

Chapter 1

Additional Estimates 2017–18

Reference

1.1 On 8 February 2018 the Senate referred the following to the Senate Finance and Public Administration Legislation Committee (the committee) for examination and report:

- Particulars of proposed additional expenditure in respect of the year ending on 30 June 2018 [Appropriation Bill (No. 3) 2017–2018];
- Particulars of certain proposed additional expenditure in respect of the year ending on 30 June 2018 [Appropriation Bill (No. 4) 2017–2018]; and
- Final Budget Outcome 2016–17.¹

Portfolio coverage

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

- Parliament;²
- Prime Minister and Cabinet (PM&C) Portfolio;
- Finance Portfolio;³ and
- Cross Portfolio Indigenous Matters.⁴

Portfolio Additional Estimates Statements 2017–18

1.3 The Portfolio Additional Estimates Statements (PAES) facilitate an understanding of the proposed appropriations in Appropriation Bills (No. 3 and No. 4). The focus of the PAES is on explaining the changes in resourcing since the Budget by providing information on new measures and their impact on the financial and non-financial planned performance of agencies.⁵ The PAES 2017–18 for the PM&C Portfolio and the Finance Portfolio were tabled in the Senate on 8 February 2018.⁶

1 *Journals of the Senate*, No. 83, 8 February 2018, p. 2647.

2 As a matter of comity between the Houses neither House inquires into the operations of the other House. For this reason, neither the annual report of, nor the proposed expenditure for, the Department of the House of Representatives is referred to a Senate committee for review.

3 *Journals of the Senate*, No. 2, 31 August 2016, pp. 75–76.

4 *Journals of the Senate*, No. 22, 26 August 2008, p. 683; and *Journals of the Senate*, No. 70, 15 November 2017, p. 2227.

5 Budget 2017–18, *Portfolio Additional Estimates Statements*, available at: <http://www.budget.gov.au/2017-18/content/paes/html/> (accessed 9 March 2018).

6 *Journals of the Senate*, No. 83, 8 February 2018, p. 2647.

Prime Minister and Cabinet Portfolio

1.4 The PAES 2017–18 for the PM&C Portfolio noted the following entities received additional appropriations in Appropriation Bills (No. 3 and 4): the Office of National Assessments; the Office of the Inspector-General of Intelligence and Security; and the Office of the Official Secretary to the Governor-General.⁷

1.5 In addition to changes set out in the PAES, other changes in resourcing since the 2017–18 Budget resulted from changes to the Administrative Arrangements Orders (AAO) or Machinery of Government changes.

1.6 Amendments to the AAO on 30 November 2017 transferred responsibilities for Official Establishments, ownership and property management of the Prime Minister's official residences from the Department of Finance to the Department of the Prime Minister and Cabinet (DPM&C).⁸

1.7 Amendments to the AAO on 20 December 2017, resulted in the following changes for the PM&C Portfolio:

- Counter Terrorism Policy Co-ordination and Cyber Policy Co-ordination transferred from the DPM&C to the Department of Home Affairs;
- National Policy on Cities, Infrastructure and Project Financing and Population Policy transferred from the DPM&C to the Department of Infrastructure, Regional Development and Cities;
- Reducing the Burden of Government Regulation transferred from the DPM&C to the Department of Jobs and Small Business.⁹

Finance Portfolio

1.8 The PAES 2017–18 for the Finance Portfolio noted the additional appropriations sought by the Department of Finance, the Australian Electoral Commission and the Independent Parliamentary Expenses Authority.¹⁰

1.9 The PAES also outlines changes to ministerial and portfolio responsibilities following the Prime Minister's announcement of changes to the Ministry on 19 December 2017, with Senator the Hon Mathias Cormann undertaking the

7 Portfolio Additional Estimates Statements 2017–18, *Prime Minister and Cabinet Portfolio*, p. 9.

8 Portfolio Additional Estimates Statements 2017–18, *Prime Minister and Cabinet Portfolio*, p. 9. Administrative Arrangements Order, Amendment made 30 November 2017, Part 15, available at: <https://www.pmc.gov.au/resource-centre/government/administrative-arrangements-order-%E2%80%93-amendment-made-30-november-2017> (accessed 9 March 2018).

9 Portfolio Additional Estimates Statements 2017–18, *Prime Minister and Cabinet Portfolio*, p. 9. Administrative Arrangements Order, Amendment made 20 December 2017, Part 15, available at: <https://www.pmc.gov.au/resource-centre/government/aa-amendment-made-20-dec-2017> (accessed 9 March 2018).

10 Portfolio Additional Estimates Statements 2017–18, *Finance Portfolio*, pp. 3–5.

additional role of Special Minister of State and the Hon David Coleman MP being appointed Assistant Minister for Finance.¹¹

Hearings

1.10 The committee held public hearings on 26 and 27 February and 2 March 2018. The parliamentary departments were examined on 26 February, the PM&C Portfolio (excluding Indigenous matters) was examined on 26 and 27 February, the Finance Portfolio was examined on 27 February, and the Cross Portfolio Indigenous Matters hearing was held on 2 March 2018.

1.11 The committee took evidence from the President of the Senate, Senator the Hon Scott Ryan, and the following Ministers accompanied by officers of relevant departments and agencies:

- Senator the Hon Michaelia Cash, Minister representing the Minister Assisting the Prime Minister for the Public Service, and Minister representing the Minister for Women;
- Senator the Hon Mathias Cormann, Minister representing the Prime Minister, Minister for Finance and the Special Minister of State;
- Senator the Hon James McGrath, Assistant Minister to the Prime Minister; and
- Senator the Hon Nigel Scullion, Minister for Indigenous Affairs.

1.12 The committee expresses its appreciation for the assistance of the President, Ministers and the officers who appeared.

1.13 Over the course of the hearings, the committee took evidence from the following departments, agencies and statutory officers:

Parliament Portfolio

- Department of the Senate
- Parliamentary Budget Office
- Department of Parliamentary Services

Prime Minister and Cabinet Portfolio

- Australian Public Service Commission
- Department of the Prime Minister and Cabinet (including the Office for Women and excluding Outcome 2–Indigenous)
- Digital Transformation Agency
- Australian National Audit Office
- Office of the Inspector-General of Intelligence and Security

11 Portfolio Additional Estimates Statements 2017–18, *Finance Portfolio*, pp. 3–4.

Finance Portfolio

- ASC Pty Ltd
- Australian Naval Infrastructure Pty Ltd
- Department of Finance
- Independent Parliamentary Expenses Authority
- Australian Electoral Commission
- Future Fund Management Agency

Cross Portfolio Indigenous Matters

- Indigenous Land Corporation
- Indigenous Business Australia
- Aboriginal Hostels Limited
- Department of the Prime Minister and Cabinet (Outcome 2– Indigenous)
- Department of Health (in relation to Indigenous health issues)

Questions on notice and Hansard transcripts

1.14 The committee set 16 April 2018 as the date for the return of answers to questions on notice arising from the Additional Estimates 2017–18 hearings. Responses to questions on notice once received, together with the Hansard transcripts of proceedings of hearings, are published on the committee's website at:

https://www.aph.gov.au/Parliamentary_Business/Senate_Estimates/fpa/2017-18_Additional_estimates

Answers to questions on notice—Supplementary Budget Estimates 2017–18

1.15 The committee's examination of the Supplementary Budget Estimates 2017–18 took place on the 23 October 2017 for Parliament and the PM&C Portfolio, 24 October 2017 for the Finance Portfolio and 27 October 2017 for the Cross Portfolio Indigenous Matters. The committee set 8 December 2017 as the date for the return of answers to questions on notice.

1.16 The committee held additional hearings for the PM&C Portfolio on 15 November 2017 and 7 December 2017. The committee set 20 December 2017, as the date for the return of answers to questions on notice for the hearing on the 15 November 2017. The committee set 18 January 2018, as the date for the return of answers to questions on notice for the hearing held on the 7 December 2017.

Timeliness of answers to questions on notice

1.17 The committee had a total of 373 questions taken on notice (encompassing questions taken during the hearings and written questions on notice) with a total of 206 answers being received by the due date.

1.18 The Parliamentary departments and the Finance Portfolio provided all answers to questions on notice from hearings on 23 and 24 October 2017 by the due date of 8 December 2017.

1.19 The PM&C Portfolio (including Cross Portfolio) provided 25 of its 138 answers to questions on notice from its hearings on 23 October 2017 and 27 October 2017 by the due date of 8 December 2017. The remaining 113 answers to questions on notice were provided in late December 2017 and through January and February 2018. From the Cross Portfolio hearing on 27 October 2017, the Department of Health provided 8 of its 21 answers to questions on notice by the due date of 8 December 2017 with the remaining 12 questions provided in January and February 2018.

1.20 From the spill over hearing on 15 November 2017 a total of 34 questions were taken on notice with all answers being received after the due date of 20 December 2017. For the hearing on 7 December 2017, 1 question was taken on notice which was provided before the due date of 18 January 2018.

Refusals to provide information in response to questions on notice

1.21 During the Additional Estimates 2017–18 hearings the committee sought explanations from the Australian Public Service Commission (APSC) and the Department of Finance in relation to answers provided in the previous round (Supplementary Budget Estimates 2017–18). The answers provided to the committee both stated that the information requested would not be provided and a claim of public interest immunity was not made.

Answer from the Australian Public Service Commission

1.22 In response to a question on notice seeking phone records of contact between the Australian Public Service Commissioner, the Hon John Lloyd, and members of the Institute of Public Affairs, the answer provided by the APSC stated the information requested would require an unreasonable diversion of resources.¹² In addition, the APSC noted providing the information would be a breach of the Commissioner's privacy and of the people he had phone contact with.¹³

1.23 The committee members questioned the APSC as to how the conclusion was reached that providing the information would be an unreasonable diversion of resources. The committee notes that an 'unreasonable diversion of resources' can be a practical refusal reason for Freedom of Information (FOI) request. At the hearing the Deputy Chair asked about the differences in APSC's processes for responding to an FOI request and responding to a question on notice. The Deputy Chair noted that the principles of FOI operate differently than the obligations to provide information to Senate committees. At the hearing, the Commissioner, again took on notice a question about providing the information to the committee.

12 Australian Public Service Commission, Question on Notice 30, *Contact with IPA and the HR Nicholls Society*, Prime Minister and Cabinet Portfolio, Supplementary Estimates 2017–18, available at: https://www.aph.gov.au/Parliamentary_Business/Senate_Estimates.

13 The Hon John Lloyd, Australian Public Service Commissioner, Australian Public Service Commission, *Committee Hansard*, 26 February 2018, p. 28.

Answer from the Department of Finance

1.24 At the Supplementary Budget Estimates 2017–18 hearing, the Department of Finance (Finance) took on notice a question about members of Parliament who had used a Victorian printing company.¹⁴ In its response Finance cited obligations under the *Privacy Act 1988* as a reason for not providing the information.¹⁵ Finance also noted in its answer that the information sought may be disclosed under the *Freedom of Information Act 1982* (FOI Act).¹⁶ The Chair noted that a public interest immunity claim had not been made in respect of the information.¹⁷ The Chair asked the Minister and officers of Finance about the department's views that the Privacy Act prevented it from complying with obligations pursuant to the estimates process and if there was a greater disclosure obligation under the FOI Act.

1.25 The Chair tabled advice from the Clerk of the Senate, on whether the grounds put forward by Finance were reasonable for withholding information from committees.¹⁸ The Minister undertook to review the answer provided to see if a claim of public interest immunity should be made, or whether further information could be provided.

Note on references

1.26 References in this report to the estimates Hansard are to the proof Hansard; page numbers may vary between the proof and the official Hansard transcript.

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- 14 Department of Finance, Question on Notice 36, *FM Printing*, Finance Portfolio, Supplementary Estimates 2017–18, available at: https://www.aph.gov.au/Parliamentary_Business/Senate_Estimates.
- 15 Senator James Paterson, Chair, Finance and Public Administration Legislation Committee, *Committee Hansard*, 27 February 2018, p. 90.
- 16 Senator James Paterson, Chair, Finance and Public Administration Legislation Committee, *Committee Hansard*, 27 February 2018, p. 90.
- 17 Senator James Paterson, Chair, Finance and Public Administration Legislation Committee, *Committee Hansard*, 27 February 2018, p. 91.
- 18 Senator James Paterson, Chair, Finance and Public Administration Legislation Committee, *Committee Hansard*, 27 February 2018, pp. 91–92.