

Government Senators' Dissenting report

1.1 Government senators do not agree with the conclusion in the committee majority report that 'the precise division of responsibilities in many of the areas explored still remain unresolved'.

1.2 The inquiry received one submission and held a half day hearing. None of the evidence has uncovered any confusion or lack of clarity around ministerial responsibility or the AAOs. Ministers are clear on their responsibilities, Assistant Ministers are clear on their responsibilities and the hearing demonstrated that public servants are also clear on their responsibilities as well as that of their ministers. The only evidence of any confusion is from the opposition.

1.3 The AAOs indicate the subject matters that the department deals with and the legislation. If there is more than one minister overseeing a department, whoever is allocated to that portfolio can administer what is listed in the AAOs. AAO's have been made on the advice of governments since federation. Government senators have, until now, assumed that the conventions and practical implementation of AAOs were well-understood.

1.4 The opposition has expressed confusion with regard to whole of government ICT and the DTA. In particular, concerns were raised about the enactment of the second stage of machinery of government changes and its impact on the procurement of ICT. The role of the DTA is quite obvious to government senators—to 'integrate digital delivery across government and provide greater transparency of the investment in and benefits realised from the Commonwealth's ICT and digital projects'.¹ At the hearing, Ms Lerida O'Loughlin, Interim CEO of the DTA summarised the DTA's role:

We often see across any large range of ICT projects that departments are looking for the same type of capability over and over again. We think it is more efficient to be able to build that once and for it to be used and reused by departments across the board.²

1.5 In the committee majority report, Ms O'Loughlin was quoted acknowledging that the second stage was 'complex', but highlighted that the DTA and associated departments were taking a 'low risk approach to it'.³ Ms O'Loughlin explained the considered approach being adopted during the second stage of changes to ensure

1 The Hon Angus Taylor MP, 'New Digital Agency establishes an agenda' 28 October 2016, <https://ministers.dpmc.gov.au/taylor/2016/new-digital-agency-establishes-agenda> (accessed 22 March 2017).

2 Ms Lerida O'Loughlin, Interim CEO, Digital Transformation Agency, *Proof Estimates*, 14 March 2017, p. 5.

3 Ms Lerida O'Loughlin, Interim CEO, Digital Transformation Agency, *Proof Estimates*, 14 March 2017, p. 5.

continuity throughout the transition while also improving processes where appropriate:

The discussions that we are having at the moment are around a couple of roles in the Department of Finance. There are established assurance processes for government ICT projects. There is a process for going to government around stage 1 business case, stage 2 business case and the gateway assurance process. Those remain in place at the moment because they provide a strong assurance framework. But what the government has asked the Digital Transformation Agency to look at is whether that assurance framework can be bolstered in the future—how it is working and what it is doing. At the moment, what we are really talking about with the Department of Finance are transition issues, to make sure that we do not lose those important assurance processes and also that we do not disturb the current negotiations going on in ICT procurement contracts as we move those functions across. But I would expect that the bulk of the remaining staff in the Department of Finance would move over, over time.⁴

1.6 In relation to housing, the advice has been very clear that it depends on the aspect of housing as to which department has the lead. This was the conversation with Mr John Fraser, Treasury Secretary, and Senator, the Hon Mathias Cormann, at the 2017 Additional Estimates hearing. The Economics committee was advised that the Department of Social Services has lead responsibility on housing affordability and housing assistance which was the topic of conversation with, Mr Fraser, on 21 October 2015. An IDC chaired by PM&C is one measure to ensure appropriate collaboration and coordination between relevant departments on issues around housing affordability.⁵

1.7 The AAOs have nothing to do with seniority of ministers and this was discussed at a recent estimates hearing in relation to the Defence Minister and the Defence Industry Minister.⁶ The advice from Mr Brendan Sargeant, Associate Secretary at Defence at the public hearing for this inquiry was unambiguous:

The Department of Defence regards each minister as being the senior minister for matters under their respective responsibilities.⁷

Mr Sargeant expressed no concern over these arrangements, which again, appear quite evident to government senators.

4 *Proof Hansard*, 14 March 2017, p. 6.

5 Mr Marty Robinson, Principal Adviser, Social Policy Division, The Treasury, *Proof Hansard*, 14 March 2017, pp 12–13. See answers to questions taken on notice at 14 March hearing from Treasury, received 17 March 2017.

6 Senate Foreign Affairs, Defence and Trade Legislation Committee, Supplementary Estimates, *Estimates Hansard*, 19 October 2016, pp 39–41.

7 *Proof Hansard*, 14 March 2017, p. 16.

Senator James Paterson
Deputy Chair

Senator Bridget McKenzie
Senator for Victoria

