procurement one. Of
the three that we look at, one is around the ability to save dollars, a second one is around risk and a third one is around SME participation.

**Senator CICCONE:** The taskforce also recommended setting up a dataset of government ICT?

**Dr Vlasic:** Yes.

**Senator CICCONE:** Can you provide us with more information on that front?

**Dr Vlasic:** On the dataset, I'll hand over to Ms Hutchinson.

**Ms Hutchinson:** As part of our regular engagement with agencies, we ask them to report to us on a quarterly basis, and they provide a range of information about the status of their projects, including details on procurement activities.

**Senator CICCONE:** Government was also urged to develop a public dashboard too, and spending to provide greater transparency about the status and outcomes of the ICT investment decisions. Has this dashboard been launched and how is it performing to date?

**Dr Vlasic:** There are two aspects to this. One is the dashboard, and Ms Hutchinson can talk about the dashboard. But the government didn't accept the full recommendation. There were two parts to it—building a dashboard for the Public Service and the public version of it. The Public Service bit wasn't accepted as a recommendation, if you read through them.

**Ms Hutchinson:** As part of our advice to government, we provide information on the performance of projects at a portfolio level and there is a performance dashboard that is provided to government to provide them with information on how things are performing in the portfolio.

**Senator CICCONE:** Does it also allow you, for example, to determine how many private sector jobs or other jobs that come out of the—

**Ms Hutchinson:** No, it doesn't collect that detail.

**Senator CICCONE:** Has recommendation 5—'developing a comprehensive and contemporary ICT strategy to guide procurement approaches'—been done?

**Dr Vlasic:** Yes. We've built the digital transformation strategy in my shop, as well as, in Mr Alexander's space, the hosting strategy, the platform strategy and the secure cloud. So we believe that we've covered that off, yes.

**Senator CICCONE:** What effort has been done to develop a medium-term strategy for building the public service's ICT procurement capacity and culture, in line with recommendation 6?

**Dr Vlasic:** In fact, we recently launched a few things. We recently launched the sourcing network; that was about a month ago. On top of that, this has been a long consultation process with both the Public Service and the public, asking them the sorts of things we should put in place. So we're now building out a road map, and the first step was the Digital Sourcing Network.

**Senator CICCONE:** How long do you think building that road map will take?

**Dr Vlasic:** What we have at the moment is a plan for here to the end of the year. The way we built the recommendations and implemented the recommendations was in an agile way. It's really difficult to identify what the target or the actual outcome is. You're trying to make
sure that you get the best possible outcome you can as you go. So we have a plan for this year. Then, as we get towards the end of the financial year in June, through June-July we will identify what the next best 12 months looks like. But we've got a long-term target, yes.

**Senator CICCONE:** Is that plan available online?

**Dr Vlasic:** No, that's a plan we keep.

**Senator CICCONE:** Is that something you can share?

**Dr Vlasic:** We can share the plan for this financial year, which has a few months left.

**Senator CICCONE:** If you could, that would be good, thank you. I'd also like to get a sense of how the local industry has been able to compete against the major multinational tech firms for government procurement.

**Dr Vlasic:** We're pulling a number of levers in this space. The first major one is that we've been rebuilding all of the panels for the Australian government. I've talked to this forum before about the Australian government being more open for business. Part of the challenge is that it can be complex to navigate through what all the panels are and which ones to utilise. So we've been building the digital marketplace, along with the hardware and the software marketplaces, and making those open more often so more suppliers get access to Australian government business. What we find by doing so is that there is a greater diversity of suppliers that get the work. For example, if you take the digital marketplace, the digital marketplace has circa 1,200 suppliers on it. Of those 1,200 suppliers, 72 per cent of all work—about 90 per cent of the suppliers are SMEs—goes to SMEs. So you get a greater diversity when you provide the opportunity.

**Senator CICCONE:** I'm led to believe that a major multinational company recently outbid all its rivals in providing cloud services to government. Is that true?

**Dr Vlasic:** I don't know what you're talking about.

**Senator CICCONE:** By offering services at no cost for up to two years?

**Dr Vlasic:** I don't know the example you're talking about.

**Senator CICCONE:** Have you had any complaints made to you by local firms as part of the process of procurement or in implementing any of the recommendations?

**Dr Vlasic:** We get feedback on a regular basis because we seek it. Off the back of the feedback, we make changes as we need to.

**Senator CICCONE:** Do you have stats or figures on how much feedback or how many complaints—

**Dr Vlasic:** I don't have them with me. I'll need to go get—

**Senator CICCONE:** If there's something you could get on that—

**Dr Vlasic:** Yes.

**Senator CICCONE:** I understand that, under a recent decision, ASIO has its cloud services provided entirely by a multinational. Again, do you think local providers are viewed as not capable of performing or taking up the role in providing these services?

**Dr Vlasic:** We don't make procurement decisions for agencies; they make their own procurement decisions. You will need to take that up with them.
**Senator CICCONE:** Do any agencies come to you for advice before they make decisions about—

**Dr Vlasic:** A number, yes. We have an email box and we have a phone number, and we get regular calls for advice.

**Senator CICCONE:** And is that something that's kept in a register or logged?

**Dr Vlasic:** No, we don't keep a log of it. We give them feedback and they do—because they're responsible for that, at the end of the day.

**Senator CICCONE:** Do you ever provide any details as to which agencies have been in contact about advice?

**Dr Vlasic:** We don't have a log of it. So I can provide you information about the types of agencies, but we don't keep a log of the agencies that contact us.

**Senator CICCONE:** If you could provide a list of agencies, that would be good.

**Dr Vlasic:** You'd find it's most.

**Senator CICCONE:** Yes. The DTA has issued some guidance that was touted as boosting data sovereignty, but how do you reconcile that with an apparent inability to allow greater local industry and the provision of the services that are offered?

**Dr Vlasic:** I'll ask Mr Alexander to talk to a hosting strategy, and then if you've got any questions off the back of that—

**Senator CICCONE:** Okay. Thank you.

**Senator KITCHING:** Can I ask some questions about the minister's visit to the US in 2018?

**Mr Alexander:** The hosting strategy, which we recently released, was firmly targeted at data-centre and hosting providers, and then moving to supply-chain and other providers in that ecosystem, to ensure improved risk mitigation for Australia, in terms of the sovereignty of our data—classified and sensitive data that would remain in Australia. And we would have conditions such that the providers of those services that government would interact with would hold our data within Australia. That gives greater opportunity for local providers, but, equally, in a fair and open market, international providers who establish those arrangements within Australia and meet our commercial requirements can also interact in that ecosystem.

**Senator CICCONE:** Thank you.

**Senator KITCHING:** Was this trip booked through a travel company?

**Mr Alexander:** I'm not aware of how his trip was booked. His office would've done that for him. The DTA wouldn't have done that.

**Senator KITCHING:** Minister, are you aware how the trip was booked?

**Senator Seselja:** No, I'm not.

**Senator KITCHING:** Would you be able to take it on notice?

**Senator Seselja:** Sure.

**Senator KITCHING:** How many people were on the trip, and where were they from, in terms of both departmental and ministerial staff?
Mr Alexander: My colleague Mr de Wet, our chief operating officer, is just looking up the detail of that.

Senator KITCHING: Thank you.

Mr de Wet: I'm sorry, I'm just waiting to connect up—

Senator KITCHING: No, don't worry—we have explored the connectivity or lack thereof in this building earlier today.

Mr Alexander: In broad, there were a number of people on that trip. It was done in partnership with the AIIA, the Australian Information Industry Association, and a number of members of that organisation were on that trip.

Senator KITCHING: So was it a bit of a business delegation—

Mr Alexander: It was a delegation—

Senator KITCHING: being led by the minister?

Mr Alexander: The minister led a delegation, yes, to the US for that trip. They had a number of meetings with US based companies, academics, innovation organisations and universities over the period, on the east and west coasts.

Senator KITCHING: So how many people were in the delegation?

Mr Alexander: We're just getting the detail. We do have it.

Senator KITCHING: It helps to come off the wi-fi and go back onto your own provider.

CHAIR: Are you angling for a job at the DTA, Senator Kitching?

Senator KITCHING: No, I just want connectivity!

Mr de Wet: Could I ask you, please, to repeat the question, and I'll see if I have the answers.

Mr Alexander: I have an answer, which is 21.

Senator KITCHING: I'm sorry—so 21 in the delegation?

Mr Alexander: Yes.

Senator KITCHING: And the AIIA organised that—is that correct?

Mr Alexander: The AIIA organised that, with the minister's office.

Senator KITCHING: In conjunction with the minister's office?

Mr Alexander: Yes. So the minister led the delegation.

Senator KITCHING: In terms of the trip and the travel, how is the DTA's travel booked? The officers from the DTA—how was their travel booked?

Mr de Wet: You may well be aware that government travel arrangements are coordinated through a whole-of-government agreement that has been struck, and so it was booked through AOT.

Senator KITCHING: That's a subsidiary of Helloworld of recent notoriety? Yes. Okay. So how many departmental staff went on the trip?

Mr Alexander: One.

Senator KITCHING: So who went on the trip?

Mr Alexander: Mr Bruguay, our CEO, went on the trip.
Senator KITCHING: How many ministerial staff went?

Mr de Wet: One.

Senator KITCHING: So there was the minister, the CEO, one ministerial staffer—

Mr Alexander: I'll correct that: there were two staff—ministerial staff.

Senator KITCHING: One CEO, two ministerial staff, 21 delegation members?

Mr Alexander: So, to be correct, there were additional APS staff and the CIO of DHS went as well.

Senator KITCHING: Is that it?

Mr Alexander: And I think two staff from DHS were there as well.

Senator KITCHING: So the CIO, one other officer from DHS, two ministerial, the CEO of DTA, 21 delegation members—is that correct?

Mr de Wet: That's correct.

Senator KITCHING: We did discuss this at the last estimates, but the total number of staff wasn't provided. How much was the cost of the trip in total, including flights and accommodation and any miscellaneous expenses?

Mr de Wet: I'll seek to answer that for you while I'm in here; I just don't have it in front of me at this point in time.

Mr Alexander: I think at the last estimates we were asked to provide the agenda, which we provided in question on notice 65 from last estimates. We've given you the agenda—

Senator KITCHING: I don't have that agenda in front of me. So it was QON 65, was it?

Mr Alexander: Yes. That was the agenda and the attendees, the minister, his staff and the government officials.

Senator KITCHING: Did that QON also have the total trip cost?

Mr Alexander: No. We'll take that on notice. If we can get that now we'll get it; otherwise we'll take it on notice.

Senator KITCHING: There was a meeting with Ambassador Hockey in Washington. What time was that meeting—that was on 9 October 2018?

Mr Alexander: We'd have to take that on notice. I have the same data you have, which is that it occurred on that day, but I don't have the time.

Senator KITCHING: So the agenda—I am at a disadvantage: I don't have that QON with me.

Mr Alexander: I can tell you on that day in New York, they met Qlik, they met the New York City Mayor's Office of Data Analytics and the Mayor's Office of Technology and Innovation; and in Washington they met the Australian Ambassador to the United States.

Senator KITCHING: I just want to know what time of the day the meeting was, or was it in the evening; what was the agenda for the meeting; and what were the outcomes of the meeting? Was it a drinks function hosted by the ambassador? Was it a sit-down meeting where the AIIA delegation—
Mr Alexander: We'll take that on notice and give you additional data to this.

Senator KITCHING: Or was it more of a hosting function performed by the ambassador?

Mr Alexander: Sure; we'll have to take that on notice.

Mr de Wet: If I may, just to come back to your earlier question: I can account for the DTA's component of Mr Bruggeaud's travel to the US. The total cost of both flights and accommodation was $28,845.40, and the split of those was flights $23,774.94 and accommodation $5,070.46.

Senator KITCHING: So there were no miscellaneous expenses or per diem?

Mr de Wet: No.

Senator KITCHING: In terms of the meeting with Ambassador Hockey, was there a dinner? Were any costs associated with this meeting?

Mr de Wet: We'll have to take that on notice.

Senator KITCHING: That's fine. I understand. That was in Washington. Was it hosted at the embassy or somewhere else? I don't think it says in that QON, does it? It just says Washington. Last estimates, an itinerary for the trip was requested, and what was provided was a little sparse. We can see that there were eight days on the ground in the US, but for five of those days there were just two meetings for the whole day—is that correct?

Mr Alexander: That's correct, but I wouldn't characterise them as two meetings; they were immersive workshop days where the team would have gone in—for example, in Seattle, where they met Microsoft and Amazon, they weren't 'sit around a table' meetings; they were substantial discussions and demonstrations of new technology and approaches from those companies. To characterise them as meetings is a bit narrow. They were quite substantial, multi-hour events. We'll get the details on those as well.

Senator DEAN SMITH: Like Senate estimates!

Senator KITCHING: That's another definition of immersive.

Mr Alexander: They were substantial. Taking on notice the Washington event, we will expand these and give you an extra couple of columns on this which will have the time of the meeting, its length, agenda and outcomes.

Senator KITCHING: Thank you. For example, on Tuesday, 2 October, in Seattle, where it says 'meeting with Microsoft and Amazon', they might be nine to five or whatever? They might be whole-day workshops, for example?

Mr de Wet: Yes.

Mr Alexander: Given there were two of them, they would have been a period—I know that the feedback from all the people who attended was that they were fully occupied for the entirety of the trip. Each day was a full and long day of innovation experience, new technology, new approaches and great ideas from those companies.

Senator KITCHING: That's Seattle and San Francisco—let's say those parts of the trip—and then we're in New York. The meetings in New York—there was IBM and then the American Australian Association on 8 October. I wouldn't imagine the American Australian
Association is an immersive day. It would be a function, I would imagine—is that correct? You'll take it on notice?

Mr de Wet: I'll take that on notice. I would probably make the same assumption you do, but I would take that on notice because I just don't know.

Senator KITCHING: In Washington on the 10th there are two meetings there, one with the ITIF and one with Oracle—again, if you could take on notice the detail of that?

Mr Alexander: Absolutely.

Senator KITCHING: That's all the questions I have on that. I'll pass to my colleague.

Senator CICCONE: In the 2018 budget, the DTA was assigned $700,000 to consider the use of blockchain technology within government—is that correct?

Mr Alexander: That's correct.

Senator CICCONE: What is the status of that work to date?

Mr Alexander: We've effectively completed that work. In terms of the assignment of that money, the DTA was allocated that money, but it wasn't new money; it was to be reallocated from across the organisation. We undertook research into blockchain with Data61 and with a number of other organisations. Of that $700,000, we spent about $200,000 to do that work. We came to a number of conclusions, which I've talked about at previous estimates. We looked at blockchain. I'm happy to talk about our broad findings in that, if you'd like me to.

Senator CICCONE: If you could. Given that I'm fairly new to this process, that would be great.

Mr Alexander: It's a good topic. What we fundamentally found is that blockchain is an interesting technology. There is lots of opportunity with blockchain. Fundamentally, agencies should focus on the problem they're solving before they decide a technology to solve it. They should think about the users and the user journey that they need to assist rather than choosing a technology and trying to find a solution for it. It's an age-old problem. For most business requirements there exist more mature technologies that are ready for use immediately that we would recommend people choosing over blockchain today. Blockchain has some limitations but has some great advantages. We would encourage agencies to keep looking at it and to keep considering it. We'll continue to assess it for opportunity. Our position is completely aligned with that of the US government agency, the National Institute of Standards and Technology; international organisations, like the OECD; and leading analyst firms—for example, Gartner. We will continue to monitor blockchain. We are talking to agencies continually who are doing interesting work and academics.

Senator CICCONE: You said it cost $200,000?

Mr Alexander: Yes.

Senator CICCONE: And the remainder, $500,000?

Mr Alexander: Because the remaining $500,000 came from an allocation within the DTA, that is just in our broader appropriation base and is being used for other priorities across the organisation—looking at emerging technology opportunities, digital identity and other things that we're doing. It's not like it was new money that we've reallocated to other things; it was just a portion of money in my division to deliver on our group of digital division priorities.
**Senator CICCONE:** What have you reported to government about the potential use of blockchain?

**Mr Alexander:** We've reported to government on the use of blockchain. As we say, there is potential to it. Until it is standardised, until it matures, for most government uses there are alternative technologies we would choose today—more mature, standardised technologies.

**Senator CICCONE:** When did that occur?

**Mr Alexander:** That report was several months ago. I'm trying to think of the exact date. It's available as a web page: dta.gov.au/blockchain. I would say we published that prior to last estimates, so I guess it would have been in February.

**Senator CICCONE:** What work have you or the organisation done in terms of working with industry about the potential use of blockchain?

**Mr Alexander:** A lot. Not just us as an organisation, but the Australian government as an organisation. There has been a lot of work across agencies looking at blockchain and considering opportunities and problems in our business, or things we're trying to achieve where blockchain might help. There's been an amount across a number of agencies. We worked with the Department of Human Services and the Commonwealth Bank on the potential for smart contracts and payments in the national disability insurance arrangements. There was some testing of freight movement in Home Affairs. ASIC looked at payment settlements. There has been an amount of cross-government work. In each case where government have been doing that work, they've been partnering with industry, academia and science and technology organisations—like Data61, who have been doing a lot of work in this space.

**Senator CICCONE:** Are you able to provide a list of who you've consulted or engaged with?

**Mr Alexander:** We can give you a list of all the agencies we've dealt with, for sure.

**Senator CICCONE:** You mentioned that Data61 and CSIRO have been actively considering the use of blockchain. Can you let me know what work you've done with them beyond what you've just mentioned to me?

**Mr Alexander:** In terms of blockchain specifically?

**Senator CICCONE:** Yes.

**Mr Alexander:** The blockchain work—in fact, the majority of our $200,000 spend was with Data 61. We contracted them to do the work.

**Senator CICCONE:** And CSIRO?

**Mr Alexander:** Data61.

**Senator CICCONE:** Just Data61?

**Mr Alexander:** Data61 directly. We worked with Data61 on blockchain, leveraging previous research they'd done and building on a number of the trials and work across government agencies and having them look at those. We've done that specific piece of work with them. Aside from that, we have regular engagement with them across this area. They're part of our process to keep updated on new initiatives and new opportunities where we could build on our blockchain knowledge.
**Senator CICCONE:** Do you see a value with blockchain?

**Mr Alexander:** Absolutely. Blockchain is a technology. There is an absolute value in it. It is an emerging, exciting technology with opportunities across a number of areas—for example, data.gov.au, our national data resource. Blockchain is a really interesting technology in terms of allowing users to be assured that the dataset they're downloading is non-repudiable. It is the dataset that comes from the original source. It is correct. It hasn't been modified or changed. There's a technology like Merkel Trees, which is a part of the set of blockchain technologies—note that blockchain is not just a technology; it's a series of technologies into a capability. There are opportunities in things like that around nonrepudiation or immutable records where blockchain has some really interesting capability, and so that makes really good sense in some areas. In other areas of government delivery it doesn't make sense to have immutable records, noting that we need to change things.

**Senator CICCONE:** What are your major doubts or concerns?

**Mr Alexander:** The overwhelming and major concern with blockchain today is its lack of standardisation. There are a lot of companies looking at blockchain technology and implementing blockchain technology without a standard. For government to use a technology, pick a winner. Maybe the best an analogy is we might choose the Betamax version of blockchain and have a number of implementations of that when others agencies and other organisations are using VHS and then someone else will come along and use DVDs or blue ray. In the end, all we want to do is watch a movie, but we've chosen an implementation which isn't going to interoperate particularly well with others.

Standardisation is the biggest challenge in blockchain. For governments the second consideration is about that immutability of a record and who holds the authority over that record. A distributed ledger model where a number of people would validate a transaction has some advantage. A closed ledger where an individual validates a transaction has some advantage. Each of them have pros and cons at the moment, in terms of operations on public records.

**Senator CICCONE:** Is it the case that you're now looking at further funds to put towards developing a road map as well too?

**Mr Alexander:** I wouldn't say we're developing a road map for blockchain at the moment. I think we're still considering what it is and what the opportunities are. In terms of technology implementation, it's always the wrong way to go to have a road map for technology. What we need is a road map for solving the problems of Australians and Australian businesses to ask some questions. What are the user journeys we have for individuals and businesses? We need to have an understanding of those and the series of those that we need to improve. How do we get a better take up of digital services? How do we make it easier for someone to do their tax return with the ATO? How do we make it easier for someone to get through a transaction with the Department of Human Services? How do we make it easier for a student to get into university and go through the various processes?

Mapping those user journeys and then understanding the technologies that will enable us to deliver those is really important. There are a number of emerging and new technologies, which will help us on that journey, which we need to understand, like artificial intelligence, machine learning, cognitive machines, blockchain—the list goes on in terms of technologies.
We need to understand all of those, but we don't need a technology road map to say 'Here's a series of technologies.' We need to know what the technologies can do. We need to engage with agencies and industries to understand that really well. We need to engage with international governments to understand best practice and things they've done. Having a technology road map is not particularly useful in that sense for a particular technology.

**Senator CICCONE:** Have funds certainly been put aside towards a road map?

**Mr Alexander:** At the moment, no. We have no funds set aside for a technology road map. We have funds for user journeys and understanding the needs of Australian people and businesses and the services that governments deliver to them.

**Senator CICCONE:** I'm assuming you've advised government about the road map or the use of the blockchain and the value of its investment?

**Mr Alexander:** Absolutely. We've advised government—

**Senator CICCONE:** If that's been the case, what have you, in particular, advised government?

**Mr Alexander:** Our advice to government has been exactly the information that's available publicly on the website. Blockchain is a really interesting technology. In terms of its use, there are more mature technologies we would choose to deliver robust services at the moment, but we will keep a watching brief and we will look at the standardisation of blockchain as that emerges. It will emerge, because there's lots of companies putting lots of money into it and they want to see it succeed. Standardisation is on that road map. Everyone we've talked to has said standardisation is on the road map. Continued development of that technology is on the road map as well for those companies.

**Senator CICCONE:** I understand that the government previously funded development of an AI road map? Did the DTA have any involvement with that?

**Mr Alexander:** The DTA has involvement in that, but that is being led by the Department of Industry, Innovation and Science.

**Senator CICCONE:** What advice or information have you provided to the department or the government on that?

**Mr Alexander:** Our engagement with the department of industry on artificial intelligence is broadly that it is an important technology; that the government needs to approach it cautiously in terms of its implementation and use; and that there are a number of great advantages to that technology, in terms of processing and service delivery, but there are also a number of ethical questions that we need to look at. To that end, we've been working closely with the Human Rights Commissioner on work he's doing around the ethics of artificial intelligence and others. So we're taking a very broad approach to that.

**Senator CICCONE:** So the work on that hasn't really been completed?

**Mr Alexander:** No.

**CHAIR:** If there are no further questions for DTA, thank you very much for your attendance and your evidence here this evening.

Australian National Audit Office

[17:51]
CHAIR: I now welcome Ms Rona Mellor PSM, Deputy Auditor-General, and officers from the ANAO. I understand that Mr Hehir, whose company we enjoyed last week, is not here this week. Ms Mellor, do you wish to make an opening statement?

Ms Mellor: No, thank you, except to apologise on behalf of the Auditor-General for being away this week. He was available last week. He sent us in.

CHAIR: Good. Thank you.

Senator KITCHING: Everyone thought there would be an election called.

Ms Mellor: I don't know if I can comment on that.

Senator KITCHING: There have been a number of media reports about government spending on advertising. Is this spending something that the ANAO is aware of?

Ms Mellor: We do have an audit underway on government spending and advertising. I might ask Dr Ioannou to update you on the status of that audit and its coverage.

Dr Ioannou: We do have a performance audit currently underway. It started on 25 September 2018. The objective is to assess the effectiveness of the implementation by the Department of Finance and selected entities of the Australian government's campaign advertising framework. As part of the audit, we'll be reviewing three campaigns. One is being undertaken by the Department of the Environment and Energy. That is the Energy for the Future campaign, which is also known as Powering Forward. The second is a campaign being run by the Department of Education and Training, known as the national childcare reforms campaign. The third is the Department of Health's physical activity for young women campaign. That audit report is anticipated to be tabled in July.

Senator KITCHING: What kinds of indicators would the ANAO look for in deciding whether to initiate an audit on this kind of spending or not?

Ms Mellor: I might start. You know the Auditor-General makes a forward work program that covers a range of activities in the public sector and a range of different kinds of organisations. Typically the ANAO will do one advertising spending audit during a parliament, so this is the one that the Auditor-General's chosen to do at the moment.

Senator KITCHING: That's due to be tabled in July 2019?

Ms Mellor: Yes, it will be early in the first quarter of the next financial year.

Senator KITCHING: So the election period will be captured in that audit?

Ms Mellor: The total spend on advertising for the current financial year will be covered, and then the three campaigns that Dr Ioannou has mentioned.

Dr Ioannou: Yes, this series of audits has a number of components and one of those is to report to the parliament on the evolution of the framework over time. It also contains time-series data on government spending on campaign advertising. That's been a feature of this audit series and we will just continue to update that table.

Senator KITCHING: One of the questions that you're considering is whether the Department of Finance is effectively administering the Australian government's campaign advertising framework—that's correct, isn't it?

Dr Ioannou: Yes.
Senator KITCHING: So there is the Department of Education and Training, which is the Powering Forward campaign—

Ms Mellor: That one's the department of the environment.

Senator KITCHING: Sorry, the department of the environment. The national child-care reforms is Education and Training—is that correct?

Ms Mellor: Correct.

Senator KITCHING: And Health would be physical activity for young women?

Ms Mellor: Correct.

Senator KITCHING: Are they compliant with the framework?

Ms Mellor: They're currently under audit, so we don't have—

Senator KITCHING: So you're going to make an assessment of that. Okay. I want to move to the Communities Environment Program. This is a grant program that's been announced by the Minister for the Environment but it's not yet open for applications. There have been media reports about it. Liberal and National Party members have been asked for expressions of interest for almost a month now, and the member for Dunkley, Mr Crewther, put up Facebook posts and a media release announcing funding with the minister for various organisations in his electorate. Is this something the ANAO is aware of?

Ms Mellor: We've certainly seen, throughout estimates last week and the commentary in different committees this morning, questions about it.

Senator KITCHING: Earlier today, the Minister representing the Minister for the Environment told the Environment and Communications Legislation Committee that these entities should have confidence that, if Mr Crewther and the government are re-elected, their funding applications will succeed. In the ANAO's experience, is it normal for a minister to guarantee funding for an organisation before a grant round is even open?

Ms Mellor: It wouldn't be normal for the ANAO to comment on something it hasn't audited. If we were undertaking an audit of this, it would be against the Commonwealth grant guidelines, and we're not undertaking an audit of it at present.

Senator KITCHING: Have you ever undertaken an audit of something similar?

Ms Mellor: Not to my recollection. I'd have to go away and have a look at other grant audits.

Senator KITCHING: Could you have a look and see if there was something similar to where a grants program had been announced by the minister and, without it really being open, there were media releases announcing funding for various organisations.

Dr Ioannou: I think we'd have to go back into the audit series to have a look for a similar circumstance.

Senator KITCHING: Thank you, I appreciate it. You wouldn't rule out initiating an audit into the conduct of this program, though?

Ms Mellor: It's not currently before us as a question. We certainly have a range of audits underway up until the end of this year. It'd be something that we'd have to discuss back at the ranch, if you like.
CHAIR: As there are no further questions for the ANAO, I thank you very much for your attendance and your evidence today. The committee is scheduled to move to the Workplace Gender Equality Agency.

Senator KITCHING: Can I ask a few questions on the Office of the Official Secretary to the Governor-General?

CHAIR: We have a very short window of opportunity to get to these agencies. We will bring in the Office of the Official Secretary of the Governor-General after we've dealt with WGEA and the Office for Women.

Senator WONG: I think the issue is Minister Ruston is unavailable now.

CHAIR: Yes, we have limited availability from minister, which is Minister Ruston.

Senator WONG: We're being very reasonable.

CHAIR: It's very kind of you, thank you. Senator Seselja, I thank you for your attendance here this evening. The committee will suspend for a moment.

Senator Seselja: Can I check with you, though, regarding the schedule from here. You've got Senator Ruston coming in and then after that is it just the office of the Governor-General—

CHAIR: Correct, that's the remaining witness on the program.

Senator Seselja: So that would mean that I'm relieved?

CHAIR: You are relieved. You are free to go, Senator Seselja. We will just give Minister Ruston, who is in another committee, which is due to break about now, a couple of minutes to join us here in this committee.

Workplace Gender Equality Agency

[18:00]

CHAIR: We'll begin with the Workplace Gender Equality Agency. I now welcome Senator the Hon. Anne Ruston, Assistant Minister for International Development and the Pacific, as minister representing the Minister for Women. Thank you for being available for the committee this evening, Minister. I welcome Ms Libby Lyons, director of the Workplace Gender Equality Agency and Ms Janin Bredehoeft of the agency. Minister, do you wish to make an opening statement?

Senator Ruston: No.

CHAIR: Ms Lyons, do you wish to make an opening statement? You did make one only a couple of days ago.

Ms Lyons: No.

CHAIR: I didn't think so. Who's seeking the call?

Senator WONG: Actually, I had questions also for the Office for Women.

Senator MOORE: The half-hour's being shared between the two agencies.

Senator WONG: So who am I talking to?

CHAIR: This is the Workplace Gender Equality Agency.
**Senator WONG:** You don't like sitting at the table together? I've got questions on the IWD statement that was covered in Prime Minister and Cabinet. Did you have any involvement with that?

**Ms Lyons:** No.

**Senator WONG:** You provided no advice?

**Ms Lyons:** No.

**Senator WONG:** I only have questions for the office, then. Is it not possible for you to sit at the table together? I know people don't like that, but we make Austrade and DFAT sit at the table so you can both answer questions. It just might be quicker.

**CHAIR:** I certainly don't have any objections.

**Senator WONG:** You can sit at the other end if it makes you feel more separate. You can even leave a space between you and the minister, if it makes you feel better.

**CHAIR:** What I'll do, I'll now welcome from officers from the Office for Women, within the Department of Prime Minister and Cabinet. Ms Bergin, do you wish to make an opening statement at this point?

**Ms Bergin:** No, thank you.

**Senator WONG:** Sorry, I do need a—

**CHAIR:** They are coming.

**Senator WONG:** Oh, you don't have them here?

**CHAIR:** We will now hear from these agencies together. Senator Wong you have the call.

**Senator WONG:** So who is representing the Office for Women? Is it Ms Bergin?

**Ms Bergin:** Yes.

**Senator WONG:** I'll ask some questions because they flow on from the PM&C questions, but I think then my colleague Senator Moore will be taking over. I did have some questions about the IWD statement that was proposed by, I think, Finland and Mexico. I understand from PM&C International Division, they didn't provide any advice on it, but you did; is that correct?

**Ms Bergin:** No, the Office for Women did not provide any advice on this.

**Senator WONG:** Was the evidence from Mr Hayhurst incorrect, then? I thought he said that the Office for Women had provided advice.

**Dr Baxter:** I was here for that testimony—

**Senator WONG:** I'm not having a go at him; he may not have known.

**Dr Baxter:** I think his assumption was the Office for Women would've been asked whether they had any advice on that, which they were, and Ms Bergin can talk to that. He wouldn't have known whether there was any substantive content to that advice or not, which is where I think—

**Senator WONG:** You were consulted by DFAT about whether or not Australia should join?
Ms Bergin: No, we weren't consulted on that. The office was informed that the motion had been moved. I might actually pass to the head of the international area, Rachel Livingston.

Ms Livingston: We received draft texts of that statement and were asked if we had comments on it. We didn't have comments on it and we weren't further involved in any of the deliberations.

Senator WONG: You received draft texts from DFAT?

Ms Livingston: We did.

Senator WONG: You were asked if you had any comments?

Ms Livingston: That is correct.

Senator WONG: Or concerns?

Ms Livingston: I don't think it would have gone into that level of specificity.

Senator WONG: What I'm trying to ascertain is whether anybody in government actually said we shouldn't sign this. You're public servants. You're asked to provide comment on an international statement. Did anybody say do or don't sign?

Dr Baxter: We don't know whether DFAT gave that advice. Certainly from PM&C we didn't. We heard today from Mr Hayhurst that they didn't. He felt OFW may have been asked for comment, and the officers are saying that they did not provide any comment. They were asked did they want to provide comment, and they did not provide any comment.

Senator WONG: Ms Livingston, you're the international person?

Ms Livingston: I've got responsibility for women's economic security policy as well as international engagement.

Senator WONG: Are you aware of the evidence at the DFAT estimates that we didn't sign because there was some difference in wording from—was it the Cairo declaration?

Ms Bogaart: ICPD—Cairo.

Ms Livingston: I am.

Senator WONG: Have you heard that before?

Ms Livingston: We were provided with the same advice from DFAT, after we were advised that Australia did not sign up to that statement.

Senator WONG: Okay, well can we get to that, then? So, you were provided with a draft. You were asked to provide comment on it. You didn't provide any. Do I infer from that—because surely not all of this is passive—that the assumption is that if you don't provide comment you don't have a problem?

Ms Livingston: That's correct. Perhaps I could just provide some context around this. There's normally quite a large volume of statements that are being considered by the Human Rights Council at any one time. DFAT does send out the drafts to relevant agencies. We can be dealing with quite a large volume of them at any one time, depending on what's going through in the session. In that context, we did receive a draft of that statement and didn't have any further comment to provide.
Senator WONG: Okay. Sorry—I got distracted by emails. Could you give that last answer again, to make sure I'm asking the right question, so that my follow-up is correct?

Ms Livingston: We did receive a draft of the statement from DFAT, which is part of the usual practice that DFAT follows on all documents that go before the Human Rights Council. On this occasion we didn't have any comment to provide, so we didn't further engage in the process. We weren't further involved in the deliberations of the document.

Senator WONG: When and how did you become aware that the government had made a decision not to join the statement?

Ms Livingston: I was personally aware when it was reported in the media. I would have to take it on notice as to—

Senator WONG: Was anyone in the office aware prior to that?

Ms Livingston: I don't believe so. My understanding of the timeline is that the document was provided to PM&C on the Friday. I think that would have been International Women's Day in Australia, but the deliberations that DFAT manages in terms of the actual text and Australia's position on the document would have continued on into the weekend, Australia time. This was occurring in Geneva, and we weren't involved from that point onwards.

Senator WONG: So, you only became aware that the government's position is not to join the IWD statement after it was reported in the media.

Ms Livingston: The question about Australia's position on the statement is ultimately a matter for DFAT to decide.

Senator WONG: I understand that, but my question wasn't that. My question was that you only became aware of that as a consequence of it being in the media.

Ms Livingston: That's correct.

Senator WONG: Dr Baxter, is that the case for DFAT—that they only became aware that Australia didn't join as a consequence of the public announcement? Or were they aware prior?

Dr Baxter: Are you asking me whether DFAT—

Senator WONG: Sorry—PM&C.

Dr Baxter: It would have been the Office for Women, within Social Policy Group in PM&C, who were running on this issue, and it would have been the international area, headed by Ms Livingston, that would first become aware. She's let you know that she became aware through media reporting. That would have been our first—

Senator WONG: Can you just confirm for me—and you might need to check with your colleagues—that no-one else from PM&C was aware of the government's decision not to join prior to this being made public?

Dr Baxter: Yes, I can take that on notice. Mr Hayhurst may have been aware. I'll check.

CHAIR: I think his evidence earlier was that he wasn't.

Senator WONG: I thought so too, but I just wanted to confirm that. I probably should have pressed that a bit more.

Dr Baxter: We can check.
Senator WONG: Subsequent to you becoming aware, what further discussions occurred between Office for Women and DFAT or PM&C about Australia's position not to join the statement?

Ms Livingston: We did reach out to DFAT to understand ultimately what Australia's position was. DFAT confirmed that Australia didn't sign up to the statement.

Senator WONG: Who did the reaching out?

Ms Livingston: I should say that while this was happening Ms Bergin and I were in New York for the Commission on the Status of Women meeting. We weren't in Canberra while this was happening, so that would have been managed by members of the international engagement team directly with DFAT.

Senator WONG: So people who work to you?

Ms Livingston: Correct.

Senator WONG: When did you become aware? Did you become aware that those conversations were happening when you were in New York?

Ms Livingston: We became aware of the press reports while we were in New York.

Senator WONG: Were you concerned?

Ms Bergin: We just wanted to understand the reasoning behind it, so we reached out to DFAT through the office at that time.

Senator WONG: Did you ask the Office for Women to reach out to DFAT to understand the decision better? Did you ask your colleagues to find out why we hadn't signed up?

Ms Livingston: I would have to check the exact instructions, but my recollection is that we both saw the media reporting. It could have been over the weekend in New York time. We would have then sought clarification as to what the actual position was that Australia did take in the negotiations around the statement. That probably was managed the next business day.

Senator WONG: Right. And so does this happen by email, by phone call? You said, 'We would have.' I don't like hypotheticals. I assume someone did; somebody asked the people in Australia, 'Can you please tell us—' These media reports basically say Australia decided not to join. You were getting confirmation that we didn't decide to join—correct?

Ms Livingston: Correct.

Senator WONG: Were you also getting confirmation as to why?

Ms Livingston: Correct.

Senator WONG: Would you have expected us to join?

Ms Livingston: Maybe if I could step it back. We do rely quite significantly on DFAT to provide advice and direction on the detail of the language in these statements. A lot of it does go to the technicalities of other international conventions and international norms, which we're generally not well placed to advise on the detail of.

Senator WONG: Sure. But were you surprised, Ms Bergin, when you were in New York, to see this report that we hadn't joined the statement?

Ms Bergin: I think we wanted to understand what was behind it, yes.
Senator Wong: Okay. So somebody contacts Australia and asks the colleagues in Australia to reach out to DFAT to understand this better—correct?

Ms Livingston: Correct.

Senator Wong: You can't recall which of you that was or how it occurred?

Ms Bergin: We also had another Office for Women staff member in New York supporting the entire delegation, and it's likely that she would have handled that direct correspondence.

Senator Wong: At this UN meeting were you asked by other countries why Australia hadn't joined, given our reputation?

Ms Livingston: I can't recall it being raised.

Senator Wong: Ms Bergin?

Ms Bergin: Not specifically, no.

Senator Moore: No—no one from UNFPA was at the Commission on the Status of Women?

Ms Livingston: No.

Senator Wong: So you then get advice back, presumably, after they've spoken to DFAT—correct?

Ms Livingston: Correct.

Senator Wong: What was the advice and from whom was the advice?

Ms Livingston: We received advice from the gender equality branch within DFAT. That advice was that there was text from the International Conference on Population and Development which would normally be included in such a document and it wasn't there. So their advice was—

Senator Wong: Sorry?

Ms Livingston: The advice from the Gender Equality Branch was that there was text from another international conference that they would have liked to see included in the document and ultimately weren't able to secure that agreement.

Senator Wong: Had you ever heard that explanation prior to that? I appreciate it's DFAT's responsibility. Sorry, Dr Baxter: do you want to talk to her or do you want me to ask the questions? Do you want to finish?

Dr Baxter: No, it's fine.

Senator Wong: I appreciate it's DFAT's responsibility, but you do deal with women's organisations, gender equality, feminist organisations internationally as part of your jobs. Had you ever understood that Australia's support for women's right to choose for reproductive health and reproductive health options, was predicated on ensuring that that phrase, 'where legal', in the ICPD was included in any statement?

Ms Bergin: No. In terms of the technicalities, in understanding that it was that phrase that was important, I had not appreciated the weight of that previously.

Senator Wong: How long have you both been in this office?

Ms Bergin: I've been with the office for about 18 months.

Senator Wong: Ms Livingston?
Ms Livingston: I've been with the office for three years.

Senator WONG: Have you ever heard this before, that this constrains our support for women's reproductive health choices?

Ms Livingston: I have had responsibility for the international engagement section since October last year, so this is really my first time working closely with DFAT around international language.

Senator WONG: When was the discussion with the gender equality branch?

Ms Livingston: I'd have to take that on notice.

Senator WONG: You've never been asked for advice in relation to this issue by either the Minister for Women or the Prime Minister?

Ms Livingston: No.

Senator WONG: Thank you. I appreciate you joining the table.

CHAIR: Are there further questions for the Office for Women or are all further questions for WGEA?

Senator MOORE: I would have one question for each.

Senator WONG: We can go a bit further, because we had informal discussions about doing the dinner break later to enable able further questions.

CHAIR: We can; although I'm mindful we have the office of the official secretary of the Governor-General to fit in as well. I'm happy to extend, but I want to make sure it is a manageable extension.

Senator WONG: Senator Moore, we have finished PM&C—the department proper—so we have some space, if you wish to go further. The chair has indicated some willingness to have a discussion about that.

Senator MOORE: The questions around the Office of Women are to go back a little bit on the gender response to budgeting that we talked about and we continue to talk about. We asked a number of questions here on Thursday. I know that's not that long ago but I wonder if we have updates on it? We asked for information on which departments the office has encouraged to undertake gender impact assessment and how they had been encouraged. You said you would take that on notice. Have we got any movement? I'm really keen to know about the methodology that the Office of Women has used with the other departments. Has there been letters to secretaries, letters to ministers? Were there emails? I followed up with a couple of departments today and they were unaware. If we can get the methodology you used to encourage people to look at gender responsive budgeting.

Ms Bergin: In terms of answering that question specifically, we are talking across our team to get that information pulled together in a more comprehensive way. To go to the heart of your question, though, around methodology, you would be aware that at present we really work with agencies to encourage them in terms of looking at their administrative data and any other specific data collected by, say, the ABS, and looking to ascertain the impact of policy changes where they can, modelling it based on gender sensitive data.

Senator MOORE: And that's been a long-standing principle?

Ms Bergin: That is right.
Senator MOORE: We just seem to come up consistently against how that principle is actually explained and have gone through, ad nauseam, the fact that there's no direction. How is the encouragement shared? Could we get from you and from your agency the methodology in terms of interaction with the departments—who you talk to; what you've said to them. We even got to the stage the other night where you said you had meetings with people about how they do it, to the extent of training. That's the detail we need to have.

Ms Bergin: We can certainly provide that detail.

Senator MOORE: That would be great. We aren't going to get it tonight. You also stated that the Treasury had done gender analysis on some measures and that you would take on notice setting out those policies for us. Could you please provide a response?

Ms Bergin: Again, Ms Livingston can correct me, but, in terms of the gender analysis, the Treasury provided a specific fact sheet with some of the tax changes and it had some cameos of women in specific areas.

Senator MOORE: Did you have any role in writing that?

Ms Bergin: No, we did not.

Senator MOORE: That was a result of the encouragement. That was their response—the fact sheet.

Ms Bergin: That was their response.

Senator MOORE: Do you have any information on how they developed that? They didn't talk with you about what their methodology was?

Ms Bergin: No.

Senator MOORE: It was just a simple matter of: 'Hey, this is what we've done. Tick'? 

Ms Bergin: That was provided to us.

Senator MOORE: When was that provided to you?

Ms Bergin: That was provided prior to the budget lock-up or just at the budget lock-up.

Senator MOORE: And then that was provided at the budget lock-up to other people?

Ms Bergin: That's correct.

Senator MOORE: So it would have been printed the night before, so it would have been completed—

Ms Bergin: Probably the morning.

Senator MOORE: I'm sorry to keep doing this, but I looked at the Hansard to see what we could follow up on. You said on Thursday that you were unaware of whether the Treasury undertook gender impact analysis on the income tax measures announced in the budget. The fact sheets didn't relate to the income tax measures, did they?

Ms Bergin: They did relate to them to some extent. I think they were the cameos.

Senator MOORE: So the cameos—

Ms Bergin: Yes, that's right—different cohorts of income earners.

Senator MOORE: Your response on what they did would be in the fact sheet against tax measures as well?

Ms Bergin: That is right.
Senator MOORE: The ongoing discussion: does the Office of Women see and provide input to cabinet submissions and new policy proposals? Do they come through you?

Ms Bergin: We have visibility of all cabinet submissions and expenditure review processes.

Senator MOORE: This goes back to the question I was asking the other night. If you had visibility of the cabinet submissions and the policy direction—this is what I was asking the secretary earlier—is there nothing on the document—and I've never been privy to a cabinet submission, so I don't know—that actually asks the question: have you done gender analysis on this issue?

Ms Bergin: No, not at present.

Senator MOORE: Minister, why not? It's very harsh and I know you can't give me an answer, but we've been talking for years about this issue—the way that the gender process is actually integrated into policy in the budget—and we've been talking for years about the fact that the Office of Women is the body that is used for the research element of going through. Has the issue of having that formally put into a cabinet submission ever been discussed?

Senator Ruston: Obviously that's not something that I'm able to answer and it's not something that the agency will be able to answer, because neither are privy to cabinet deliberations.

Senator MOORE: As a procedure. I'm not asking for detail. Are either of you aware, from the department's point of view? I'll put this on notice for the minister. Procedurally, has it ever been discussed? That's one way of responding to these questions, which will continue at every estimates into the future, about exactly the process for looking at gender response to budgeting. There's a box that ministers, when they come to the cabinet, have to tick and say, 'Yes, we've considered this.' I put that on notice.

Senator Ruston: Could I add something to that, Senator Moore. Obviously, the minister who is responsible for women in the cabinet would receive all cabinet submissions and would have the opportunity, as part of that process. On any cabinet submission that would have any implications in relation to women, her advice would be sought in relation to those particular cabinet submissions. I know that doesn't answer your specific question in terms of the broader policy context, but, from a checks and balances perspective on the implications for women, the Minister for Women obviously—

Senator MOORE: One of the issues around that, Minister, is: who determines whether it has an impact on women? You could go to years of Hansard. We've spent many hours debating the issues that are important to women. When we had the budget lock-up this year, the women's organisations were in effect not invited into the budget lock-up because they were not seen as relevant to the budget. That raises that whole issue of what issues are relevant to women. You can't answer that, so we will put that on notice again. In the interests of time, we will put our other questions for the Office for Women on notice. Thank you, Ms Bergin.

Sorry—one more question. Ms Livingston, you mentioned the amount of submissions that were going to the human rights dialogue statement in Geneva. My understanding is that there were many, many statements that linked to Australia's policy that impacted on women that were part of that process this year. Would you be able to, on notice, let us know how many of
those you had to review? I'm aware there was a very significant statement on sexual harassment and a number of others. The important IWD document was absolutely critical but you did mention in your evidence that there were others that you looked at.

Ms Livingston: I'm not sure on this occasion, but normally there are a lot.

Senator MOORE: Thank you.

CHAIR: Thank you, Senator Moore; I appreciate your assistance with that. If there are no further questions for the Office for Women, I thank them for their attendance and their evidence tonight. We might go to Senator Spender for his questions to WGEA, and then back to Senator Moore.

Senator SPENDER: I have two different lines of questioning. The first one is: how does WGEA account for non-binary Australians? I understand your legislation may be a bit out of date; it defines 'man' and 'woman' but it doesn't really go there. In all your reporting and what you ask for, and how you present data—

Ms Lyons: We are confined under the act. It is binary reporting—male and female.

Senator SPENDER: So you don't incidentally get data—

Ms Lyons: No, we don't.

Senator SPENDER: when businesses report?

Ms Lyons: No. We only get information on male and female.

Senator SPENDER: Okay. On a separate line of questioning, on gender pay gap, I understand you publish a number of different gaps but you have a national gender pay gap of around 14 per cent at the moment. I want to drill down into your understanding of the components of that. Working off that 14 per cent figure, how many percentage points of that relate to gender pay gaps within industries and how many percentage points relate to the different sex mix between industries?

Ms Lyons: The 14.1 per cent that you referred to is based on ABS figures that come out twice a year. They produce the figures and we calculate the gender pay gap—so we don't know, in relation to those ABS figures. They conduct the survey and it's up to them how they get their information.

Senator SPENDER: It might not be the exact same twice-a-year ABS data, but I'd imagine it would be useful to drill down bit more and look at the industry level. I understand you get industry data separately from ABS. But the ABS have industry categorisations, and it would be possible to take the overall gender pay gap and work out—we can work out the gender pay gap in each industry but that won't add up to the national result, because it could be, for instance—this is not reality but an example—that every industry has a zero gender pay gap but that one industry is particularly high-paying and has an extremely high proportion of men, and that one industry that also has no gender pay gap within the industry has a very low level of pay and an extremely high proportion of women. So it's quite possible to have a national gender pay gap, but it's an issue about the mix of men and women in industries more than an issue about there being a gender pay gap in any particular industry. So that analysis is doable. I'm wondering, if you don't do it to date, whether you could consider doing it in future years.
Ms Lyons: We concentrate very much on the data that we collect, and we do drill down into the data we collect annually to ensure that we get the information by industry level. We don't interrogate the data that the ABS collects. We simply don't have the resources to interrogate somebody else's data. We're happy to calculate the gender pay gap because the gender pay gap is one pay gap that's been calculated in Australia for over 20 years and it gives us comparisons. But we concentrate and interrogate our data. We ensure that the integrity of our data is as robust as it can be and we concentrate on that.

Senator SPENDER: I understand you do publish an overall gender pay gap based on your own data, and it's higher than the ABS. I understand that it ranges, depending on particular measures, up to 21 per cent.

Ms Lyons: Correct.

Senator SPENDER: That analysis, based wholly on your data, allows you to produce an overall gender pay gap but, because you collect that data by industry, you can also create gender pay gaps by industry using your own data. So essentially answering my question is doable with your own data. How much of your own calculation of a gender pay gap relates to your own calculation of gender pay gaps within industries compared to how much of your own calculation of the gender pay gap is driven by the different sex mix in different industries? Again, using your own data, it is mathematically possible that you don't have gender pay gaps in any particular industry but some higher paying industries have a greater proportion of men and some lower paying industries have a greater proportion of women. So it's possible, not even needing to interrogate ABS data, for you to get at that. That would be quite informative, I would have thought.

Ms Lyons: I think I understand where you're coming from, but I'm not 100 per cent sure. If we look, for instance, at the mining industry, that has a very high proportion of men. It also has one of the lowest pay gaps of all industries. That's because they've been working very hard on reducing their gender pay gap too.

Senator SPENDER: And it is a very highly paid industry.

Ms Lyons: It is one of the higher paid industries.

Senator SPENDER: That could be one of the contributors to an overall gender pay gap, not entirely driven by gender pay gaps within industry but driven by the different mix of staff?

Ms Lyons: Possibly.

Senator SPENDER: I might leave you with that possible field of work, because I think you have the data to do it and I think it would be quite useful. Obviously you'd know the gender pay gap in each of the industries that you measure and you probably would have noticed that the average gender pay gap in each of those industries doesn't necessarily line up to your global calculation based on the exact same data because it could be driven by those different mixes. At least a substantial proportion of the gap can be driven by different mixes in each of the industries. I'd encourage you to do that analysis because you've got the data.

Ms Lyons: It is certainly something we shall look at.

Senator MOORE: We had questions about the gender pay gap within organisations following on from the senator's question, but we'll put those on notice. It's the same thing—to
look at the data that you collect specifically within organisations. I'm sure there's a great range between particular organisations and their gender pay gaps and that data is not published either. So that's something we'd like to look add.

I have a few questions about the workplace gender equality procurement principles. My understanding is they're still in place?

Ms Lyons: Yes.

Senator MOORE: Who is responsible for implementing the principles? Is that your responsibility or do you bounce that back? Who's the person who actually makes sure they operate?

Ms Lyons: We don't control it, put it that way.

Senator MOORE: I didn't think so. But you control people's compliance with WGEA?

Ms Lyons: Absolutely—as best we can, yes.

Senator MOORE: You published the procurement principles user guide. Thank you. I find that very useful and I'm sure organisations do as well. It clearly indicates where they fit. If you find that an organisation that has held government contracts was or has become noncompliant, what's your responsibility?

Ms Lyons: Last year, for instance, I proactively wrote to every secretary of every department for those that we were able to ascertain had a contract with government to advise them if they were not compliant with our act and, as a result of that letter going to secretaries, we saw a number of organisations comply with the act.

Senator MOORE: Did you take on that initiative yourself or is that an expectation of your job?

Ms Lyons: No; I took that initiative on behalf of the agency.

Senator MOORE: I think we need to make that an expectation—because it just makes sense.

Ms Lyons: I agree, which is why I did it.

Senator MOORE: You advised the departments that X company was noncompliant in their responsibilities under WGEA, and you said that to the secretary of the department. Do you know whether that information went to the relevant ministers as well?

Ms Lyons: I couldn't answer that. I don't know, Senator.

Senator MOORE: Does WGEA check whether the organisations on the noncompliant list hold government contracts or tenders?

Ms Lyons: We check it as best we can. We look at the different lists that are published.

Senator MOORE: We've had a look, as you'd be unsurprised, and there are 10 organisations on the noncompliant list as published that have held or now held very recently government contracts or tenders. Can you tell us how long these organisations have been noncompliant for? Can you provide that?

Ms Lyons: If you provide me with the names.

Senator MOORE: I'll read them into the record. I am hoping that it won't take very long, but I think it should be read into the record. I don't think you will be able to tell me the answer
straightaway, but they are: Australian Community Support Organisation Ltd; Bing Lee Electrics Pty Ltd; Carlson Wagonlit Australia Pty Ltd; Create Consultants; IMCD Australia Limited; Morton Hire Pty Ltd; Nepean Engineering & Innovation Pty Ltd; Peter Stevens Motorcycle Retail Business Trust; Versent Pty Ltd; and YMCA Of Canberra. Do you have to have been noncompliant for two reporting periods to be listed on the noncompliant list?

Ms Lyons: For two reporting periods?

Senator MOORE: Two reporting periods.

Ms Lyons: Who is that?

Senator MOORE: Do you have to be?

Ms Lyons: No.

Senator MOORE: So, as soon as you're noncompliant, you're noncompliant.

Ms Lyons: If you don't report into us annually you're noncompliant. There is a constraint in terms of procurement around dollar thresholds. Whilst some organisations are noncompliant because they're under the threshold that is published for those procurement principles, we don't have a have a stick, if you like.

Senator MOORE: But as soon as they hit the level—

Ms Lyons: The issue is that, if they're under the level, we don't know.

Senator MOORE: Correct. So that's not within your purview—you can't do that?

Ms Lyons: No. For instance, we understand that Bing Lee has done work with government, but it's under that limit.

Senator MOORE: So the only ones who would know would be the departments themselves?

Ms Lyons: Yes.

Senator MOORE: So all you can do is indicate whether they're compliant or not under WGEA's legislation?

Ms Lyons: And publish those names.

Senator MOORE: Do you know who has the decision about whether that automatically means they can't get business through government or tenders? Has it been discussed with you who has the delegation to say, 'No; you can't get a tender'?

Ms Lyons: No.

Senator MOORE: Basically we're saying that, if we know that people who are noncompliant are getting government tenders or at least being considered for them—and this is something that I think we'll have to ask every single department about—why would others meet their requirements? That was the only element of the act, apart from publishing, that had any kind of regulation to it. The two things that could happen if you weren't compliant with WGEA is, firstly, you'd be published and your name would be known; and, secondly, you would then not be able to be competitive for tenders. Do you have people asking about that? Do businesses ask you about that?

Ms Lyons: Yes. It is something that we promote with organisations and we talk to them about the power of their supply chains. If they're doing business with organisations who are
not compliant with the act and they have a strategy or policy in place around gender equality, we ask them to push that out into their supply chains to help us.

**Senator MOORE:** So we need to follow up that second part, as to who is responsible for the other area. I know that is not your responsibility under the act. Can you confirm, on notice, how many organisations are currently noncompliant and compare that with last year, and are there any trends in the levels of noncompliance?

**Ms Lyons:** I can answer that now. Currently, there are 109 organisations. As at 28 March, 109 organisations were non-compliant.

**Senator MOORE:** How many were there last year?

**Ms Lyons:** Last year there were fewer. There were 60. The reason there are more this year is that we made a decision within the agency not to spend the energy and resources that we had the previous year in constantly phoning up organisations, writing to them and emailing them, trying to make them compliant. A lot of resources across the agency were taken up doing that, and we made a decision not to do that this year. We sent them—

**Senator MOORE:** Right. They knew their responsibilities. You made them public—

**Ms Lyons:** Absolutely. They had the emails that we send out and the notifications to CEOs that we send out—all sorts of notices. There's a whole schedule of notices that we send out to organisations. They had received all of those. We just had to make the decision. Our resources are best spent with those that do believe that they would like to improve their gender equality outcomes.

**Senator MOORE:** That's right. Then if people come to you, as we talked about before, to seek advice or to question, you'll provide it to them?

**Ms Lyons:** Absolutely.

**Senator MOORE:** That's the responsive nature.

**Ms Lyons:** Yes.

**Senator MOORE:** My last question was about the number who are non-compliant with the reporting standards. Does it also include organisations who are not meeting the minimum standards?

**Ms Lyons:** No. They are those that are non-compliant with reporting.

**Senator MOORE:** Do you keep a list of the ones who aren't meeting the minimum standards as well?

**Ms Lyons:** Minimum standards—the bar is so low.

**Senator MOORE:** It's very minimum.

**Ms Lyons:** Absolutely. I'd have to take that one on notice.

**Senator MOORE:** That's fine. We'll look at those things. Thank you very much, Chair.

**CHAIR:** Thank you, Senator Moore. I think we have one follow-up question from Senator Spender, and then we'll release WGEA.

**Senator SPENDER:** I forgot to follow up on one matter. My predecessor, Senator Leyonhjelm, at the last estimates I think, raised the issue of workplace safety. You quite rightly pointed out that you have various—I think six—indicators that don't go to that matter.
However, your act does have a general reference to promoting gender equality in the workplace, including but not limited to equal remuneration. I was wondering whether since the last estimates you've at all considered or done a cursory scan for data with regard to the gendered nature of workplace safety? Hopefully you have, have you?

**Ms Lyons:** My understanding is that the workplace safety data is already collected by other agencies, both nationally and at the state level.

**Senator SPENDER:** But does that data report on sex?

**Ms Lyons:** You'd have to ask those agencies. I assume that they do, but you'd have to ask.

**Senator SPENDER:** I've had a look myself. I've found that data broken up by age, industry and a whole bunch of matters but not by sex, unfortunately. I would again encourage you to consider the first broad principle of your objects and consider this a relevant issue for gender equality in the workplace. But it's up to you what data you want to look at.

Could I just ask the minister a question related to the issues I've raised. Given the fact that the agency's act seems to be a bit out of date in treating as completely invisible non-binary Australians, such as intersex Australians, and also doesn't explicitly refer to safety as an important factor with regard to improvements in the workplace, would you care to state, or take on notice, a government position about the prospects for changing the act to deal with both non-binary Australians and workplace safety?

**Senator Ruston:** I'm more than happy to take it on notice.

**Senator SPENDER:** That's fine.

**Ms Lyons:** One quick thing—we would have to be very careful not to identify persons who did not identify as male or female.

**Senator SPENDER:** Confidentiality is a factor, of course.

**Ms Lyons:** The issue is that when you collect data on males and females you get numbers on males and females. All the data we get is confidential. When you have very small numbers, it may be easy to identify persons in smaller organisations because they do not identify as male or female. We would have to, at all costs, try and avoid that. That could compromise confidentiality.

**Senator SPENDER:** You'd definitely have to take that into account in designing what you could potentially do, but, nonetheless, it's a real issue. I'd like you to take that on notice, Minister, if you could.

**Senator Ruston:** Of course.

**Senator SPENDER:** That would be good. Thank you.

**CHAIR:** If there are no further questions for WGEA, I thank you very much for your attendance and your evidence here this evening.

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

[18:45]

**CHAIR:** The committee will now move to the Office of the Official Secretary to the Governor-General. If anyone's watching from home and wondering why we haven't gone to our scheduled break at 6.30, it's because we're going to power through the program until we conclude. Minister, you are not required for this part of the program.
**Senator Ruston:** Thank you.

**CHAIR:** I now welcome Mr Paul Singer, Official Secretary to the Governor-General, and Mr Steve Murtagh, Acting Deputy Official Secretary to the Governor-General. Mr Singer, do you have an opening statement?

**Mr Singer:** I do. Thank you, Chair. On 28 March this year, the Governor-General and Lady Cosgrove marked their fifth anniversary in the role. During their five years in office, Their Excellencies have participated in over 4,000 official engagements and have welcomed close to 220,000 guests to both properties. They’ve visited 210 different locations across the country on 618 separate trips, and approximately one-third of their domestic events have been in regional and remote Australia. By any measure it has been a period of incredible outreach and engagement, focused on reinforcing our national values and promoting community cohesion. When the Governor-General finishes his term later this year, it will mark 55 years of service to the nation. It has been a privilege for my office to support Their Excellencies over the last five years as they have committed themselves to helping build a stronger, more resilient and harmonious society.

With respect to Australian honours and awards, the Governor-General will invest 143 recipients of Australian honours later this week during four different investiture ceremonies at Government House. The recipients represent some of the 1,127 awardees announced in the Australia Day honours. This was the largest list since the Order of Australia began and one that includes both the largest number and greatest percentage of women recipients. Of course, there is still more to be done, and at the heart of the system we rely on community nominations to be submitted which reflect the diversity in our community.

I also wish to provide advice to the committee with regard to the Senate order for the production of documents relating to unanswered questions on notice. There was one question taken on notice by the office during the February hearings, four written questions on notice were received after the last hearing and responses to all questions were sent to the Senate committee by the nominated date.

Thank you. I look forward to answering the committee's questions.

**Senator CICCONE:** I’ve just got a couple of questions regarding the procedure for calling an election. Probably like most people around this table, I'm keen to have the election called sooner rather than later. Does the Prime Minister have to visit the Governor-General physically in order to issue writs or is that something that can be done over the telephone?

**Mr Singer:** As you'd be aware, the catalyst for calling an election is a request by the Prime Minister of the Governor-General to prorogue parliament, dissolve the House of Representatives and issue writs. Either that request can be conveyed in person, as it has been done over a number of years and with precedent, or it could be conveyed by other means, whether that be electronic email or telephone conversation.

**Senator CICCONE:** When was the last time it was by other means, if ever?

**Mr Singer:** I’d have to take that one on notice. Certainly the established precedent in the modern era is that the Prime Minister of the day would call on the Governor-General.

**Senator CICCONE:** Does your office have to notify the Prime Minister's office every day of where the Governor-General will be in case the Prime Minister decides to call an election?
Mr Singer: No. There's no obligation on our part to provide advice as to where the Governor-General is on any one day. However, I should reflect that the Governor-General prioritises his constitutional responsibilities regardless of what other program commitments he has, and, naturally, he would make himself available should the PM request an audience or a call.

Senator CICCONE: Have you or the Governor-General been asked to be in Canberra on any particular day, especially in the next week or so?

Mr Singer: There's been no explicit request made for the Governor-General's program or his whereabouts over this period.

Senator CICCONE: Have there been any alterations to the Governor-General's travel plans?

Mr Singer: No, there haven't.

Senator CICCONE: Are there any restrictions on interstate or international travel for the Governor-General at the moment?

Mr Singer: Technically, there are no restrictions. Of course, the Governor-General, like 25 million other Australians, is watching media reports. We have a series of commitments here in Canberra this week. There is no requirement to adjust his program, given the speculation around the calling of an election.

Senator CICCONE: Did the Governor-General have any travel this week that he had to cancel?

Mr Singer: No, there's been no change to his program.

Senator CICCONE: I think the Prime Minister recently stated the Governor-General was at Admiralty House this weekend that just went. Did the Governor-General have to change his affairs to be in the same city as the Prime Minister?

Mr Singer: That's not actually correct, Senator. The Governor-General was in Canberra over the weekend just gone.

Senator CICCONE: There's been some suggestion the Prime Minister may call the election on 25 May or could seek to have the half-Senate and House elections held on different dates. Does the Governor-General have arrangements in place to seek legal and constitutional advice in terms of when election dates are held or when writs are issued?

Mr Singer: The convention around the calling of an election is well established. The Governor-General would be able to call on advice should he require to do so. But with regard to your specific question, that of course is a hypothetical scenario which I wouldn't be able to comment on at this stage.

Senator CICCONE: Who would the Governor-General call on for advice?

Mr Singer: It would depend on the nature of the circumstances. Naturally, the Australian Electoral Commission would be available to provide advice should it be required.

Senator CICCONE: Has the Governor-General had to discuss the question of timing of an election with Buckingham Palace?

Mr Singer: No.
Senator CICCONE: Just one last thing: I know there's been some discussion that if an election isn't called or if a half-Senate election isn't called by a certain time, writs would have to be issued by either the states or by the Governor-General. Has the Governor-General's office had any advice on that front?

Mr Singer: No, Senator.

Senator CICCONE: Thank you.

CHAIR: If there are no further questions for the Office of the Official Secretary to the Governor-General, I thank you very much for your attendance and your evidence here this evening. That concludes the committee's examination of the Parliament portfolio. Hearings for the Department of the Prime Minister and Cabinet portfolio will recommence on Friday as part of the cross-portfolio and Indigenous matters hearing. I'd like to thank the ministers and officers who have given evidence to the committee today. I'd also like to thank Hansard and Broadcasting and the secretariat for their assistance. I now declare this meeting of the Finance and Public Administration Legislation Committee adjourned until tomorrow, when we'll hold the hearings for the Finance portfolio.

Committee adjourned at 18:52