



COMMONWEALTH OF AUSTRALIA

Proof Committee Hansard

SENATE

FINANCE AND PUBLIC ADMINISTRATION LEGISLATION
COMMITTEE

Estimates

(Public)

FRIDAY, 28 OCTOBER 2022

CANBERRA

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FINANCE AND PUBLIC ADMINISTRATION LEGISLATION COMMITTEE

Friday, 28 October 2022

Members in attendance: Senators Bilyk, Birmingham, Colbeck, Hume, McGrath, Barbara Pocock, Pratt, Rennick, Reynolds, Roberts, Sheldon, Shoebridge, Dean Smith and Waters

PRIME MINISTER AND CABINET PORTFOLIO**In Attendance**

Senator Wong, Minister for Foreign Affairs

Department of the Prime Minister and Cabinet**Chief Operating Officer Group**

Mr Tom Gilmartin, Chief Operating Officer

Ms Michelle Wicks, First Assistant Secretary, Corporate Division

Mr Gerard Martin, First Assistant Secretary, Ministerial Support Division

Mr Hugh Cameron, First Assistant Secretary, Technology and Business Services Division

Ms Abby Tripathi, Chief Information Officer

Ms Karyn Cooper, Chief Financial Officer

Domestic Policy Group

Ms Alison Frame, Deputy Secretary, Social Policy

Mr James Chisholm, Acting Deputy Secretary, Economy, Industry and G20

Ms Natalie Horvat, First Assistant Secretary, Economic Division

Ms Genevieve Quilty, First Assistant Secretary, Social Policy Division

Ms Kerren Crosthwaite, Deputy Taskforce Lead, Net Zero Economy Taskforce

Mr David Pullen, Acting First Assistant Secretary, COVID Transitions Taskforce

Ms Marianne Dolman, Acting First Assistant Secretary, Industry, Infrastructure and Environment Division

Ms Lauren Le Cerf, Acting First Assistant Secretary, Intergovernmental Relations and Reform Division

Ms Susan Fitzgerald, Assistant Secretary, Education and Immigration

Mr Roland Trease, Assistant Secretary, Energy and Climate

Mr Mark Burton, Assistant Secretary, Fiscal Policy

Mr Russel de Burgh, Assistant Secretary, Aged Care

Mr Jason Lange, Assistant Secretary, Office of Best Practice Regulation

Mr John Neil, Assistant Secretary, Health

Mr James O'Toole, Assistant Secretary, Taxation, Financial Services and Employment

Ms Chantelle Stratford, Assistant Secretary, Office for Women

Governance Group

Mr John Reid PSM, Acting Deputy Secretary, Governance

Ms Leonie McGregor, First Assistant Secretary, Cabinet Division

Mr Peter Rush, Acting First Assistant Secretary, Government Division

Mr Paul Hupalo, Assistant Secretary, Cabinet Secretariat

Ms Angie McKenzie, Assistant Secretary, Cabinet Information and Governance

Miss Autumn Field, Assistant Secretary, Legal Policy

Ms Jane Gillis, Assistant Secretary, National Security and Cabinet Systems

Mr David Belgrove, Acting Assistant Secretary, Parliamentary and Government

Ms Hannah Lipshut, Acting Assistant Secretary, Priorities Delivery Unit

National Security and International Policy

Ms Katrina Cooper, Deputy Secretary, National Security and International Policy

Mr Scott Dewar, Deputy Secretary, QUAD, AUKUS and Naval Shipbuilding

Mr Craig Chittick, First Assistant Secretary, International Division

Mr Lachlan Colquhoun, First Assistant Secretary, National Security Division

Mr Michael Crawford, Assistant Secretary, Disaster Preparedness, Plans and Incident Management

NDIS Review Secretariat Taskforce

Mr James Kelly, Acting Deputy Secretary, NDIS Review Secretariat Taskforce

Office of the Official Secretary to the Governor-General

Mr Paul Singer MVO, Official Secretary

Mr Jeff Barnes, Deputy Official Secretary

Australian National Audit Office

Mr Grant Hehir, Auditor-General [by video link]

Ms Rona Mellor PSM, Deputy Auditor-General

Dr Tom Ioannou, Group Executive Director, Performance Audit Services

Ms Carla Jago, Group Executive Director, Performance Audit Services

Ms Jane Meade, Group Executive Director, Professional Services and Relationships Group

Ms Jacquie Walton, Senior Executive Director, Corporate Management Group

Office of National Intelligence

Ms Nina Davidson, Deputy Director-General, Intelligence

Dr Paul Taloni, Deputy Director-General, Technology and Capability

Ms Alex Oliver, Chief Operating Officer

Ms Belinda Eidum, Acting Assistant Director-General, Executive

Committee met at 09:01

CHAIR (Senator Pratt): I declare open this hearing of the Finance and Public Administration Legislation Committee into the 2022-2023 budget estimates. I'll begin by acknowledging the traditional custodians of the land on which we meet today and paying, on behalf of the committee, my respects to elders, past and present. I extend that respect to Aboriginal and Torres Strait Islander people here today.

The committee is due to report to the Senate on Tuesday 29 November, and it has fixed Friday 16 December 2022 as the date for the return of answers to questions on notice. Senators are encouraged to provide any questions on notice to the committee secretariat by Friday 25 November.

The proceedings today will begin with the Department of the Prime Minister and Cabinet and its agencies, as listed on today's program. Under standing order 26, the committee must take all evidence in public. 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 giving evidence to the committee, and any such action may be treated by the Senate as a contempt. It is also a contempt to give false or misleading evidence.

The Senate has endorsed the following test of relevance of questions at estimates hearings: any questions going to the operations or financial positions of the departments and agencies which are seeking funds in 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 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 does not preclude questions asking for explanations of policies or factual questions about when and how policies were adopted. Witnesses are reminded of the Senate order specifying the process by which a claim a public interest immunity should be raised.

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 information or 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 the document.

Department of the Prime Minister and Cabinet

[09:05]

CHAIR: I now welcome the Minister for Foreign Affairs, Senator the Hon. Penny Wong, representing the Prime Minister, and officers of the Department of the Prime Minister and Cabinet. Minister, do you want to make an opening statement this morning?

Senator Wong: No, thank you, Chair, but I think Ms Frame has a statement.

CHAIR: Ms Frame.

Ms Frame: Thank you, Chair. I am the deputy secretary for the social policy group in the Department of the Prime Minister and Cabinet and I will assist the committee today in ensuring the relevant deputy secretaries and senior officials are able to respond to the committee's questions. Officers from Public Sector Reform, the Office for Women and the Jenkins Report Implementation Team will be appearing at the hearing on Monday 7 November. Other senior officials from the department are here at APH today to assist the committee. A detailed list of witnesses attending has been provided to the committee secretariat.

I would further like to advise the committee that since the last estimates in March there have been the following changes to the executive. Ms Stephanie Foster, Deputy Secretary, Governance, moved to an associate secretary position at the Department of Home Affairs on 10 October 2022. Mr Simon Duggan, Deputy Secretary, Economy, Industry and G20 Sherpa, moved to the Department of Climate Change, Energy, the Environment and Water on 26 September. Ms Michelle Chan, Deputy Secretary, National Security and International Policy, moved to the Department of Foreign Affairs and Trade on 8 August 2022. Ms Katrina Cooper commenced as Deputy

Secretary, National Security and International Policy on 18 August 2022. Dr Rachel Bacon, commenced as Deputy Secretary for Public Sector Reform on 24 August. And Mr James Kelly commenced as Acting Deputy Secretary, NDIS Review Secretariat on 2 August. I also have PM&C's organisation chart here for the committee, Chair, should you wish for it to be tabled. Thank you.

CHAIR: Thank you. Given that senators would like it tabled, we will accept its tabling now and move to questions. Senator Birmingham, the floor is yours.

Senator BIRMINGHAM: Minister, welcome back to that side of the table. Ms Frame, thank you for your introductory remarks. I suspect I'm going to kick off in the economy space—just to flag that—with some questions around energy policy. What is PM&C's role in developing policy options to alleviate current energy price rises across Australia, Mr Chisholm?

Mr Chisholm: We provide advice to the Prime Minister in relation to the government's full suite of commitments in relation to energy and emissions reduction policy, particularly insofar as they relate to, at this point, implementation of election commitments and the budget process; in particular, the most recent budget process and the announcements and commitments outlined there in relation to things like Powering Australia, Rewiring the Nation and those sorts of things.

In relation to price reductions or energy bills, a big part of the budget was a focus on ensuring adequate supply of energy and transmission, as part of the Rewiring the Nation policy, to ensure that we have sufficient supply in the energy market to help bring down prices and the broader suite of cost-of-living measures in the budget designed to alleviate pressure on Australians in these unpredictable economic times.

Senator BIRMINGHAM: So you stepped through some different spheres there—implementation of election promises and work that's been undertaken there, and the working up of budget measures, which obviously has a significant overlap there. Is there any work PM&C is involved in for measures outside of those that are either election promises or declared in the budget?

Mr Chisholm: Yes, we are working with counterpart agencies, particularly the Department of Climate Change, Energy, the Environment and Water, in relation to options for addressing the energy challenge, as outlined by the Treasurer in the context of the budget. This is an important focus for the government. That is in addition to, as I say, the other measures that have been announced, particularly in relation to gas supply and the recent announcements regarding the heads of agreement and the ADGSM, the Australian Domestic Gas Security Mechanism, and related measures that are in play now. But we continue to work closely with our colleagues to ensure, as the Treasurer put it, and Mr Bowen as well, the full suite of measures being considered.

Senator BIRMINGHAM: Mr Chisholm, how is that engagement by PM&C with other agencies structured? Is there any departmental working group? Is there some other structure in place looking at other policy measures, as you've just outlined?

Mr Chisholm: We meet regularly with our colleagues and discuss those issues. Up until recently, that's been primarily in the context of the ERC and budget processes, and we'll continue to do so to address the challenges that the Prime Minister, the Treasurer and the energy and emissions minister have outlined.

Senator BIRMINGHAM: But there's no formal structure in place; this is just a series of routine meetings on topical issues between departments?

Mr Chisholm: We do have, as I say, regular meetings, and we'll continue to have regular meetings, with our colleagues to discuss those issues. So there are structures in place insofar as, particularly in the context of the role that I play, energy and its linkages with climate and infrastructure and regional development. All of these issues are things we continue to discuss very, very regularly with our colleagues. So, yes, they're formal, and, yes, they're regular, but that is quite consistent with our traditional approach to considering those issues.

Senator BIRMINGHAM: How does PM&C assess the current energy market outlook in Australia?

Senator Wong: I think, if I may, the assessment of the energy outlook and, in particular, the impact on price as set out in Budget Paper No. 1, as you would know, Senator, forecast, for the reasons which we can go through if it would assist the committee, a 20 per cent increase in retail prices, which, of course, is the one that Mr Taylor was aware of prior to the election, and elevated prices in 2023-24. It's obviously a matter of great concern, and the Treasurer has addressed some of the government's thinking on that, in addition to the budget, in the speech he gave at the press club on Wednesday.

Senator BIRMINGHAM: Mr Husic and others have spoken about the crisis facing manufacturing. Does the government believe that there is an energy crisis?

Senator Wong: Is that a question to me or to Mr Chisholm?

Senator BIRMINGHAM: The minister can choose to answer or to delegate.

Senator Wong: I think it's probably best if some of these matters were dealt with in the appropriate portfolio. But more generally we are very focused on what is happening in energy markets. Australia is experiencing very high energy prices as a consequence of both historical and current global and domestic factors. Global energy markets are experiencing a very substantial disruption as a consequence of the protracted war in Ukraine. We know that a decade of inaction under the previous parties of government has contributed to a reduction in dispatch of all supply in the system. We know that there is a lot of work that needs to be done, and the government is very focused on that. I would be very happy to refer you to the relevant department—the Department of Climate Change, Energy, the Environment and Water—to discuss some of those policy frameworks.

Senator BIRMINGHAM: Has Mr Albanese asked for new policy proposals to be brought forward in relation to energy markets?

Senator Wong: We are always focused on how it is; we might try to improve the circumstances that Australia finds itself in. With all due respect, we don't want a situation where we have 22 failed energy policies, which is what occurred under you.

Senator BIRMINGHAM: You are making reflections and commentary, and we can have those debates in chamber. The question was: has Mr Albanese asked for new policy proposals to be brought forward regarding energy markets?

Senator Wong: The Treasurer has already [inaudible] to that.

Senator BIRMINGHAM: I beg your pardon?

Senator Wong: The Treasurer has already [inaudible] to that, so I would refer you to his public remarks.

Senator BIRMINGHAM: Is that a yes?

Senator Wong: I refer you to the Treasurer's public remarks.

Senator BIRMINGHAM: Is that a yes, Senator Wong?

Senator Wong: I will refer you to the Treasurer's public remarks.

Senator BIRMINGHAM: Has Mr Albanese asked for new policy proposals to be brought forward in relation to energy markets?

Senator Wong: That is the same question I've answered twice.

Senator BIRMINGHAM: Perhaps you could quote the relevant comments of the Treasurer that you are seeking to refer us to. I will take paraphrasing; you may not have them in front of you.

Senator Wong: I refer you to the public remarks of the Treasurer and—

Senator BIRMINGHAM: Which remarks?

Senator Wong: and the Prime Minister. Senator Birmingham, if you want to ask these questions you can come to Treasury or energy. I have responded to your question about the Prime Minister.

Senator BIRMINGHAM: You have just referred me to remarks of the Treasurer. Which remarks of the Treasurer?

Senator Wong: You can start by reading his speech and Q&A at the great hall in the National Press Club.

Senator BIRMINGHAM: Does he talk about whether the Prime Minister has asked for new policy proposals?

Senator Wong: I have responded to your question.

Senator BIRMINGHAM: Perhaps Mr Chisolm can answer the process question. It is essentially a process question: has the Prime Minister asked for new policy proposals in relation to energy markets?

Mr Chisolm: We are looking at policy options, as we would ordinarily do in relation to energy. We are looking at policy options to address the ongoing challenge in addition to the measures outlined in the budget. We will support the Prime Minister and the government as it assesses those options, but, as the minister outlined, the development of those options and the detailed assessment of them sits appropriately with the Department of Climate Change, Energy, the Environment and Water. We will continue to support them, and we will support Treasury as it considers those issues as well. That will involve, inevitably, advice to government, which PM&C will play a role in.

Senator BIRMINGHAM: Mr Chisolm, is there a deadline that the Prime Minister has asked your department and other departments to work towards in relation to those options?

Mr Chisholm: Given the circumstances in relation to energy price rises that were outlined in the context of the budget, we are focused on energy and energy prices as a significant priority across government.

Senator BIRMINGHAM: Is there a deadline that he has asked you to work towards?

Mr Chisholm: We will be assessing development options in relation to that. I know our colleagues in the department of energy will be doing that as a very high priority. In relation to things like this, Senator, we will develop that work as soon as possible.

Senator BIRMINGHAM: Are there any current deadlines that you are working towards for the consideration or finalisation of policy proposals?

Mr Chisholm: Again, Senator, given the statements made by the Treasurer and the energy minister, and the focus on this issue in the budget context, we will be developing that work with our colleagues in other agencies as soon as possible.

Senator BIRMINGHAM: Why was this work not completed before the budget?

Mr Chisholm: A lot of work on energy was completed for the budget. There are significant announcements in the budget in relation to energy—in particular, to the challenge we face in all countries at the moment on adequate supply of cheap and reliable energy. The budget contains a number of measures in relation to that. The question of energy price rises is also work that we'll continue to do. That is being experienced throughout the world. We will look closely at that and develop it as the situation unfolds.

The other thing I would add is that the Treasurer has been very clear about the challenge we face. In fact, I think the language he used was 'the dragon of inflation'. That is a really important consideration as we develop these policies to ensure that the budget is responsible and tailored to the economic circumstances we face right now.

Senator BIRMINGHAM: It's quite a remarkable set of circumstances where the main topic of conversation out of the budget this week has been energy price rises. The Treasurer and the government have now indicated that they are looking and moving as quickly as possible—scrambling even—to bring forward new or additional proposals in relation to energy price rises. Why weren't these brought forward and why wasn't this work done in time for the budget that was handed down this week?

Senator Wong: The budget delivers on election commitments. The government has already succeeded in doing what was not able to be done over many years in the previous government, which is getting agreement around the Marinus Link, which is obviously an additional supply into the mainland energy markets. I also would say to you: I find this line of questioning—and I suspect Australians will find this line of questioning—somewhat odd given that one could ask: what were you doing for nine years, with your 22 energy policies, which have ensured that we have less dispatchable supply than when you started? There are a number of factors which contribute to the energy prices which Australians are now grappling with. Some of them are external. Look at what's happening in global energy markets. But there is also an historic problem which you are well aware of. The government, in the budget, has sought to give effect to its election commitments. We have been upfront about energy costs. I would say it is an extraordinary thing that the great contribution of Mr Taylor and the coalition on energy prices was to hide a 20 per cent increase before the election. We're not doing that.

Senator BIRMINGHAM: Let me—

Senator Wong: No. You're seeking to make a political point over timing. We are working through a very difficult set of circumstances. The budget contains an outline of that. We are delivering on our election commitments. Mr Chisholm has responded to you about the next set of options the government wants to look at. I'd refer you to the department of energy if you wish to ask further questions about all this.

Senator BIRMINGHAM: Senator Wong, you made a political decision pre election to have a budget. You chose the timing and terms around when that budget would be delivered. It has now been handed down this week, and yet the prime economic challenge being faced by the nation at this time is subject to ongoing work and to new policy proposals that you couldn't get done in time for the budget.

CHAIR: Senator Birmingham, I will just interrupt you to let you know that this is your last question before I rotate the call.

Senator BIRMINGHAM: I will be coming back to some of these. I want to pick up on one point you just made, Senator Wong. You referenced a decline in dispatchable energy, and you did so in negative terms. Is it a commitment of this government to increase the amount of dispatchable energy during your time in office?

Senator Wong: I refer you to the department of energy.

Senator BIRMINGHAM: You made the reference. I didn't raise dispatchable energy; you did. I'm asking you about a statement you literally just made.

Senator Wong: And I refer you to the department of energy.

Senator BIRMINGHAM: So you're now not going to defend your own statement?

Senator Wong: I'm just not going to get into a political argument with you.

CHAIR: I'll give the call now to Senator Sheldon and then come back to you, Senator Birmingham.

Senator SHELDON: Good morning to you all; it's great to see you all. Ms Frame, I have some questions about the potential disclosure of confidential information from cabinet and the National Security Committee: can you confirm that there's a longstanding convention of government that cabinet information should remain confidential?

Ms Frame: Yes, I can confirm that. I have Mr Reid here who can assist further with questions, but I can definitely confirm that one.

Senator SHELDON: This convention exists to uphold the integrity of cabinet procedures and to protect our national interests; is that correct?

Ms Frame: That's correct.

Senator SHELDON: I table a copy of the website listing for the book *Plagued* by Simon Benson and Geoff Chambers, and I quote from the book:

Simon Benson and Geoff Chambers—two of Australia's top political journalists—were granted exclusive access to the crucial machinations of government at the country's highest levels, not just within the corridors of power but also behind doors normally sealed.

Was the department aware that Mr Benson and Mr Chambers had been 'granted exclusive access to the crucial machinations of the government at the country's highest levels ... behind doors normally sealed'?

Mr Reid: The answer to that question is no.

Senator SHELDON: The former Prime Minister Scott Morrison has also revealed that he was one of the primary sources for the book, providing 'contemporaneous interviews' to the authors throughout the pandemic. I quote the former Prime Minister: 'That book was written based on interviews that were conducted at the time, in the middle of the tempest.' Was the department aware at the time that the then Prime Minister was briefing these journalists 'in the middle of the tempest'?

Mr Reid: Not at the time, no.

Senator SHELDON: So during the COVID-19 pandemic, you weren't aware that he was briefing journalists?

Mr Reid: No.

Senator SHELDON: Is the department aware of any other ministers or staff from the Morrison government who were providing interviews to these journalists during the pandemic?

Mr Reid: No.

Senator SHELDON: I understand that the book recounts information that is confidential to government and that it particularly contains a number of disclosures of information which directly concern cabinet, National Cabinet and the National Security Committee; is that correct?

Mr Reid: We have reviewed the book, and it does appear to contain those disclosures, yes.

Senator SHELDON: I understand the book recounts the attendees, content and deliberations of cabinet meetings. Is that correct?

Mr Reid: It purports to, yes.

Senator SHELDON: Would the disclosure of this information breach the longstanding conventions around cabinet confidentiality?

Mr Reid: As Ms Frame has agreed, there is a longstanding convention. It's been observed by successive governments in relation to the confidentiality of cabinet and cabinet deliberations. Of course, the Prime Minister of the day always reserves the prerogative to disclose or release information from cabinet meetings.

Senator SHELDON: It goes to the question I raised regarding the disclosure of information from National Cabinet, the National Security Committee and, of course, cabinet itself. I understand that the book recounts the dates, attendees, content and deliberations of National Security Committee meetings. Is that correct?

Mr Reid: It purports to, yes.

Senator SHELDON: Specifically the book recounts information concerning our foreign policy response to China, the acquisition of nuclear submarines under the AUKUS deal and Russia's invasion of Ukraine. Is that your understanding?

Mr Reid: Yes.

Senator SHELDON: Would the disclosure of this information breach the longstanding conventions around cabinet conventionality?

Mr Reid: Again, the successive governments have recognised the convention of cabinet confidentiality and have maintained that deliberations of cabinet should remain confidential. Of course, the Prime Minister of the day has always reserved the prerogative to release information that he or she thinks appropriate.

Senator SHELDON: These are matters about the acquisition of nuclear submarines under the AUKUS deal and the Russian invasion of Ukraine. Wouldn't the disclosure of this information have the tendency to harm Australia's security interests and relationship with other nations?

Mr Reid: It may.

Senator SHELDON: I will quote a passage from the book. It's on page 93. It reads:

Cabinet secretary ... was under pressure. The new national cabinet was holding its inaugural meeting on the Sunday afternoon, so he spent his Friday night, all of his Saturday and early Sunday working out how best to construct it.

... ..

But he was troubled by the possibility of leaks and wanted to find a way to impose confidentiality on the premiers, given they'd been seeing sensitive advice from not only the AHPPC but, for example, the National Security Committee ... was struggling with this, and then he had a brainwave. If it was formally established as a subcommittee of the federal cabinet the state and territory leaders would be bound by cabinet confidentiality. He set that process in train.

The passage is directly from the book. A leak literally about the efforts made to stop leaks—do you agree that the Morrison government failed to ensure that sensitive cabinet information was kept confidential?

Mr Reid: Obviously, governments have generally observed the strong convention that cabinet deliberations such as those do and should remain confidential. As I say, though, it is a matter for the Prime Minister of the day to decide that various information ought to be released.

Senator SHELDON: It's concerning that matters from the National Security Committee and the cabinet itself are being bandied about through a book, with unprecedented access by two journalists, even in the words of the Prime Minister of the time. Has the department conducted an internal inquiry into these leaks?

Mr Reid: We've reviewed the book and reviewed what information is in the book to determine its accuracy and otherwise, and we have referred that information to the Attorney-General's Department.

Senator SHELDON: You've referred it to the Attorney-General's Department; I'll get to some more questions about that. What findings have you had regarding that book?

Mr Reid: Our conclusions were that it certainly appears to reveal information that was, until revealed, cabinet material and would ordinarily have been protected under the principle of cabinet confidentiality.

Senator SHELDON: We have a situation where the matter has been referred to the Attorney-General's Department. Are other agencies currently considering these matters?

Mr Reid: Not that I'm aware. PM&C had two roles to play in relation to the book. One was in supporting the Cabinet Secretary in relation to cabinet material, and the other was providing information to the Attorney-General's Department, because any action taken in relation to this would reside within their purview.

Senator SHELDON: So this is a matter that you've escalated to the Attorney-General's Department.

Mr Reid: I'm not sure I would say 'escalated', but we've certainly raised the matter with the Attorney-General's Department.

Senator SHELDON: It certainly is a matter of deep enough concern that it's gone to the Attorney-General's Department. That's what you're saying to me.

Mr Reid: It has.

Senator SHELDON: Will the department cooperate fully with any criminal investigation or criminal enforcement effort, if it was to be undertaken, given the serious nature of these leaks?

Mr Reid: Absolutely.

Senator SHELDON: I just want to be really clear: why was the matter referred to the Attorney-General's Department?

Mr Reid: Relevant criminal provisions that may exist in relation to disclosure of information sit within the Criminal Code 1995, which is administered by the Attorney-General's Department.

Senator SHELDON: Are you aware of whether the Attorney-General's Department has been in contact with law enforcement agencies?

Mr Reid: I'm not aware. It's probably a question best directed to them.

Senator SHELDON: It's certainly of great concern to have this situation occur. By the sound of what you've said, it's more than appropriate that it has been sent to the Attorney-General's Department. I just want to be really clear: if the Attorney-General's Department makes a decision to refer the matter for criminal investigation, will the department fully cooperate with that investigation?

Mr Reid: Prime Minister and Cabinet?

Senator SHELDON: Yes.

Mr Reid: Absolutely, Senator. Yes.

Senator McGRATH: You said that you reviewed the book. Was that on the basis of an instruction from the Prime Minister's office?

Mr Reid: No, it wasn't. It was on the basis of news media purporting to suggest that there was cabinet material in the book. It seemed appropriate that we should have a look at it.

CHAIR: Senator Wong, I think you wanted to answer?

Senator Wong: On another matter, Chair. I just want to go back to the energy questions. I think Senator Birmingham made an assertion in relation to what was and or was not in the budget, or what the government had or had not done. Mr Chisholm is in a position to skip through some of the measures the government has taken in the last five months. If he were able to do that, I'd appreciate it.

Mr Chisholm: The budget contains a number of measures designed to both increase supply of energy—gas and electricity—in the national energy market and secure and extend the grid that supports the supply of that energy. The broader policy framework sits under the Powering Australia plan, and Rewiring the Nation is the grid investment aspect of those policies. The government has committed \$20 billion of investments to supporting those changes. As the minister was mentioning, a big part of that is about unlocking new renewables that are being supported and incentivised into the system by the Commonwealth and state governments, which is designed to increase storage capacity and also drive down prices over time. We know that the national electricity market needs a lot more supply, so that's what the government has been focused on as part of those policies.

We're also accelerating the delivery of a number of nationally significant transmission projects as part of Rewiring the Nation. As the minister said, a lot of those things have been outlined in AEMO's Integrated System Plan, which is really the Energy Market Operator's plan for the future of the national electricity market. In particular, the government has committed to the Marinus Link with Tasmania, VNI West and HumeLink, which are designed to crystallise the benefits associated with Snowy Hydro's pumped hydro projects and increase interconnection between regions of the national electricity market, particularly New South Wales and Victoria. We know that in the energy market what's really needed is more transmission, because the more transmission you have, the more you can send energy across different parts of the grid. That's what similar economies are doing as well. So that's important.

Also, Minister Bowen announced, in conjunction with his state and territory colleagues, the National Energy Transformation Partnership, and the budget makes significant reference to that as well. There are a number of initiatives in that context—the nationally significant transmission projects. Very importantly, and I'd say that this is something that has been a more recent development, there is a commitment to co-design a First Nations clean energy strategy, with First Nations people, to help drive the energy transformation and develop an integrated gas and electricity supply into the network as well. A big part of this work is focused on assessing the workforce needs for the future, because we know we need new skills for workers on new grid projects and renewable energy.

As the minister said, another big part of the recent announcements has been the focus on gas. As senators may be aware, in August this year the ACCC released its gas inquiry interim report, which forecast a shortfall of 56 petajoules for the east coast gas market. Gas is a key element to the price challenge we face in the energy market right now. It continues to be a challenge, and it's been a challenge for many years to ensure that we have adequate supply of affordable gas for both manufacturers and households. What the government has done is extend the Australian gas security mechanism to 2030, reviewed its operation to ensure that it is operating effectively to secure more supply and signed a new heads of agreement with our east coast LNG exporters to secure 157

petajoules of gas in 2023, to avoid that predicted shortfall that the ACCC identified. That goes directly to the gas shortfall, the gas supply constraint, that the market is facing right now. The resources minister announced the changes to AGSM, which really will focus on a restriction of exports should there be not adequate supply domestically. This is a bootstrapping mechanism for the gas market, but the balance here is between ensuring the government is able to continually review the ADGSM and provide certainty to the industry for long-term contracts, and the ADGSM changes go towards that. That has been announced and is out there as well. There is a very significant piece of work happening in relation to acreage. The Commonwealth has announced the release of 10 offshore areas, which cover about 47,000 square kilometres for oil and gas exploration, and that will also have longer term benefits for the supply of gas into the market and alleviate potential future shortfalls.

The budget also contains a number of commitments in relation to community batteries; I think it was \$24 million. There is also significant commitment in community solar banks. There are a number of commitments there designed to increase the availability of storage capacity for households and communities. This is in a context where the market is continuing to face tight conditions, just like counterpart economies around the world. It is a transition that all economies are experiencing right now, and a big focus for all of those economies, including Australia, is increasing supply, so the government has sought to do that in the budget, consistent with forecast gaps and needs that AEMO has identified in its integrated system plan and in its electricity statement of opportunities.

Senator BIRMINGHAM: Thank you for all of that detail. Just to be clear: all of those measures in the budget papers don't alleviate the budget forecast in relation to the significant expected rise of 50 per cent plus in relation to electricity, 30 per cent plus in relation to gas.

Mr Chisholm: Would you like me to respond to that?

Senator BIRMINGHAM: I am just seeking to ensure that those budget forecasts incorporate the budget measures, as would be usual, so the predicted increases in electricity prices and gas prices are factored into those predictions and forecasts—all of the budget measures—as would ordinarily be the case, which you just stepped us through.

Mr Chisholm: As I outlined before, the really important balancing act that the government has developed as part of this suite of measures is ensuring we are investing in increased supply, which also provides certainty to the market so that it can continue to invest and provide an adequate supply of energy into the system. That is the first thing. The second thing is the government has been very clear about the pressure associated with increased energy prices and it will continue to progress measures to tackle the impact of increasing wholesale and retail prices for consumers.

Senator BIRMINGHAM: Sorry, but it was a relatively precise question I asked this time: Do the budget forecasts reflect all of the budget measures?

CHAIR: Senator Birmingham, you might give Mr Chisholm a chance to answer.

Senator BIRMINGHAM: I have been pretty generous, I think, Chair.

Mr Chisholm: I was just going to say: on top of that, ensuring that the government is focused on the inflation challenge and providing other cost-of-living relief to consumers while the energy price rises are assessed for future energy reforms. There are a lot of cost-of-living relief initiatives in the budget, particularly in relation to affordable child care—

Senator BIRMINGHAM: Mr Chisholm, you are straying way off what the question was—

CHAIR: Senator Birmingham, you may not like the answer, but you are getting a very clear answer.

Senator Wong: Can I make a suggestion?

Senator BIRMINGHAM: Please.

Senator Wong: I understand the question. The question essentially goes to the Treasury's assessment of energy price increases, of which, the first component was the price rise hidden by the coalition prior to the election. Your question really goes to what is assumed in the modelling of those prices. I would ask you to go to Treasury or the department of energy on that. It's a legitimate question. I'm not making a political point to say you can't ask it, but it goes to what informs the modelling. So I would ask if you could take to the appropriate estimates.

Senator BIRMINGHAM: Treasury forecasts in the budget papers are informed by the policies and measures in those budget papers.

Senator Wong: You've been the finance minister, and you know it's probably not as simple as that because of the way in which the modelling works, and I would invite you to take those questions to the appropriate estimates committee.

Senator BIRMINGHAM: We can, and certainly will, take those questions forward with Treasury, but in terms of presenting the list of measures that Mr Chisolm did, noting that Mr Chisolm has confirmed the government is working on other, alternative, new policies that will be brought forward in the energy space that will seek to tackle what was not tackled in the budget in terms of—

Senator Wong: You see, that's a political statement. I don't agree that they weren't tackled, and again, I would say, it takes some chutzpah to come in here, after nine years and 22 energy policies, and tell us that we haven't done enough in the budget on energy prices. It really does—some front.

Senator BIRMINGHAM: Can I just go, specifically, into gas a little bit? Mr Chisolm has indicated the importance of supply in gas. Is it the government's position that it wishes to see an increase in supply of gas production, both onshore and offshore?

Mr Chisolm: The answer is yes, because of the commitments the government has made for increased acreage, and hence exploration and eventual supply of more gas; the heads of agreement, which secures additional gas for the domestic market; the work that the ACCC continues to do to monitor gas; and, of course, the ADGSM, which will be reviewed more frequently going forward to ensure that we have adequate supply of gas.

Senator BIRMINGHAM: Supplying more gas into the domestic market whilst also meeting the international contractual export obligations of Australia's gas producers and our ambition to be able to export as much from Australia as we can for the wealth generation of the nation requires increased production as well, correct?

Mr Chisolm: Yes, we want all of it. We want more gas and we want it to be affordable. We also want to ensure that we continue to have, or continue to be one of the world's leading, if not the leading, exporters of LNG.

Senator BIRMINGHAM: Thanks, Mr Chisolm. Does that require new gas fields to be brought onto market, and for that to happen as quickly as possible?

Mr Chisolm: Yes. Probably the detail on new gas fields would be best addressed to the Department of Industry, Science and Resources, who are focused on the gas work, and the work that the government has been doing with regard to increased acreage goes to that as well.

Senator BIRMINGHAM: To bring more gas fields on, particularly onshore, requires the cooperation of the states and territories, doesn't it?

Mr Chisolm: Yes. The interaction between the Commonwealth's role in relation to gas and the states, I would suggest—how that works, in detail, is again, probably a question best for the department.

Senator BIRMINGHAM: Has Mr Albanese raised that with state premiers and sought their cooperation?

Mr Chisolm: I would have to take notice whether that question specifically has come up. Prime Minister Albanese has discussed energy with his colleagues in National Cabinet, but the question of acreage and supply in that context I would need to take notice.

Senator BIRMINGHAM: If we could get replies to that, in particular on whether Mr Albanese has raised either in National Cabinet or in specific approaches to state premiers the need for them to speed up approvals processes or lift moratoria or the like in relation to onshore gas development, that would be appreciated.

CHAIR: Senator Birmingham, I will ask you to wind up so I can take the call and then come back to the coalition very shortly.

Senator BIRMINGHAM: Has Mr Albanese responded to the letter from Dan Walton of the Australian Workers Union that was sent in relation to gas prices and gas supply?

Mr Chisolm: I would have to take that on notice to check whether there has been a reply to that.

Senator BIRMINGHAM: Perhaps you can check this morning, please, and come back to the committee.

Senator Wong: We'll see how we go. I'll be as helpful as you were to me.

Senator BIRMINGHAM: Well, Senator Wong, I thought there was going to be a higher level of transparency from your government.

CHAIR: Senator Pocock, I will use this as an opportunity to rotate the call.

Senator BIRMINGHAM: Senator Wong simply said she was going to match me.

Senator Wong: I was.

Senator BIRMINGHAM: I thought, from all I heard pre-election, she was going to be better than that.

CHAIR: You're now taking over Senator Pocock's time. Senator Pocock has the call.

Senator BARBARA POCOCK: Good morning, everyone. I want to ask questions about the department use of consultants. But before I get to that, I'm curious with a question for Mr Reid. You said that the department referred the issue of a possible cabinet leak arising from this book which Senator Sheldon has put before us. I wonder: what is the threshold, what is the trigger that leads you to make such a referral to the Attorney-General's Department?

Mr Reid: There is a particular trigger under the Criminal Code which would be around—I think this is the term—inherently harmful information being disclosed. That's a criminal standard. The trigger for us was a concern that there was material that was otherwise undisclosed that had come from either cabinet committees or the NSC. We just identified that for the Attorney-General's Department and raised the matter with them.

Senator BARBARA POCOCK: Have you referred any other matters related to cabinet or other sensitive committees to the Attorney-General in the last several years?

Mr Reid: Not that I'm aware.

Senator BARBARA POCOCK: An unusual occurrence?

Mr Reid: Yes, Senator.

Senator BARBARA POCOCK: A follow-up question also for Mr Chisholm: I think you referred to workforce planning that you've done in relation to the energy transition. I wonder if you could give us a little detail about the assessment of employment arising from that energy transition and any documentation and so on in relation to how that's looking.

Mr Chisholm: The workforce needs for the energy transition are really significant, both in terms of the impacts on communities who supply traditional skills and labour to support the traditional generators in the national energy market, particularly coal-fired generation and gas, and also the new skills that are needed in the energy economy. The government has decided to establish a stream of work, a task force, to support ways in which we can best support communities and workers that are focused on the transition so that they have the skills and opportunities for the future. A good example would be offshore wind. Offshore wind, unlike onshore wind, has different technical requirements. Maintenance costs are of a different order, as are the skills needed to support that. Victoria and New South Wales are doing a lot of work on that. The government has been supporting it, particularly in relation to offshore wind regulation and frameworks to support that.

But, more broadly, it's about making sure that there are opportunities for workers in those communities to transition to the newer forms of renewable energy, and about the labour force needs in relation to transmission, which are significant, and of course other opportunities that have opened up in that context. We have a number of communities throughout New South Wales, Queensland, South Australia and Western Australia where there are some really good examples of work that has been done on that front. The Hunter Valley is probably one of the best examples in that sense—the work communities have done through things like the Hunter Jobs Alliance. The cooperation among industry, unions and governments is the sort of thing the government wants to continue to support and to provide further initiatives. The new skills framework sees clean energy and skills for clean energy as one of its first-order priorities. So yes, that's a really important piece of work for the government in relation to renewable energy in the national energy market.

Senator BARBARA POCOCK: In that analysis, are you taking a close look at the ways in which existing workforces can transition into and reap the benefits of those employment opportunities? As I ask that I'm thinking about the recent analysis of outcomes in South Australia with the closure of the Holden car plant in northern Adelaide. The lessons of that research tell us that very early planning is really important. Many of the workers who came out of those car plants from long-term skilled work now find themselves in very low-paid part-time and casual work. While there were some plans early on, they haven't adequately ensured that those local workers have a piece of the expanding higher-paid work in Adelaide. Are you looking closely at the opportunities for those local communities and at particular steps in the training system, for example, that can help maximise benefit for locals?

Mr Chisholm: There is work happening in relation to regional communities and manufacturing. A lot of that also sits within the industry portfolio that Minister Husic is responsible for. The National Reconstruction Fund is a really important component of that, to invest in more Australian manufacturing, in industries for the future, which goes very much to the heart of what you're talking about.

The work in relation to energy—to take coal-fired generation as an example—is unique as well, because it's caught up in that broader change that's happening in energy markets and the need to really co-optimize a number of different things: ensuring that we have affordable and reliable energy while at the same time building a

workforce to support those energy needs and to do that while keeping in mind all those other challenges I just talked about. But the broader support for communities in relation to manufacturing and the transition of certain industries very much sits with that work in the industry portfolio, the National Reconstruction Fund and the work that is done there to support that. So yes: very much so; it's very important and all being tackled.

Senator BARBARA POCOCK: I recognise that there are of course a range of portfolios involved in such a big issue, but I also am very aware that your department has a role in leadership around, for example, the participation of women in such opportunities. What specific work are you doing around the many occupations that have traditionally been held by men and where skill opportunities have been available to women in a very small number? Is the department taking a view that makes sure that women have adequate opportunities and that positive steps are taken to make sure they get their chances?

Ms Frame: The Office for Women is located within the Social Policy Group that I lead. They are actively involved in all that work across the department and indeed across the government, and that close contact and cooperation will continue to ensure that all opportunities are considered and optimised in terms of opportunities for women to participate in training, skilling and job opportunities that arise from transition.

Senator BARBARA POCOCK: Does that include setting specific targets, for example, for women in relation to the expanding apprenticeship opportunities, training and so on?

Ms Frame: It may. It does already. As you know, at the Jobs and Skills Summit there was an announcement about apprenticeship targets for women. So there have already been some announcements made in that regard, and there may be more announcements down the track as more specific proposals emerge from the whole-of-government work. But, as I said, we will certainly always be looking to consider where they might be applied.

Senator BARBARA POCOCK: I must have missed the setting of a specific target in relation to that training. If you are able to give us the detail of the numbers that would be helpful.

Ms Frame: I can get you some more information on that. I'll bring that. That announcement on the Jobs and Skills Summit, I can get more detail on that. As the minister pointed out, the Office for Women will be appearing on 7 November and they will be able to provide a lot more detail.

Senator Wong: We can ask them to come prepared for that line of questioning.

Senator BARBARA POCOCK: Thank you. I'd request that. That would be very helpful. To the question of consultancies, can I go there?

Ms Frame: Yes. Ms Wicks is going to come and assist with these questions.

Senator BARBARA POCOCK: Good morning, Ms Wicks. In the budget the government has indicated it'll achieve savings of \$3.6 billion over four years by reducing spending on external labour, advertising, travel and legal expenses. In your portfolio budget statement there's an indication of savings of just over \$4 million from external labour, advertising, travel and so on. Can you outline what specific amount of those savings is related to the use of external labour, and specifically consultants?

Ms Wicks: I'll ask our Chief Financial Officer, Karyn Cooper, to come to the table.

Ms Karyn Cooper: The calculation of that \$4.2 million is actually a question for the Department of Finance. We were provided with a holistic number but not a breakdown of how it was calculated.

Senator BARBARA POCOCK: So you can't tell me what your reduction in consulting use will be in the coming period?

Ms Karyn Cooper: We'll be working through that now. We'll definitely abide by the government's policy. It will be spread across legal consultancies and advertising, but at the moment we're just working through that.

Senator BARBARA POCOCK: Can you tell me what you spent last year on external consultants?

Ms Karyn Cooper: Yes. Last financial year expenditure on consultants was \$2.3 million.

Senator BARBARA POCOCK: And you're expecting that to be lower in the current period, but you can't tell me by how much?

Ms Karyn Cooper: No. As I said, we're working through what that will look like now, and we'll prioritise as we need to.

Senator BARBARA POCOCK: Can you take that figure on notice and bring it forward to me subsequently?

Ms Karyn Cooper: I'll take it on notice.

Senator BARBARA POCOCK: What key projects did your expenditure of \$2.3 million last year deliver? Are there some stand-out things that you can recollect that you used external consultants for?

Ms Frame: If we could take that on notice or just have a bit of time we can ascertain which were the big consultancy items and bring back some more information.

Ms Wicks: I can offer up a consultancy in relation to the development of the leadership and management program for the department, which was approximately \$2.1 million.

Senator BARBARA POCOCK: Okay. When you look into the future, what kind of trigger will you use to determine your use of consultancies? Given that you're going to reduce your use of them, what will be informing your decision-making as you reduce it? What kinds of consultants and projects are you going to be using them for?

Ms Wicks: In general terms, what I can say is that we engage consultants where there is a requirement for independent expert advice, usually for a defined period of time, so it will be dependent on the priorities as they come forward in terms of the assessment at times as to whether a consultant is required.

Senator BARBARA POCOCK: I'm surprised that such a large employer as our federal Public Service externalises its leadership development. Is that a consistent pattern across the public sector to take your leadership development outside our public sector?

Ms Wicks: Many of the elements of the program itself are delivered in-house. It was really about requiring the expertise in relation to the design, to ensure that it was meeting the requirements of our specific capabilities, that we need for the department in terms of leadership, to make sure that we have the right expertise and advice for that.

Senator BARBARA POCOCK: And when you let a sizeable consultancy like that, a couple of million dollars more, I think you said, how do you evaluate the success of it?

Ms Wicks: There is an evaluation mechanism that's built into the program. I can take that I notice, if you like, and come back to you.

Senator BARBARA POCOCK: I understand the government's also announced plans to develop an in-house consulting team, to deal with the fact that it doesn't want to turn our public funds to often very expensive external consultants. What role does your department expect to have in developing the in-house consulting team, if any?

Mr Reid: The work around development of in-house consulting is being led by the APS Reform office, Secretary de Brouwer, and they will be here on Monday the 7th. We'll make sure they're ready to deal with that for you.

Senator BARBARA POCOCK: Have you made plans to make use of it?

Mr Reid: I'm not aware of what plans are afoot within the Reform office, but they're certainly leading on the next steps for those and how it would be rolled out across departments and how departments would access it. But we'll ensure they're ready to answer your questions on that next Monday.

Senator BARBARA POCOCK: Great, thank you.

Senator BIRMINGHAM: Just briefly, on from Senator Pocock, before anybody leaves—I want to come back to energy. To be clear, the Department of the Prime Minister and Cabinet portfolio budget statement, on page 25, indicates for the current financial year—the one that we're well into now, being the end of October—you're banking a \$4.16 million saving in external labour, advertising, travel and legal expenses. Is that correct?

Senator Wong: It's always a problem, having a former finance minister. They're one of the people who actually read the PBS. Which page was it?

Senator BIRMINGHAM: Senator Pocock had clearly read it.

Senator Wong: I was very impressed, actually. Which page are you on?

Senator BIRMINGHAM: Page 25.

Senator Wong: Right. This is reflected in BP 2 as a cross-portfolio measure, from memory.

Senator BIRMINGHAM: Yes. In response to Senator Pocock, Ms Cooper, you indicated that the department has not yet assessed where those savings will come from.

Ms Karyn Cooper: Correct.

Senator BIRMINGHAM: This was a figure passed down by Finance as PM&C's share of those overall savings. Is that correct?

Ms Karyn Cooper: Correct.

Senator BIRMINGHAM: For savings in the current financial year?

Ms Karyn Cooper: Yes, that is correct.

Senator BIRMINGHAM: What is PM&C's total expenditure now expected to be across that budget line?

Ms Karyn Cooper: Across legal costs—which budget line?

Senator BIRMINGHAM: They're aggregated as savings here.

Senator Wong: I understand the question. I think the question is: 'What is the denominator?' We might need to take some time to do that, because, as you probably understand, there's more than one line item included in that. I'm just trying to find the cross-portfolio measure.

Senator BIRMINGHAM: I'm happy for Ms Cooper and the department to provide—

Senator Wong: If I may, the cross-portfolio budget measure makes clear it's external labour, advertising, travel and legal expenses. Are you asking, of those things which the department is being asked to reduce expenditure from, to the total of—sorry, was it—

Ms Karyn Cooper: 4.2.

Senator Wong: 4.2, what would the aggregate costs of those programs or line items be?

Senator BIRMINGHAM: Yes. You can deal with it on notice. If you can provide the aggregate cost, and separated out, of those areas—

Senator Wong: Of all the areas in the—

Senator BIRMINGHAM: before the budget, what is the budgeted aggregate now, that you will be measured against, to achieve this saving that you have banked in the budget but don't yet know how it's going to be achieved? I also ask: why is it only reflected in the current financial year?

Senator Wong: That's explained in BP 2, I think, from memory. The CFO might want to answer that, but I looked at that myself.

Ms Karyn Cooper: My understanding is that it's in the contingency reserves in the out years and will be allocated to agencies in future budgets.

Ms Frame: Senator, we will provide more information on that if we could just have some time to get clarity on that one?

Senator BIRMINGHAM: Yes, thank you. I'll come back briefly to energy before I finish this bracket. I think that—

Senator Wong: Sorry, can I just check that answer? Page 83 of BP 2 just refers to the staged approach the government is utilising:

This measure will be implemented using a staged approach, with only the 2022-23 financial year impact allocated to general government sector agencies. The allocation of the remaining financial year impacts in the 2023-24 Budget will be guided by the Government's broader Australian Public Service initiatives, including the Audit of Employment.

Senator BIRMINGHAM: I'm sure that when Senator Hume is in finance—

Senator Wong: I'm sure she will!

Senator BIRMINGHAM: When she gets that chance to appear, she will get to unpack that further. Senator Wong or Mr Chisholm: have you received a message from either the PMO or officials as to whether Mr Walton's letter has been replied to?

Senator Wong: No, we've taken that on notice.

Senator BIRMINGHAM: You will seek to do your best endeavours to come back to us this morning?

Senator Wong: I will endeavour as best you did, Senator Birmingham.

Senator BIRMINGHAM: There we go again! Obviously, I held myself to a very high standard if that's the only standard you're willing to reach, Senator Wong.

Senator Wong: Yes—actually, you were pretty reasonable.

Senator BIRMINGHAM: Thank you. I tried—

Senator Wong: Most of the time!

Senator BIRMINGHAM: I tried! Mr Walton suggests that there could be 800,000 Australian jobs at risk as a result of high gas prices or supply shortages. Is that an analysis that the government has contemplated, or which PM&C has received any advice on?

Mr Chisholm: I think I would go back to the work that the government is doing, both on increasing supply of gas and ensuring that supply for the domestic market is affordable. The question of forecasts or estimates in relation to the job market is probably best directed to Treasury and, in relation to the gas industry itself, to the

Department of Industry, Science and Resources. But a general point that I would make is that that's why we're so focused on ensuring that there's enough gas and ensuring that it's affordable, because of the flow-on impacts to the broader economy.

Senator BIRMINGHAM: But if there are shortages or price spikes then jobs are at threat?

Mr Chisholm: The consequences of not having enough affordable energy for both businesses and consumers are very significant, hence the work that's being done to ensure supply. The government has secured additional supply of gas through the heads of agreement, and we'll review that continually under the ADGSM. Going forward there will be further work to assess whether those are adequate measures.

Senator BIRMINGHAM: Mr Albanese met with east coast gas exporters ahead of the ADGSM being signed, didn't he?

Mr Chisholm: Sorry, Senator, was the question, 'Has the Prime Minister met with the exporters?'

Senator BIRMINGHAM: Yes.

Mr Chisholm: I would have to take meeting details on notice.

Senator BIRMINGHAM: I think there are public reports that he and Ms King met with them prior to the signing. Has he met with gas producers since the signing?

Mr Chisholm: Again, I think I would need to check on details of meetings and so take that on notice. There has been engagement with the gas industry through the resources minister, in particular; but as to the Prime Minister's meetings, I would need to take that on notice.

Senator BIRMINGHAM: Your section of the department would customarily brief him ahead of such meetings, though, wouldn't it, Mr Chisholm?

Mr Chisholm: Yes, we would provide briefing support. That's right.

Senator BIRMINGHAM: There'd be somebody here who would know whether briefings had been provided in preparation for meetings?

Senator Wong: The officer has taken it on notice.

Senator BIRMINGHAM: It's a fairly simple question in terms of recent meetings. The ADGSM wasn't signed that long ago. Obviously these issues are—

Senator Wong: Can you repeat the question? What are you asking?

Senator BIRMINGHAM: Whether the Prime Minister has met with gas companies, suppliers, since the signing of the ADGSM.

Senator Wong: We'll see what we can do. We can also provide you with the other ministers who may have met with them.

Senator BIRMINGHAM: Thank you. Senator Smith, before Senator Pratt cuts me off and we change topics?

Senator DEAN SMITH: Mr Chisholm, in your earlier remarks you talked about formal and regular engagement between the department and other departments on energy matters. What are those formal mechanisms?

Mr Chisholm: What I was referring to there is that what frequently happens, as you'd be aware, as policies are being developed—we have interdepartmental committees, which are often referred to as formal mechanisms for consultation across government—

Senator DEAN SMITH: What are those interdepartmental committees? What are their names and what is their content?

Mr Chisholm: There are many.

Senator DEAN SMITH: That's good to know. Could you provide me a list of the committees and the membership of those committees?

Senator Wong: Which IDCs are you asking for?

Senator DEAN SMITH: That's exactly the point. I'm asking Mr Chisholm—

Senator Wong: No, no. There are a lot in government, so which categories?

Senator DEAN SMITH: These ones refer to Mr Chisholm's engagement with other departments around energy matters.

Senator Wong: We can take that on notice.

Senator DEAN SMITH: Can you provide me information in terms of regularity of meetings of those committees?

Mr Chisholm: Yes. It will depend on the issue. There may be some issues, particularly in the lead-up to budget or cabinet consideration of policies, where meetings could be as frequently as daily or more than once a week.

Senator DEAN SMITH: I'm sure they're recorded.

Senator Wong: Just let him finish.

Mr Chisholm: For other measures, it might be that it's a fortnightly or monthly meeting. It will really depend on the issue.

Senator DEAN SMITH: That's great. If you could just provide me details of the names of the committees, the membership of the committees and the regularity with which they are scheduled to meet, and perhaps the occasions on which they have met up until this particular point, that would be great.

Mr Chisholm: In relation to which area?

Senator DEAN SMITH: Your area and the matter of energy policy.

Senator Wong: Let's be clear, because Mr Chisholm obviously does a range of economic matters, and energy is only one part of his job. You are seeking some information—and we'll get you what we can—about the architecture and frequency of engagement of PM&C with other parts of government on energy. Is that right?

Senator DEAN SMITH: Correct. Is the department a member of the departmental task force that is mentioned, or hinted at, in the *Financial Review* article of 26 October by Phil Coorey and Angela Macdonald-Smith?

Mr Chisholm: May I see a copy of the article?

Senator Wong: Could we have that as a—

Senator DEAN SMITH: You can google it, yes.

Senator Wong: Hang on. Senator Birmingham in government—and, I think, before him Senator Brandis—requested that copies of articles that people were referring to be given to witnesses, in fairness. I think that is a reasonable proposition. I'm not trying to prevent him from answering the question.

Senator DEAN SMITH: That's a fair point. I totally agree with that. I will circulate the article. If, on notice, you can, during the course of the day, let me know, that would be much appreciated.

Senator Wong: We'll have a look at and, if we can assist, we will. Can you just remind me what the question was?

Senator DEAN SMITH: There is a hint in Phil Coorey's article of 26 October—

Senator Wong: A hint?

Senator DEAN SMITH: I will read the sentence, for conciseness:

Last week, Dr Chalmers and ministerial colleagues Chris Bowen, Madeleine King and Ed Husic began examining options to try to force down prices without creating sovereign risk. It is understood a departmental taskforce has been formed.

My question is: is the department a member of that departmental task force and what is the name of the departmental task force?

Senator Wong: I note that PM&C is not mentioned in that, but we'll have a look at that.

Senator DEAN SMITH: Thank you.

Mr Chisholm: To follow up on one of the questions Senator Pocock was asking in relation to skills, I thought it would be worth pointing something out. I'm reading table 3.7 in Budget Paper No. 1, which is headed, 'Value of key climate-related spending measures over 2022-23 to 2029-30'. There is a measure there in relation to New Energy Apprenticeships. The figure there is \$94.8 million. There is also New Energy Skills Program, which is expressed as \$9.8 million. I just wanted to highlight those for you, Senator, very much in the context of the National Energy Transformation Partnership workforce planning that Minister Bowen is progressing, but also for the skills portfolio. A lot of that thinking and work came out of the Jobs and Skills Summit, where skills for the new energy economy were front and centre for a number of stakeholders, and hence the government has announced these measures to focus on, as I say, New Energy Apprenticeships and the New Energy Skills program, going forward. I wanted to give you that additional information, because it seemed quite relevant to your question.

Senator BARBARA POCOCK: Thank you, that's very helpful. I'm just curious about the provisions that might be made by your department in expending that money to ensure that access to them is really enabled for local people, but also for the groups and population categories that often don't make it into skilled training. We know we can improve the access of people with disability, which was a big topic of conversation at the Jobs and Skills Summit. There are women and other groups that often miss out on training. I think we need to make sure that we target them within those spending programs, and that's my question.

Mr Chisholm: I'll come back to you. I'll need to take it on notice, because it's not administered by our portfolio. It's another department. I'll take on notice how they will address those questions.

Senator SHELDON: I want to go to questions on the Cabinet Office Policy Committee.

Ms Frame: Ms McGregor will come to the table to assist with those questions.

Senator SHELDON: While we wait, regarding this book we were asking questions about earlier, you mentioned it was the Prime Minister's prerogative as to whether he raised these matters, and the matters have now been referred for consideration to the Attorney-General's Department. I appreciate the undertaking to fully cooperate, when and if there is a criminal investigation into this matter. Obviously, it is a matter of deep concern. Is it normal convention for breaches of national security with National Cabinet and cabinet to be given to journalists writing a book?

Mr Reid: I don't think it is something that happens regularly, no. It's not something that is generally consistent with the principles of cabinet confidentiality that have been observed.

Senator SHELDON: You may wish to make a comment on this, but it seems like ego over the security of cabinet and the National Cabinet has taken place in this matter. But I will go to some questions now regarding the Cabinet Office Policy Committee. I appreciate that questions have been asked regarding this with the former government, and I know that the department has been asked these questions. I want to make it clear that I respect cabinet confidentiality, and I'm not going to ask you to reveal any cabinet decisions or deliberations. I am going to ask some general questions about the committee, which don't go to its deliberations. Is it correct that the former Prime Minister was the only permanent member of the committee, in a so-called 'committee of one'?

Ms McGregor: The former Prime Minister was the chair of the Cabinet Office Policy Committee.

Senator SHELDON: So it was a committee of one, correct?

Mr Chisholm: The former Prime Minister was the chair of the committee.

Senator SHELDON: Were there any other members of that committee?

Ms McGregor: When the committee met, there were additional people coopted into those meetings.

Senator SHELDON: There's only one member listed on the website. You're saying that there are other members of that committee of one. Are there?

Ms McGregor: The Prime Minister was listed as the chair of the committee. Whenever the committee met, and, say, the Prime Minister would convene the committee, other members were invited to participate in those meetings.

Senator SHELDON: So what you're saying is that they were secret members. We have on the website that we only have one.

Ms McGregor: No, that's not what I'm saying.

Senator Wong: Perhaps it might be useful to explain what 'coopted members' means?

Ms McGregor: As I think we've explained in estimate before, the Cabinet Office Policy Committee was a type of committee. Under that type of committee there were times where the Prime Minister would convene meetings based on particular topics—for example, National Cabinet was a cabinet office policy committee. The members of that committee were made clear. The women's task force was also a cabinet office policy committee.

Senator SHELDON: This may be of some assistance: there were people coopted, but the only permanent member was the Prime Minister. That's correct, isn't it?

Ms McGregor: That's correct.

Senator SHELDON: Thank you. In response to an FOI request, the PM&C has disclosed that there were 266 minutes from the committee during the last term of government, so it does appear the committee was very active with one permanent member.

Ms McGregor: As I explained, the committee met with other people coopted into meetings.

Senator SHELDON: Yes, there was one permanent member and there were some people coopted, and they had 266 sets of minutes.

Ms McGregor: Correct.

Senator SHELDON: So that committee was very active.

Ms McGregor: Yes.

Senator SHELDON: It made at least 266 decisions?

Ms McGregor: No. There were 266 minutes from the meetings, yes.

CHAIR: Was every member of those 266 meetings—were they all government officials—

Ms McGregor: Yes.

CHAIR: and therefore protected by this cabinet privacy?

Ms McGregor: Apologies, I missed that.

CHAIR: For example, would everyone there have a '.gov.au email address', or would some of them have been attending in other capacities acquiring cabinet confidentiality?

Ms McGregor: Cabinet and committee meetings in general can also have officials invited. For the people who are invited to the committee, it's totally dependent on the Prime Minister.

CHAIR: I understand that. Were there people who were non-officials invited to a cabinet meeting of one person?

Ms McGregor: I'd have to take that on notice.

Senator SHELDON: I want to go back to the question on the 266 sets of minutes. There could be multiple decisions in those 266 minutes. Is that correct?

Ms McGregor: I need to confirm that number because in my head I have a different recollection about numbers of minutes in relation to that, so bear with me.

Senator SHELDON: Maybe we'll come back to that comment about the number of decisions.

Ms McGregor: I just want to check the numbers.

Senator SHELDON: You've said that other members were coopted to the committee from time to time. Who decided who would be invited to attend a particular meeting?

Ms McGregor: Who would decide?

Senator SHELDON: Yes.

Ms McGregor: That was the Prime Minister.

Senator SHELDON: I'm not going to ask for specific individuals, but can you tell me in a general sense what categories of people were coopted to attend meetings by the former Prime Minister?

Ms McGregor: Generally, there would be ministers, officials, potentially staff as well, so a range of people, and at times experts on a particular issue were also coopted.

Senator SHELDON: Would that include external stakeholders?

Ms McGregor: It could, but that would probably be rare.

Senator SHELDON: On those rare occasions, what types of external stakeholders would be invited?

Ms McGregor: I guess I'm thinking about people like health experts and the chief scientist, for example. Those types of experts might be co-opted, depending on the topic under discussion.

Senator SHELDON: From industry?

Ms McGregor: I'd have to check on that, but not that I can recall.

Senator SHELDON: Do you recall whether backbenchers were invited?

Ms McGregor: At times backbenchers were invited.

Senator SHELDON: It's highly unusual for backbenchers to attend meetings of cabinet, but they were invited by the PM. Is that correct?

Ms McGregor: I don't know that it's highly unusual. There are some committees where backbenchers are invited.

Senator SHELDON: How often was that occurring for this committee?

Ms McGregor: I'd have to check on that.

Senator SHELDON: So, it wasn't an unusual event?

Ms McGregor: Well, no, not particularly.

Senator SHELDON: Thank you. I want to look for a moment at the *Cabinet Handbook*, which sets out the practices and processes for the operation of the cabinet. There's a section in the *Cabinet Handbook: 14th Edition* on co-opting people to cabinet and its committees. This section talks about the circumstances in which it might be appropriate to co-opt ministers who are not members of the cabinet. Is that correct?

Ms McGregor: Can you point me to the particular section you're talking about?

Senator SHELDON: I'll come back to the actual section. But are you aware that there is such a provision? Do you have a copy of the handbook?

Ms McGregor: There is normally some guidance around co-opting, yes.

Senator SHELDON: Thank you. So, can you see where there's a section regarding where it might be appropriate to co-opt ministers who are not members of cabinet? It talks about the circumstances in which it might be appropriate to co-opt ministers who are not members of cabinet. I'm just finding the section for you, for you to have a look there as well. It's in paragraph 45 on page 12. Can you see that?

Ms McGregor: Yes.

Senator SHELDON: But there's nothing in the handbook about co-opting backbenchers, is there?

Ms McGregor: I don't think there's specifically anything—

Senator SHELDON: Thank you.

Ms McGregor: but a prime minister is able to invite—

Senator SHELDON: I think we've got two cases of beer so far!

Ms McGregor: whoever they'd like to the cabinet meeting. It remains the decision of the Prime Minister as to who attends a cabinet meeting.

Senator SHELDON: But there's nothing in the handbook about co-opting backbenchers, is there?

Ms McGregor: I don't think there is specifically.

Senator SHELDON: So, there's nothing in the handbook about them attending meetings, and that's because, in accordance with specific cabinet processes or conventions, it's not in accordance with what would be usual conventions, is it?

Ms McGregor: There is a huge range of conventions in relation to attendance at cabinet meetings, going over a long period of time.

Senator SHELDON: But you mentioned that there have been a number of occasions when backbenchers were invited. There are specific circumstances in the handbook about what's involving ministers being co-opted, which is a significant issue, but there's nothing in here about backbenchers. It just seems that the top-line importance of how the cabinet and the cabinet committees should be operating is applied quite differently when it's come to backbenchers with the previous Prime Minister.

Ms McGregor: As I said, it's really dependent on the Prime Minister.

Senator SHELDON: Going back to this question on the backbenchers, do they participate in decision-making?

Ms McGregor: I would take that on notice. They participate in meetings.

Senator SHELDON: Thank you. So, they would actually have engagement with the Prime Minister; there'd be participation by them in the meeting with the Prime Minister?

Ms McGregor: Yes.

Senator SHELDON: So when decisions have been made there have been 266 copies of minutes. And I appreciate that you're looking at the exact number, but just take it that we're at 266 at the moment, or thereabouts. There have been multiple decisions made. Backbenchers are involved in those discussions. So they are part of the decision-making process, aren't they?

Ms McGregor: Decisions or outcomes, which is probably a better way to frame them, out of cabinet and its committees are agreed in the end and signed off by the cabinet secretary on behalf of the Prime Minister.

Senator SHELDON: Did the frequency of committee meetings increase in the lead up to the election?

Ms McGregor: I would have to take that on notice. We generally do not talk about frequency of meetings.

Senator SHELDON: Were minutes taken at all the COPC meetings? I'm trying to be clear about the processes here. So were minutes taken at all the COPC meetings?

Ms McGregor: I think, consistent with all cabinet and committee meetings, whether there are minutes or not is dependent on what happens at the meeting.

Senator SHELDON: So for some meetings there were no minutes?

Ms McGregor: Potentially.

Senator SHELDON: Would you be aware of whether there were meetings where no minutes were taken? There would be a record of a meeting—

Ms McGregor: We would have those records, but that is getting quite detailed.

Senator Wong: I think there is a nomenclature issue here. When you say 'minutes' to a cabinet secretary, that has a certain meaning. Senator Sheldon is thinking of minutes as per political or other meetings where minutes are note-taking. Maybe you can work out after the break how you think Ms McGregor is responding.

Senator SHELDON: Thank you, Minister. That was accurate and will help us.

Proceedings suspended from 10:37 to 10:50

CHAIR: We will resume.

Senator Wong: I think Ms Frame has a clarification she would like to bring.

CHAIR: Ms Frame?

Ms Frame: Thank you, Chair. It's further to Senator Birmingham's question about the out years. I just want to offer a clarification that's in line with what the minister conveyed earlier. PM&C have a saving in 2022-23 of \$4.2 million, which was discussed in the hearing here. The future years savings for that—the out years—are not yet determined for PM&C. That would be a matter for the Department of Finance.

CHAIR: Thank you. Senator Birmingham.

Senator BIRMINGHAM: While Ms McGregor is at the table I'll follow on from Senator Sheldon's questions a little. Ms McGregor, you talked through the membership and the co-option process. To your knowledge, were any people who were not ministers and members of the executive appointed as members of cabinet subcommittees or cabinet committees previously?

Ms McGregor: Not to my knowledge.

Senator BIRMINGHAM: And, in terms of past practice, can you recall any incidences where that has been the case?

Ms McGregor: I can't recall that; I'd have to take that on notice. But I can't recall that, no.

Senator BIRMINGHAM: Okay. Can we go to the cabinet arrangements for the current government? Can you take us through each committee—I understand that there are six cabinet committees and two cabinet subcommittees? Is that correct?

Ms McGregor: That sounds about right. I'll just find all that for you. Mr Reid has found it for me! Along with cabinet, there's the Expenditure Review Committee, the National Security Committee, the Parliamentary Business Committee, the Priority and Delivery Committee, the Government Communications Subcommittee, the National Security Investment Subcommittee and the Constitutional Recognition Committee.

Senator BIRMINGHAM: Thanks. Can we go to the membership of the Constitutional Recognition Committee, please?

Ms McGregor: Yes.

Senator BIRMINGHAM: Can you just detail the membership of that committee for the record, please?

Ms McGregor: Okay. Ms Burney is the chair of that committee and then we have Senator Farrell, Ms Rishworth, Mr Dreyfus, Ms Madeleine King, Senator Watt, Mr Thistlethwaite, Mr Gorman, Senator McAllister, Senator McCarthy and Senator Dodson.

Senator BIRMINGHAM: Thanks. Can we now go to Senator Dodson's membership? Is Senator Dodson a minister, or a member of the executive?

Senator Wong: No, he's not. He is, I think, Special Envoy for—

Ms McGregor: Reconciliation—

Senator Wong: For reconciliation. I was just trying to remember if the Voice was in his title too.

Ms McGregor: and Implementation of the Uluru Statement from the Heart.

Senator Wong: And Implementation of the Uluru Statement from the Heart. I was contemplating your question from before, Senator. In terms of externals, I think we were up-front in government, from memory, about appointing, or including consultation with, a number of businesspeople and others in the context of the *Australia in the Asian century* white paper preparation. I was on that subcommittee. It is the case that the government has made a decision to include First Nations representatives—to include Senator Dodson—on that committee. As you would know, Senator Dodson not only has special envoy status at the Prime Minister's request but is, I hope you would agree, a man of quite extraordinary standing within First Nations communities as well as the broader Australian community. He is known as the father of reconciliation, so we value his engagement on that subcommittee.

Senator BIRMINGHAM: Indeed, Senator Wong, and I don't in any way quibble with the contribution that Senator Dodson has made and continues to make, and the contribution he can make in relation to consideration of constitutional recognition. I respect that it is the government's prerogative in terms of his membership of a cabinet subcommittee. I am simply following on from Senator Sheldon's line of questioning. Ms McGregor has made clear that in terms of the previous government and recollection, there was not an appointment of somebody who is not a minister and not a member of the executive as a standing member of a committee or subcommittee of cabinet. In this case, Senator Dodson, who is not a minister and not a member of the executive, has been appointed as a standing member of a cabinet subcommittee, and I assume that is the choice of Prime Minister Albanese. That's a choice that, as I say, I am happy to respect. We're just highlighting—

Senator Wong: If you want to do that, I'll make a couple of points. One is, as I said, appointing Senator Patrick Dodson to a committee that is about constitutional recognition and reconciliation, I would have thought, would be something welcomed across the parliament. Secondly, one of the key differences between that appointment, apart from merit and the sorts of circumstances that I assume Senator Sheldon is averting to, is that we are upfront and transparent about that membership. Your government had a committee of one who chose to co-opt whomever. If you want to tell us who was co-opted, please feel free. Obviously the officials are constrained because of their role in our democratic system, but maybe you could tell us. Were political party officials co-opted to meetings you were at, to cabinet committees of the Australian government?

Senator BIRMINGHAM: No, Senator Wong. Are you making commentary here from which—if you are bringing experts into any committees or subcommittees of the current cabinet, that will be disclosed, will it? Is that the commitment of your government?

Senator Wong: This is a strawman argument. You are raising an issue with Senator Dodson being appointed to a standing committee. I find that quite extraordinary but that's a matter for you.

Senator BIRMINGHAM: I'm not raising the issue, Senator Wong.

Senator Wong: I am saying that I think there is a substantive difference. If there were backbenchers at these meetings, I don't know. If there were Liberal Party officials at these meetings, I don't know. That was not transparent. The official is constrained about what she can and can't say. I am sure Senator Sheldon may well ask more questions; that is a matter for him. But you can disclose, you can tell us, which favourite backbenchers were invited to a cabinet committee by the former Prime Minister.

Senator BIRMINGHAM: Senator Wong, you had many years in which to ask me plenty of questions while I sat in that seat.

CHAIR: We didn't know about the secret cabinet.

Senator BIRMINGHAM: Actually, COPCs were the subject of questions.

Senator Wong: They were. Apparently they were. I don't actually recall, but I'm told that I did ask some questions about that.

Senator BIRMINGHAM: Their existence was not a secret; they were the subject of questions. Given Senator Sheldon's focus on backbencher participation being co-opted to cabinet subcommittees, I'm simply highlighting the fact that Prime Minister Albanese, recognising the skills and talents of Senator Dodson, has sought not just to co-opt but to make him a permanent member of a cabinet committee. His contribution, as I say, is a welcome and important one. If the government wants to go there about whether backbenchers have skills that can be brought to the fore in contribution to government, you have demonstrated already a willingness to do so. I would have thought that if Mr Albanese saw particular skills in other backbenchers at different times—are you saying he will never bring them to a cabinet subcommittee, Senator Wong?

Senator Wong: We have made our cabinet committee structure transparent. Do I think it's unusual for a prime minister to make himself the single member of a cabinet committee and just decide on an ad hoc basis who goes,

and not disclose it? Yes, I think that's unusual. If the question is, 'Will the Prime Minister seek to act as Mr Morrison did in that regard?', I think the answer would be no.

Senator BIRMINGHAM: What is the policy of this government in relation to disclosing the co-option or attendance of nonmembers of the executive at cabinet committees, or cabinet?

Senator Wong: I don't think this is a matter of policy; I think it's a matter of the *Cabinet Handbook*, so I might ask Ms McGregor to respond.

Ms McGregor: As you would know, attendance at cabinet meetings is generally not disclosed by any government.

Senator BIRMINGHAM: Senator Wong, is the government making any commitment to disclose if it invites other backbenchers to attend any cabinet committee meetings?

Senator Wong: I'm guided by Ms McGregor's articulation of the policy. If there's a change in policy, we'll disclose it. What Senator Sheldon asks is a matter for him, though.

Senator BIRMINGHAM: So you're not making any commitments to any high level of disclosure in that regard, around co-options?

Senator Wong: I think it's a high level of governance to say we're not in the habit of a committee of one. I'm pretty safe to say that.

Senator BIRMINGHAM: How many people are on the Priority and Delivery Committee of the cabinet?

Ms McGregor: I'll just need to track down that piece of paper.

Ms Frame: I understand that committee has three members.

Senator BIRMINGHAM: It's a committee of three?

Ms Frame: That's correct.

Senator BIRMINGHAM: And there are 42 ministers and assistant ministers?

Ms McGregor: The Prime Minister, Dr Chalmers and Senator Gallagher.

Senator BIRMINGHAM: So we have a cabinet committee of three out of the 42. What's the function of this committee?

Ms McGregor: As related in the terms of reference, the PDC provides regular oversight of the delivery of key government policies and priorities.

Senator BIRMINGHAM: Has it met since the election?

Ms McGregor: I would not normally disclose whether committees have met or not, or how many times.

Senator BIRMINGHAM: We've definitely had disclosure as to whether or not committees have met before.

Senator Wong: No, that's not correct.

Senator BIRMINGHAM: It is correct.

Senator Wong: No, it's not correct. You have given the answer previously that Ms McGregor has, so that's the answer.

Senator BIRMINGHAM: There has definitely been disclosure about whether a committee has met.

Senator Wong: You've received the answer from Ms McGregor, and we'll take any further questions on that on notice. I'll see if I can assist. There's a line here. I recall not being able to get my questions answered—it might even have been Ms Frame who I asked questions of about whether certain committees of cabinet had met, and I think I received the same answer. We'll see what we can do.

Senator BIRMINGHAM: This is about the fourth or fifth occasion today, Senator Wong, where you have basically referenced the previous government as the benchmark on replying—

Senator Wong: I'll tell you a couple of benchmarks we are determined to well exceed. One is in relation to energy policy and one is in relation to—as I said, we're certainly not going to have committees of one, or, I hope, the 'multiple ministries' point we all know about, or prime ministers talking about what happened in National Security Committee meetings with journalists. So there are a few benchmarks there that I think are pretty low.

Senator BIRMINGHAM: We will put those on record, Senator Wong; that's fine. We look forward to coming back to some of those down the track, I'm sure. Does the Priority and Delivery Committee co-opt?

Ms McGregor: As I've just mentioned, I don't generally give out details about current cabinet committees and their operation.

Senator BIRMINGHAM: So previous governments' cabinet committees and their operations are okay, but the current government cabinet committee is not okay?

Ms McGregor: I don't think I've given out a great deal of detail about the previous government committees that hasn't already been known.

Senator BIRMINGHAM: We just went through quite a discussion with Senator Sheldon about co-option processes to cabinet committees and to a particular cabinet committee of the former government. I'm now asking about a particular cabinet committee of the current government and whether the same standards apply to it.

Senator Wong: Ms McGregor, I think, was quite careful. You have worked, as a cabinet minister, with Cabinet Office. The official was quite careful in her answers to Mr Sheldon and in fact did not disclose who had been co-opted.

Senator BIRMINGHAM: My question wasn't a 'who'; it was a 'whether' co-option was occurring.

Senator Wong: I will take some advice about this, but at this stage the official's answer stands.

Senator BIRMINGHAM: I certainly invite you to take that advice and to ensure that, in terms of the question—as to whether co-option occurs and if it occurs does it occur routinely for this three-person committee—the same degree of at least standard in response is provided as was provided to the questions from Senator Sheldon just before. How many members are on the Government Communications Subcommittee?

Ms McGregor: There are six members on that committee.

Senator BIRMINGHAM: So there are three members on the government's Priority and Delivery Committee but six members on the Government Communications Subcommittee. Is that correct?

Ms McGregor: Yes.

Senator BIRMINGHAM: What does that say about the priorities of the government—that it's got twice as many cabinet ministers committed to communications as it does to delivery?

Senator Wong: I think that's a political question that Ms McGregor will not be required to answer.

Senator BIRMINGHAM: You're welcome to respond or defend there, Senator Wong, if you like. Why is it that the government has twice as many members of its cabinet dedicated to a committee on government communications as it does to a committee on government delivery?

Senator Wong: I would make the point that there are matters, as you know, discussed by the whole of cabinet, there are matters discussed by NSC and there are matters discussed by ERC. I think the implication is that the only place that government priorities are discussed is in the PDC. That's just not correct, and you know that.

Senator BIRMINGHAM: Are government communications not discussed sometimes in other committees too?

Senator Wong: I don't know. I'm not a member of that committee, as you would know.

Senator BIRMINGHAM: I wasn't asking about that committee. I was asking about other committees.

Senator Wong: Well, it's not a committee whose work I have focused on.

Senator BIRMINGHAM: So you can't give an explanation as to why there are twice as many cabinet ministers committed to communication as there are to delivery?

Senator Wong: That's just a political assertion, which I've responded to. You know, having been a senior minister, that the budget, which is about delivering election commitments, and the very substantial amount of work across portfolios that the government has undertaken—whether it's on child care or in the skills area or in the energy area or foreign affairs or defence—is all about delivering for the Australian people. The consideration of how we do that occurs in different parts of government, sometimes in the cabinet context, obviously, for final decision, but also in other contexts. To try and create some purported political criticism out of a membership of a Priority and Delivery Committee I just think is not grounded in fact.

Senator BIRMINGHAM: Have any decisions been made by the Government Communications Subcommittee since its formation?

Senator Wong: We'll have to take that on notice.

Ms McGregor: We'll take that on notice.

Senator BIRMINGHAM: Nobody is able to say whether any decisions have been made?

Senator Wong: No, because I'm not sure that any information can be given about that. But I'm asking for it to be taken on notice so we can consult about it. You are talking about cabinet processes. Mr Morrison may feel it's okay to talk about what happens in cabinet, national security, to journalists, but you and I both know there are

longstanding conventions about disclosure. Rather than just saying no, I'm going to take it on notice and take advice.

Senator BIRMINGHAM: Does the Government Communications Subcommittee have a formal role in relation to government advertising campaigns?

Senator Wong: I have a note here—I think this is from the handbook and this is published. The cabinet committee membership and terms of reference are published. The terms of reference are: 'The GCS provides oversight and coordination of government advertising campaigns.'

Senator BIRMINGHAM: In that oversight, does the Government Communications Subcommittee approve or have a formal role in the mechanisms by which ad campaigns undertaken by the government are approved and entered into the market?

Ms McGregor: Sorry, could you ask that question again?

Senator BIRMINGHAM: Does the Government Communications Subcommittee have a formal approval role in relation to the process by which government advertising campaigns are brought to market?

Ms McGregor: They do provide oversight and coordination of the government advertising campaigns, but decisions of that Government Communications Subcommittee do require the endorsement of cabinet.

Senator BIRMINGHAM: Perhaps if we can take on notice a little more detail about at what stages of the government advertising campaign that committee has a role, and, to be clear, whether that role includes approval of the nature, scope or content of a campaign.

CHAIR: Senator Pocock?

Senator Wong: Before you start, Senator Pocock, if I may—through you, Chair—I think Ms Frame has some responses in relation to an earlier question from you, so this might be an opportune time.

Ms Frame: Thanks, Senator. I talked about the announcement at the Jobs and Skills Summit regarding apprenticeships for women. The Australian Skills Guarantee is the government's election commitment that one in 10 workers on major government projects is an apprentice trainee or paid cadet. At the Jobs and Skills Summit the government committed that the Australian Skills Guarantee will also include targets for participation of women. The targets for women will ensure more women benefit from the economic opportunities created by government investment, gaining skills and qualifications in secure careers. This will also provide opportunities for women to work and train on major projects, including in industries that historically have had a low level of female participation.

Our consultation process will be undertaken now to inform the design and implementation of the guarantee, including the design of the sub-target for women. This will include a public discussion paper accompanied by targeted conversations with stakeholders. This will also include working with industry, unions, employers, peak bodies for sectors with major projects, women's peak organisations, and state and territory governments to ensure local views are taken into account.

The broader apprenticeship system, the Australian Apprenticeships Incentive System, also provides support to assist targeted cohorts through their apprenticeship. This includes women in non-traditional trade occupations to boost women's commencements and completions in these roles. These women receive guaranteed in-training support, access to networks of other women in that trade and entrepreneurship training.

Senator BARBARA POCOCK: Thank you. I was at the summit and have read the outcomes of the summit. That's talking about targets, not setting targets. It's setting out a process for targets. For example, at the moment, in Australia the proportion of women who are apprentices in electrical trades is two per cent. I worked on a program to improve women's share of electrical trades apprenticeships in 1981. It was two per cent. You could set a target of three per cent and it would be a 50 per cent improvement, and look pretty good in some of the papers you might put out, but it's not a material improvement in opportunities for women.

I really look forward to targets that are specific and numerical and show the pathways. I applaud those words, I applaud the process, but I think what Australian women want to see and what our workplaces want to see is real action that will deliver the numerical improvements in opportunities for women, for people with disability and for other underrepresented groups.

Ms Frame: I agree. As I said, there is a detailed consultation process to work through.

Senator Wong: Senator Pocock, I was probably engaged in a subsequent round of something similar in the nineties. I understand the point you're making. If there are matters that you think the government should be looking at, I'm sure we can consider them. I don't know what consultation process there is with relevant Senate committees, but I know you're interested in this area.

Senator BARBARA POCOCK: There's a lot of great experience out there amongst employers, trade unions and community groups.

Senator Wong: Yes, it's been tried. To be honest, it's been tried across a lot of construction trades to varying levels of success.

Senator BARBARA POCOCK: Yes, it takes investment and commitment. I hope we're going to hear at next estimates about how well that's turned out. I wanted to ask some questions about policy. As I read the functions of Prime Minister and Cabinet, you provide high-quality advice and support to the Prime Minister. One of the key priorities we read about for him and this government is in relation to wellbeing. So I want to go to the wellbeing statement in the budget and ask: has the department done work on wellbeing measures and so on and fed into that process in the documentation in the budget?

Ms Frame: The work on wellbeing is led by the Department of the Treasury. They are leading that work across government. We in PM&C are involved and working closely with them. They are leading that work as it continues to develop. You saw elements of it in the budget just announced, signalling future work and future elaboration and more detail about the wellbeing budgeting. So we are working with Treasury on that.

Senator BARBARA POCOCK: Great. In the papers for the budget, on page 125, there is an outline of the countries that are pursuing wellbeing and the kind of measures they use. Inequality in wealth and income is one of the key measures that every country is measuring. What work is going on within your lead policy department on measuring inequality?

Ms Frame: As I said, that work is being led by Treasury. They are leading those discussions internationally. We are involved. We do attend some discussions with them, and we conduct our own examination through our other work in any policy area about measuring inequality or any other aspects of wellbeing that we consider we want to raise with our Treasury colleagues and ensure gets appropriate attention in their work. But I would direct you to Treasury for those detailed questions.

Senator BARBARA POCOCK: Would you agree that inequality is an important part of measuring wellbeing in our country?

Ms Frame: I am the deputy secretary for social policy, so I do feel very strongly about measuring inequality and finding the appropriate ways to do that.

Senator BARBARA POCOCK: Are you aware of a piece of research which came to my attention this morning in the papers from Professors Phillips, Gray, Joseph and Webster at ANU which says three of the key measures in the budget this week are the childcare subsidies, the PPL subsidy and the tax changes and that those three changes will deliver to the top 20 per cent of the income scale in Australia \$12 billion in 2024 or, for individuals, \$5,740 a year while delivering individually \$17 a year or \$40 million to the bottom 20 per cent. That modelling follows and tracks all of the childcare, paid parental leave and tax changes. That is an astonishing widening of inequality from that research, so I wanted your comments on that. That is a concern given an aspiration to narrowing equality, which you clearly share.

Senator Wong: I want to be helpful, Senator Pocock. Generally, officials aren't supposed to be asked their opinion. But, to go to the policy issue, when the Prime Minister announced the childcare measures in the first budget reply he was quite upfront that this measure went quite a long way up the income scale. I think the important point about that is that it is not simply an equity measure. It is that, but it is also a participation measure. You would know from your experience that in fact the disincentives to workforce participation for women are also in place at higher income levels. So there was a conscious decision made to provide that assistance to higher income families, not just low-income families. That has been transparent for some time. Similarly with paid parental leave, it is the case that there will be a benefit to higher income and lower income families. But the broader objective or the central objective of trying to ensure families are able to better manage work and family and, given that it is still women who do the majority of care for a child in those early, so that women are able to be supported to have children and re-enter the workforce, those are the driving imperatives behind the paid parental leave announcement.

Senator BARBARA POCOCK: Thank you, Senator Wong, and I applaud those initiatives in relation to paid parental leave and child care. I just make the point that the packages of those three key measures in the budget delivers \$17 a year in the third year of the Albanese government to people in the bottom 20 per cent of our income scale and over \$5,700 to someone in the top 20 per cent. If we want to get to wellbeing measures, that is a problem.

I wanted to follow-up with a question about child poverty. Is the department making any measures or doing any monitoring of child poverty in Australia, because most countries are including that in consideration of wellbeing?

Ms Frame: The Department of Social Services would be leading that work, but again they would keep us across updates in that regard and engage with us when there were aspects that needed to be considered across government. They would be working closely with Treasury also on that wellbeing approach and ensuring that those considerations are factored in there. But detailed questions on that would be best directed to the Department of Social Services.

Senator BARBARA POCOCK: Thank you, I will pursue that there. My final question is: can you tell us a little about the section in your department that's working on behavioural economics? What kinds of projects is it working on? How is it being used in policy terms?

Ms Frame: I might get more specific information for you on current projects. They are definitely doing work with the Office for Women on women in the care workforce and what are some of the barriers they experience to staying in that workforce. What are some of those issues? How might we attract and retain people in that workforce beyond just women? We're obviously looking very directly at breaking down the gender segregation in the care workforce, so they are involved in some work there. They've been doing some work with the Department of Education around teacher training and quality, and subsequent impacts on education. I can get you more detail on projects, but they do most of their work across government for departments who've approached them and are seeking their expertise on experimental design and also on behavioural insights, so they conduct a lot of surveying work and have the expertise to assess responses, to frame the questions and to ascertain attitudes and important information that informs future policy development.

Senator BARBARA POCOCK: Thank you.

Senator BIRMINGHAM: I will pass the call to Senator Hume in a second, but can I go to an exchange in estimates for this committee on 20 October 2020. Senator Wong, you were at the time asking questions about meetings of the Cabinet Office Policy Committee. In that you said:

I'm just trying to work out whether we're talking about one or 40. Are you able to give me an approximate since we last met?

Ms McGregor: I was just having a look to see whether I had general numbers. It meets reasonably regularly depending on other meetings as well. It would be in the vicinity of 10-plus meetings.

Senator WONG: Since last estimates? What's the time frame?

Ms McGregor: Probably since about March.

Noting, Senator Wong, your willingness to ask the questions about how frequently a cabinet subcommittee met—

Senator Wong: I didn't say you couldn't ask them the figures.

Senator BIRMINGHAM: and Ms McGregor's willingness to answer the question about how frequently a cabinet subcommittee had met, I pose the question again of whether the Priority and Delivery Committee of cabinet of this government has met since the election.

Senator Wong: We're taking that on notice. I've said, if we can assist, we will.

Senator BIRMINGHAM: It's a fairly straightforward question.

Senator Wong: And I'm entitled to take it on notice.

Senator BIRMINGHAM: You're not going to tell us whether or not a committee has even met?

Senator Wong: I've said I'd take it on notice.

Senator BIRMINGHAM: You've got cabinet office officials present who would have a distinct knowledge of whether or not a cabinet committee has met.

Senator Wong: Yes, they would. I accept that. I think there is a question about precedent. You have read some transcript. I also recall not being told when told when cabinet committees met. I think it is important that we are clear about the precedent and clear about the standards, or the procedures, in relation to disclosure of meetings. I've told you I'll take it on notice, and I will.

Senator BIRMINGHAM: Clearly this was not asking for a precise date, nor was I asking for a precise date. It was asking for a general indication of frequency. In this case it was seeking and was provided with some indication of frequency over a fixed period of time between March and October 2020. In this case, I am simply asking whether or not since the election, five months ago now, through until this period of time, a committee that has been formed has even met—not even the frequency of meetings. I find it remarkable that you're not willing to

let an official just answer that question, given how similar questions have been treated before. I invite you to reconsider allowing an official to come to the table and provide the answer that they would be able to give off the top of their head.

Senator Wong: Thank you for the invitation. I've responded already.

Senator BIRMINGHAM: You're not going to treat the committee with respect and provide that answer.

Senator Wong: I think I've been very respectful this morning. I'm simply telling you, as you've told me many times, I've taken it on notice. We will consider it, and if we can assist we'll respond. While I have the floor, I would make the point to Senator Pocock, who made some assertions about—

Senator BIRMINGHAM: As long as this doesn't come off our time, Chair.

Senator Wong: I'm happy for it not to come off your time. I was trying to find the expenses by function and subfunction at the end of Budget Paper No. 1 because I would make the point, Senator Pocock, that if you look at where government spends money and how much of the expenditure is on social security and welfare, health, and education, the federal government does make a very substantial investment in reducing inequality—or redressing is probably a better verb. I appreciate you've picked out three points, but I can say, and I'm sure Senator Birmingham would attest to this, the big line items in the federal budget are social security and welfare, health, and NDIS, and they are about redressing inequality. Thanks, Senator Birmingham: I was trying to find the table.

Senator BARBARA POCKOCK: Can I just make a comment please. I just want to make it clear that I wasn't asserting the figures. They are out of modelling from ANU this morning. I take that point. I think there are some really big line items there that do benefit the bottom end of the income scale—

Senator Wong: Absolutely, and should.

Senator BARBARA POCKOCK: but the overall picture, with \$254 billion going to people on over \$200,000 a year, is of widening inequality. I think there is a general consensus amongst economists that things aren't looking good right now for that measure. Thank you.

Senator HUME: I want to follow up some questions that Senator Birmingham asked, not necessarily about the priority and delivery committee, but there's a unit in Cabinet Division called Priority Delivery Unit.

Ms McGregor: Mr Reid will take those questions.

Senator HUME: What is the Priority Delivery Unit?

Mr Reid: It's a unit that currently sits within the Governance Group that provides a range of support to government on data analysis and things like that.

Senator HUME: What are the Priority Delivery Unit's priorities?

Mr Reid: The Priority Delivery Unit generally responds to the priorities of the government, and has been for some time.

Senator HUME: For a policy or project to get referred to that group, what's the process? How does that go about?

Ms McGregor: Sorry, can you just repeat that question?

Senator HUME: For a policy to be dealt with by the Priority Delivery Unit, how do you get tasked with the priority project?

Ms McGregor: There are a range of ways. The unit sits within my division. It does not deal with policy specifically. What it does is provide a range of analysis, reporting, updates et cetera on a whole raft of priorities that are set across the government.

Senator HUME: Is it a decision of cabinet to task it or is it a decision of the Prime Minister or a decision of the secretary?

Ms McGregor: No. The work of the unit, as I said, comes from a whole range of different areas. They work across government. For example, during COVID, that unit worked a lot on providing reporting on COVID—gathering information from different areas of government, pulling it together, analysing it and reporting on it.

Senator HUME: So it doesn't directly support the Priority and Delivery Committee, even though it has a similar name?

Ms McGregor: I think that some of those arrangements are still being determined. At the moment it's Cabinet Division that's supporting the Priority and Delivery Committee.

Senator HUME: How many people are in the unit?

Ms McGregor: I would have to take the exact number on notice. It's about 12?

Mr Reid: We'll take it on notice.

Senator HUME: And is that unit involved in any interdepartmental committees as well?

Ms McGregor: They would attend some interdepartmental committees, I think—

Senator HUME: Can you tell us which committees?

Ms McGregor: I can take that on notice too.

Senator HUME: What does it produce, physically? Recommendations, or just supporting data? And there must be other units within PM&C that produce that; why does it sit in the unit that it does—in the governance unit and, specifically, the cabinet part of the governance unit?

Ms McGregor: The unit produce a whole range of reports based on the data that they've gathered. It's a huge variety of information so, again, I'd take that on notice.

Senator HUME: It's a bit of a mystery unit—

Ms McGregor: It's not really a mystery—it's not a mystery to me!

Senator HUME: There are 20 or so people who are working there and you can't tell me what it's working on?

Ms McGregor: Well, as I say, they work on a huge range of information.

Senator HUME: How about some examples?

Ms McGregor: COVID reporting is one example. I'm just trying to think of some other more recent ones, but that continues to take up quite a bit of their time. I think they do some reporting or analysis of current international economic trends, for example—things that are topical and relevant are often the things that they're asked to work on.

Senator HUME: Okay. Who's asking?

Ms McGregor: A range of people ask them for the information—people from within the department or it may be that some of the tasking comes from external departments. I know, for example, that we work with Treasury on some of those sorts of data and analysis issues. It's a whole range of people.

Senator HUME: So it's different from the behavioural economics unit?

Ms McGregor: From the?

Senator HUME: Isn't there a behavioural economics unit?

Ms McGregor: Yes.

Mr Reid: I'll just clarify, Senator: this unit has been in place for quite some time. It is by no means a new entity within the department.

Ms McGregor: Yes.

Senator HUME: Okay. If it has been around for such a long time, I would have thought that we could be a little bit more specific about how many people work there and what it is exactly that they do. I want to ask some questions that were referred to you, Ms McGregor, about the *Cabinet Handbook*. I was just looking at the latest edition of the *Cabinet Handbook*—the 14th edition. Is that the current *Cabinet Handbook*?

Ms McGregor: The 14th edition is the most recent edition, yes.

Senator HUME: Obviously, that's from the previous government. Has the department provided any advice, or has it been requested to provide any advice, to the Prime Minister or his office in relation to publishing a 15th edition?

Ms McGregor: There's a draft of the 15th edition underway.

Senator HUME: There's a draft underway—okay, that's good to know. What was the date when that request for the new edition was made?

Ms McGregor: We started working on a new edition of the *Cabinet Handbook* following the change of government. We always do that—begin work on a new edition of the handbook.

Senator HUME: Is that a matter of course? Do you begin that process, or does it have to have a request attached to it?

Ms McGregor: No, we begin that process.

Senator HUME: Alright, so you don't need to have it requested?

Ms McGregor: No, we assume that an incoming government will wish to change the *Cabinet Handbook*.

Senator HUME: Has the new government then requested specific changes to the operations of the *Cabinet Handbook*?

Ms McGregor: We have been working with the cabinet secretary's office to update the *Cabinet Handbook*. That's an iterative process.

Senator HUME: So the cabinet secretary doesn't have to make the request, or the Prime Minister doesn't have to make the request; the department simply does it on its own accord?

Ms McGregor: Cabinet Division is used to governments changing, and as a matter of course we update the *Cabinet Handbook*, particularly when there's a new government, because the cabinet and committee arrangements change.

Senator HUME: Okay. I want to ask about those. Obviously the cabinet secretary is a member of the cabinet. Does he then attend all the cabinet meetings?

Ms McGregor: Yes, all the cabinet meetings.

Senator HUME: And all the subcommittee meetings?

Ms McGregor: I'd have to take that on notice, simply because I'm not sure about all the subcommittees. But I can take that on notice.

Senator HUME: If the cabinet secretary doesn't attend all the cabinet subcommittee meetings, who takes the minutes?

Ms McGregor: Normally there are note takers from the Department of Prime Minister and Cabinet in attendance as well.

Senator HUME: For those cabinet subcommittees, who would then approve the submissions?

Ms McGregor: The submissions could still get approved by the cabinet secretary.

Senator HUME: And the secretariat support?

Ms McGregor: Cabinet Division provides that support.

Senator HUME: Is the cabinet secretary then responsible for managing conflicts of interest in relation to matters that are before the cabinet?

Ms McGregor: Cabinet and committees always have a declaration-of-interest process, as a matter of course.

Senator HUME: And the cabinet secretary manages that?

Ms McGregor: The cabinet secretary has a role in setting agendas et cetera, and private-interest disclosures are always included on those.

Senator HUME: Right. So, how does he manage his own conflicts?

Ms McGregor: I think that's a question for the cabinet secretary.

Senator HUME: Well, there must be a process attached to it.

Mr Reid: Senator, I can assist. Apart from and more broadly than the management of conflicts of interest within the cabinet context, there is of course the way in which the Prime Minister manages conflicts of interest of his ministers more broadly. And Mr Dreyfus has received advice from the Prime Minister in relation to conflicts of interest in his general operations and ministerial operations which would also inform anything he did in cabinet.

Senator HUME: So, does the cabinet secretary, who requires members of cabinet to declare their conflicts of interest, have to declare his own as well, prior to cabinet meetings?

Mr Reid: The Prime Minister requires that.

Senator HUME: Does the cabinet secretary declare his conflicts of interest prior to cabinet meetings?

Senator Wong: All cabinet ministers are required to declare any relevant conflict of interest before each cabinet meeting.

Senator HUME: There is a governance committee of cabinet, yes? Or there isn't? We were just looking at the committees of cabinet before. I had it up on my screen. How many of them are there? Six, did we say?

Ms McGregor: I thought there were seven.

Senator HUME: So there isn't a governance one?

Ms McGregor: No.

Senator HUME: There used to be.

Ms McGregor: Under the previous government, yes.

Senator HUME: What has replaced it?

Ms McGregor: Well, every prime minister will set up cabinet and committees according to their own priorities and the priorities of their government, so it's not really a matter of replacing one with another.

Senator HUME: Under the previous government, what was the role of the governance committee?

Mr Reid: I don't have that information in front of me. I'd have to take that on notice.

Senator HUME: So, there was an entire committee that was set up for the purpose of governance under the previous government that doesn't exist now, but we don't know what it did, so it's hard to know who does the same task now. Is that right?

Mr Reid: If it's a particular task that you're concerned about, Ms McGregor may be able to identify whether that's taken up by a particular subcommittee or committee.

Senator HUME: Perhaps I could ask just one more question about the cabinet secretary. Does he approve his own submissions?

Ms McGregor: The cabinet secretary authorises submissions coming to cabinet.

Senator HUME: So, as A-G, obviously, he would have submissions that go to cabinet. Does he approve his own submissions?

Senator Wong: What do you mean 'approve'?

Senator HUME: Well, the cabinet secretary approves submissions from everybody else.

Senator Wong: By 'approve' do you mean—is this an agenda question?

Senator HUME: I think it's pretty basic cabinet process question.

Senator Wong: No, it's not, because cabinet determines the content of a decision on a submission. I assume what you're actually asking is: does the Cabinet Secretary approve a submission coming forward, including from himself? Is that it?

Senator BIRMINGHAM: Whether they are compliant with the rules for submissions going to cabinet.

Ms McGregor: Cabinet Division always provides advice to the Cabinet Secretary's office around whether a submission is compliant, meets particular requirements and is consistent with the authority that has been provided in terms of what it is that the submission is meant to be dealing with. So we always do those compliance checks. Then there is a process whereby the Cabinet Secretary's office, in consultation with Cabinet Division, has agreement around whether that submission is released.

Senator HUME: Let me take a step back—

Ms McGregor: It's quite a processy thing—

Senator HUME: On another process issue—

Ms McGregor: which sometimes, obviously, drives people quite mad.

Senator Wong: I can't believe you just said that! I was thinking that.

Ms McGregor: I was just watching all of the senators' faces.

Senator BIRMINGHAM: I was recalling and thinking that too!

Senator Wong: I was thinking that, but I thought, 'That's not something I will say in public.' Anyway, there's a moment of candour.

Senator HUME: Do staff of ministers attend cabinet committee meetings?

Senator Wong: No.

Ms McGregor: Cabinet meetings? No, Senator.

Senator HUME: Do they attend cabinet subcommittee meetings?

Ms McGregor: Some staff will attend some committees.

Senator Wong: As Senator Birmingham would know, I assume ERC, for example, under your government—similarly ERC would have staff and officials attend.

Senator HUME: Is it specific which staff? Are there rules about which staff?

Senator Wong: Yes. It's limited.

Senator HUME: Which staff?

Ms McGregor: The attendance of staff is approved by the Cabinet Secretary.

Senator Wong: I'm going to put this into—I took a question on notice earlier. It would be the ones you would anticipate in terms of the ministers. If you are able, I will put that into the same process in terms of what I've taken on notice for Senator Birmingham's question.

Senator HUME: Okay.

Senator Wong: Senator Birmingham would know. I'm sure your ERC would have had some staff attending.

Senator HUME: I think I have covered off on most of my cabinet committee process questions. Thank you.

CHAIR: Thank you very much. I will now ask a few questions of my own. I'm going to ask some questions about the net zero economy task force.

Mr Chisholm: I can assist you with that question.

CHAIR: Great. What's its purpose, how will it work, and what do you expect its impact to be?

Mr Chisholm: The government has established a cross-agency task force which is being hosted by the Department of the Prime Minister and Cabinet, to look at and provide advice on how we can best support regional communities affected by the net zero transformation of the economy. Historically, as you would be aware, the presence of large generators, particularly coal-fired generators, and the co-location of those generators with heavy industry and, in a number of cases, mining as well, are quite proximate. There have been, over many years, traditional reliance on those industries in those communities. Those communities have, in effect, powered the nation for a long time. They are looking to both state and federal governments to assist with that transformation—

CHAIR: Indeed they are.

Mr Chisholm: and in particular how we can leverage multiple portfolios to provide outcomes for them. One of the reasons it's cross-agency is, while you have energy and emissions reduction policy sitting with Mr Bowen's portfolio, a lot of the levers sit in other portfolios—in the Industry portfolio with Minister Husic, the industry transition framework sits—as well as a number of other really significant government programs to support these communities. I mentioned earlier the National Reconstruction Fund is a good example. It has a low-emissions technology or renewable energy technology component to it, so it's a \$15 billion program with the NRF, and it's a big priority to ensure that those funds go towards supporting new manufacturing opportunities across the nation—in particular for regions.

Senator PRATT: Yes.

Mr Chisholm: So the task force will draw on that. The skills component, which we talked about earlier, and some of the new announcements in relation to that also will be drawn upon. That sits in another portfolio. Then, of course, really importantly, all of the work that's done in the regional portfolio, with the infrastructure and regional minister, needs to be drawn on. They have many years of experience in developing plans for regions. They have the data and a lot of the expertise to bring that together. And, of course, there is the infrastructure and transport side of this—the new digital economy, telecommunications and that sort of thing.

So the task force is bringing all of those things together and will provide a framework and a plan of action for government which involves, in its development, close consultation with all of the stakeholders who have a key equity in this. That obviously includes the communities themselves, and we're particularly keen to ensure that any plan that's developed is place based and takes into account the unique circumstances of each of those regions.

Senator PRATT: Okay. Which communities are most impacted? I would like a snapshot around the country. I'm paying particular attention, as a Western Australian senator, to the community of Collie. I'm keen to hear from you about the transition and how we create benefit for those communities around a net-zero economy. Will you engage with those communities directly? What will that process specifically look like in terms of regional community engagement?

Mr Chisholm: Senator, you're absolutely right. Collie in Western Australia is one of the communities that the task force is focused on. That is actually one of the examples where the state government has leant in pretty heavily with that. Each of the states is doing this according to its own circumstances, but there is a transformation plan that the Western Australian government has developed. So what we've been keen to do in those situations is really to ask the question: where can the Commonwealth step in to provide additional support to back that in? The Prime Minister has raised that with his colleagues in National Cabinet. Collie in Western Australia is particularly important. In South Australia, Whyalla is another community that's undergoing transformation, so that is a community that we will be particularly interested in. In New South Wales, the Hunter Valley is one of examples I mentioned earlier, although—

Senator PRATT: Have some communities been left behind by their state governments in starting that transition? How are we at a national level now managing that?

Mr Chisholm: If you are looking particularly at Queensland, New South Wales, Victoria and Western Australia, where a lot of these big assets are located, the circumstances are really different. In Queensland, the generation assets are state owned, by and large, and the Queensland government has made a number of announcements about support for reskilling employees and also investing in new energy assets. New South Wales has worked closely with the Hunter Valley and other communities. Of course, in Queensland you have Gladstone as another example of where a lot of these changes will be experienced. So they're all really different. The opportunities in a community like Gladstone look very different to those in the Hunter Valley in New South Wales, according to their location, whether they are proximate to a larger urban centre, and whether the markets are thick and have substitution opportunities.

So a lot of the work of this group would be particularly focused on those communities where extra effort will need to be put in to crowd in all of those programs that the government is rolling out as part of the budget, which I went through before; to work with industry to identify new opportunities; and to work with the state governments, who have, when discussing this with the Prime Minister, welcomed the Commonwealth's offer to provide ongoing support. As a key first step with the jurisdictions, the Commonwealth and the states and territories will agree on a set of principles to guide that work so that we're all working together.

Senator PRATT: In terms of supporting workers through that transition, given the energy generation and energy intensive industries there at the moment, how diverse do we expect that transition to be in terms of there being a common skill set but diverse regions? How diverse is that transition going to be, region to region, in that context? Are we looking at a much broader set of skills and diversification for those communities? How are we coming to grips with that focus on supporting workers through that transition?

Mr Chisholm: One of the reasons it is cross-agency is that opportunities for a number of workers and their families might exist in other industries that are prospective for those regions. It may be that, for example, there are opportunities in renewable energy transmission, investment in hydrogen and other things like offshore wind. There are other industries that are growing and developing throughout the country which will be supported by the National Reconstruction Fund. So we are very keen not to limit it just to new energy opportunities. It's for other industries as well.

One of the things that traditionally can really help here is having, within government, a role for connecting different portfolios and working with industry to identify those opportunities and support workers to retrain, reskill and support them to take up those opportunities. So we will be looking at the full suite of policy and program implementation options to support that. It will not be confined to just energy. We will be looking at other industries as well.

Senator PRATT: I look forward to engaging in that process. You touched on the need for the Commonwealth to not duplicate or substitute work that's already been done. How do you see that working? I guess that has to be the policy detail of where each jurisdiction and community is up to.

Mr Chisholm: There are a number of dimensions to that. Minister Bowen is meeting with his state and territory colleagues today to discuss energy. Quite recently out of that process the national energy transformation work emerged as well as a commitment to cooperate on nationally significant projects, particularly in relation to things like transmission, generation infrastructure and skills. But we don't want to duplicate efforts across jurisdictions. The states have been grappling with the energy reliability and security challenges associated with the early retirement of generators. Again, as I mentioned earlier, that happens to happen in regional communities.

Senator PRATT: That is a good segue to my next question. We have a government that's committed to net zero. That will see an increase in renewables. What's the cheapest form of new generation for the grid? I note that the CSIRO GenCost report of July went through the relative costs of new generation. I would like to step through, please, the cost of new generation options, including nuclear.

Mr Chisholm: The cheapest form of new energy for investment is renewable energy. That is because it has zero marginal cost. By that I mean there's a cost associated with building it, seeking approval for it and its initial construction, but once that happens it doesn't have the same costs associated with it that traditional base-load generation, whether it's coal-fired or nuclear, has. There are a lot of costs associated with those forms of energy.

Senator PRATT: How far into the future do you need to cost nuclear energy and its future cost, as opposed to renewables?

Mr Chisholm: You've referenced the recent *GenCost 2021–22* report that CSIRO did. I think it was the *GenCost* report?

Senator PRATT: Yes, that's right.

Mr Chisholm: The view expressed in that report was that there was very limited to no prospect that nuclear reactor technology would be viable before 2030, given the relative immaturity and high costs associated with those forms of generation. It forecast that small nuclear modular reactors would have a levelized cost of energy of between \$136 and \$326 per megawatt hour in 2030. Whereas the levelized cost of energy such as renewable energy is a lot lower. It would be estimated to cost between something like \$53 to \$82 per megawatt hour. Really importantly, that includes firming costs. Often what happens is people look at these figures and say, 'Yes, but with renewables you're not factoring in firming and integration costs.' But the CSIRO work does factor that in. According to CSIRO, and this is consistent with other analyses, it comes in way cheaper. And that flows through to bills.

Senator PRATT: This report was released in July, but it's not new information.

Mr Chisholm: No, although this has been a rapidly evolving situation in energy markets. As time goes on, that cost comparison just becomes more stark. We're seeing it play out in other markets. If you look at those markets where nuclear power is a significant proportion of the generation mix, nuclear is experiencing the same challenges that coal-fired generation has experienced, simply because of how high the cost is. When it comes to competitive markets for energy, it is difficult for those forms of energy to compete with renewables, particularly for firming renewables.

Senator PRATT: We've had some conversation about energy pricing this morning. From what I gather from that report, there isn't any prospect of domestic nuclear projects this decade—that nuclear as a form of generation could contribute to energy generation?

Mr Chisholm: The CSIRO report is pretty conclusive on this issue.

Senator PRATT: In that context, that has painted nuclear as having a higher generation cost than renewables. If you were to implement nuclear, what would that mean in terms of retail energy prices for Australian consumers?

Mr Chisholm: The costs associated with building new generation need to be paid at some point, and they will flow through to bills.

Senator PRATT: The report demonstrates that those costs would be higher for nuclear than our current energy options being looked at by the current government?

Mr Chisholm: Yes. That is consistent with the report. I can't recall whether the report spends a lot of time on the question of retail costs, but we know that the investments made in energy—whether it's grid infrastructure, like transmission or distribution, or whether it's generation—at some point need to be recovered, and that will find its way through to bills at the end of the day. It's one of the reasons why we have a pretty robust regulatory framework for assessing new investments, particularly in relation to transmission. You'd be well aware that there's a long history of debate in this country being borne by consumers.

Senator PRATT: Yes. Thank you.

Senator BIRMINGHAM: I'll return to the Code of Conduct for Ministers, which, according to the press statement of the Prime Minister was publicly released on 8 July. Is that correct, or does that sound near enough to correct?

Mr Reid: That's correct.

Senator BIRMINGHAM: And when was the code completed?

Mr Reid: I'm not sure exactly what date it was approved by the Prime Minister or finally endorsed or concluded by the prime ministry. It was sometime before 8 July.

Senator BIRMINGHAM: The code is dated June 2022, so is it fair to assume it was completed in June?

Mr Reid: That seems fair, but, as I say, I don't know the final process that occurred. We supported the Prime Minister's office in finalising that, but I'm not aware of what date it was finally signed off, if you like.

Senator BIRMINGHAM: And the code is signed off by the Prime Minister; it doesn't go through a cabinet process for approval. It is the code the Prime Minister applies to his ministers. Correct?

Mr Reid: It's the Prime Minister's code.

Senator BIRMINGHAM: Yes, so the final sign-off is by the Prime Minister

Mr Reid: That's right, yes.

Senator BIRMINGHAM: What role did PM&C play in the development of the code?

Mr Reid: We assisted the Prime Minister's office in a reasonably iterative way between the new government being sworn in, obviously in late June, early July, on, I suspect, more minor drafting issues or identification of consistency, particularly with the previous Gillard and Rudd governments' ministerial statements of ethics. We were asked, for instance, to provide a copy of that documents and provide any other changes that had evolved over time in the last 10 years. For instance, I think we provided text around Ms Jenkins's Set the standard report and what should be included in a new ministerial code in that regard.

Senator BIRMINGHAM: 'Reasonably iterative' were your words there, Mr Reid, so there was some backwards and forwards between the Prime Minister's office and the department about text, text variations, and changes through that process to finalise the code.

Mr Reid: I recall a couple, yes.

Senator BIRMINGHAM: You've taken on notice when it was finally signed off by the Prime Minister.

Mr Reid: Certainly.

Senator BIRMINGHAM: Thanks, Mr Reid. How and when was the final code shared with ministers?

Mr Reid: I don't know how it may have been shared within the ministry. That was a matter that was managed within the Prime Minister's office. I'm aware of its publication on 8 July, I just don't have visibility of what may have happened before that time.

Senator BIRMINGHAM: Does anybody in PM&C have any oversight as to whether the Prime Minister's Code of Conduct for Ministers was effectively distributed to ministers in advance of it being publicly released?

Mr Reid: I'm happy to take that on notice. I certainly don't, but I'm happy to take that on notice.

Senator BIRMINGHAM: Is there anybody else who could come to the table to assist in that, Mr Reid?

Ms Frame: It would be in Mr Reid's area, so that—

Mr Reid: We'll do what we can.

Senator BIRMINGHAM: I'm sure Mr Reid is not here as an orphan, though. He's probably got others with him.

Mr Reid: We'll do what we can.

Senator BIRMINGHAM: Can we see how quickly we might be able to find out just when? We've got a code that's dated June and was publicly released in July. It's reasonable to seek to understand how and when ministers were provided with the code, whether that was not until 8 July or whether it was prior to that. Were ministers provided any advice about expectations or standards prior to whenever it is they received the code?

Mr Reid: Not by the department. They may have been in discussion with the Prime Minister's office, but I'm not aware of any.

Senator BIRMINGHAM: Senator Wong?

Senator Wong: I'm just trying to recall. Obviously, we've said we'll take it on notice. My recollection is the Prime Minister wrote to ministers with the code and the expectations associated with that. I don't recall the date of that.

Senator BIRMINGHAM: So you have a recollection of there being a letter from the Prime Minister on the topic of the code, and that would be relatively standard practice for that to have been the case at some point.

Senator Wong: Yes. I just can't recall—your questions went to time lines, and, I have to say, I don't recall the date of that.

Senator BIRMINGHAM: The questions went to time lines around the code, and there was also a question about whether there was any advice provided. You and the Prime Minister and a couple of others were sworn in on or around 22 May, and the rest of the ministry, I think, was sworn in on 1 June.

Mr Reid: It was 23 May for the swearing-in of the interim ministry and then 1 June for the rest; that's right.

Senator Wong: It was—

Senator BIRMINGHAM: It's always a blur!

Senator Wong: No—obviously we had to have an interim ministry to enable the Prime Minister and I to go to the Quad meeting in Tokyo, hence the interim arrangements.

Senator BIRMINGHAM: Indeed; that's well understood. So 23 May, then 1 June for the full ministry, with the code finalised at some point in June but not publicly released until 8 July and shared, at some stage to be determined, with ministers, which you will come back to us on; that's all accurate?

Mr Reid: Yes, that's right.

Senator McGRATH: So we can't get the date the Prime Minister wrote to the ministers with the code?

Senator Wong: We've taken that on notice. I just can't recall, and the officer doesn't have a date.

Senator McGRATH: I would've thought it was something that could be achieved pretty quickly.

Senator Wong: I understand the political point you're probably leading up to. I don't think you need the precise date. You've got the date on which the code is issued publicly, and I think the official has given you an estimate around when it was finalised.

Senator BIRMINGHAM: If we can find a date relatively expeditiously, that would be helpful. To the other part of the question: was there any prior advice given to ministers—

Senator Wong: It is the case that the government went to the election with a commitment to enhance accountability, openness and integrity. It obviously wasn't my policy area, but my recollection is it was made public that we would have a more stringent code that reflected the standards that were required of ministers in the previous Labor government. As you recall, we have applied a tougher and higher standard to ministers in this government than was ever applied under you. Unlike your government, where ministers were permitted to continue to hold shares and blind trusts, ministers are required to divest shareholdings with some limited exceptions and there is a prohibition on blind trusts; I think that's right. I was aware we would be returning to standards similar to those which applied previously in relation to shareholdings.

Senator BIRMINGHAM: Consistent with those statements you've just made about higher standards of transparency and the like, if you're able to come back with the dates we talked about in response to Mr Walton's letter and so on, that would all be helpful.

Senator Wong: Just to be clear: 'higher standards' doesn't mean 'I give you everything you want'. We say to the Australian people that ministers are not going to be allowed to hold shares. They were allowed to hold shares under your government, consistently.

Senator BIRMINGHAM: I note that; that's in black and white.

Senator Wong: It is, yes—very black and white.

Senator BIRMINGHAM: That's not a point of factual dispute. I'm simply challenging you on the statements around transparency and seeking to ensure that that occurs as well.

Can I turn particularly to those parts of the code Senator Wong has referenced, which relate to section 3.11 of the code of conduct around shareholdings. Mr Reid, was the department consulted around the text—through the reasonably iterative process, to use your words—in part 3.11?

Senator Wong: Sorry—is the question, were they previously consulted, like in the formulation?

Senator BIRMINGHAM: As part of the reasonably iterative process around the development of the code, was the department consulted about the text in part 3.11?

Mr Reid: I don't recall being consulted on part 3.11. I'd be happy to take it on notice if I'm wrong.

Senator BIRMINGHAM: If that was part of the reasonably iterative process in the consultations.

Mr Reid: Sure.

Senator Wong: Well, hang on. He's taken it on notice. This is going to quite a detail of advice to government, which is not generally provided. We'll take it on notice and we'll consider it.

Senator BIRMINGHAM: It has been taken on notice, so, thank you, Senator Wong. That was already the case. And in doing that, Mr Reid, perhaps you are able to inform the committee as to whether the department provided any recommendations. I'm happy for you to be cautious about the detail of recommendations you may or may not have gone to, but I'm asking whether the department provided any recommendations about the text and the clarity of text in relation to that section of the code.

Senator Wong: So, you're not asking about the content of advice but asking, did you provide any advice in relation to these detailed issues. Am I clear?

Senator BIRMINGHAM: That is—

Senator Wong: I think I tried that, too! But yes, we'll take that on notice, but in the way you've phrased the question, I think it's pretty clear that any answer to that is going to divulge advice to government. That's fine. I'm just making that point. We've taken it on notice, but I'm making the point.

Senator BIRMINGHAM: Sure, Senator Wong, and I will keep making the transparency as well, if you like, seeing as you have shone a spotlight on the way through our conversations and discussions.

Senator Wong: So, you're trying to assert that requiring officials to disclose advice to government is a necessary requirement of transparency. Is that the political assertion? That's not a standard that I think has been generally accepted.

Senator BIRMINGHAM: We've already ascertained that in relation to the code we're not talking about a code that went through any cabinet processes. It's the Prime Minister's code, signed off by the Prime Minister. So, I am seeking to work through the reasonably iterative development of the code.

I want to go to some of the detail within the code, first and foremost. Part 3.11, part (ii), states that a minister is able to hold a fund or trust under the code, as long as:

The fund or trust does not invest to any significant extent in a business sector that could give rise to a conflict of interest with the Minister's public duty.

What is the department's understanding of what a 'significant extent' entails?

Mr Reid: The first thing to say of course is that this is the Prime Minister's code, and matters are ultimately for the Prime Minister to determine. But I think we would take the view that 'significant extent' would indicate a majority of the investments in the fund being held in a business sector relating to the minister's portfolio responsibilities or the minister's public duties.

Senator BIRMINGHAM: If the definition of a 'significant extent' were usually a majority, why wouldn't you say 'a majority'? Are the words 'significant extent' much less clear than the definition or impact of a majority?

Mr Reid: As to words chosen in the code, I'm afraid I can't assist. As I said, this is the Prime Minister's code of conduct, but you asked me what the department view of those words is.

Senator BIRMINGHAM: How has the department come to that conclusion?

Mr Reid: It's been publicly released that the secretary has provided advice on that phrase to the Prime Minister, and that was the secretary's view, reached in that correspondence.

Senator Wong: Can I just make the point—I know you're focusing on placitum 2, but I understood that all, certainly 1 and 2 are both required to be adhered to. Placitum 1 is quite a high bar:

(i) the investments are broadly diversified and the Minister has no influence over investment decisions of the fund or trust; and—

Perhaps Mr Reid can assist me here.

Mr Reid: The minister's absolutely right. The operation of 3.11, with placita 1 and 2, establishes three tests that each have to be met: that the investments are broadly diversified, that the minister has no influence over investment decisions and that the fund does not invest to any significant extent. A high bar is created by placitum 1 and reinforced by the words 'significant extent' in placitum 2.

Senator BIRMINGHAM: That would be as I read it, as well, that each of those criteria need to be satisfied, not just either part 1 or part 2.

Senator Wong: We've got to be careful with that because one may not apply at all, but yes, you have to be not in breach of—I'm just saying that placitum 2 might not apply at all, so the word 'satisfied' is slightly problematic, but yes, you have to not fall on the wrong side of any of those is what I understood.

Senator BIRMINGHAM: Correct.

Senator Wong: I hope I've got that right.

Mr Reid: That's correct.

Senator BIRMINGHAM: That's what Mr Reid said, and it would be my understanding as well, which is why the focus on part 2 in particular. In the secretary forming the opinion which was stressed in the letter from the secretary to the Prime Minister on 15 September—that's the correct date for the transmission of that advice about Mr Dreyfus's matter, isn't it?—

Mr Reid: That's right.

Senator BIRMINGHAM: informing that advice around what a 'significant extent' entails, how did the secretary reach that conclusion?

Mr Reid: Sorry, I don't quite follow you.

Senator BIRMINGHAM: What advice or inputs did the secretary seek or evidence or precedents did he consider to form the view that a 'significant extent' constituted a majority?

Mr Reid: I'd need to take that on notice and discuss with the secretary any particular things that aren't in his letter that was released.

Senator BIRMINGHAM: Did you or your team help with the preparation of this advice, Mr Reid?

Mr Reid: I did discuss this letter with the secretary.

Senator BIRMINGHAM: Did you or your team participate in the drafting of the letter?

Mr Reid: Yes.

Senator BIRMINGHAM: Did you undertake any consultation in relation to the letter and, particularly, on the definition placed on 'significant extent'?

Mr Reid: Any consultation—I certainly discussed the words with the secretary, and I think the language the secretary has used in his letter is an accurate reflection of the conversation that we had.

CHAIR: Senator Birmingham, I appreciate that you might be at a point in your question where you don't want to be interrupted, but you have had the call for 20 minutes—well, not quite; about 18. I need to give the call to both Senator Bilyk and Senator Waters before one o'clock.

Senator BIRMINGHAM: I'll finish with one, if I can, then, Chair. Mr Reid, is there any evidence or research you can cite that you relied upon for the definition that you and the secretary provided to the Prime Minister about what constitutes a 'significant extent'?

Senator Wong: The definition you're referencing there is 'majority'.

Senator BIRMINGHAM: Yes.

Mr Reid: I'll take that on notice.

Senator Wong: I understand the political point you're making, but it is not the only standard ministers are expected to comply with.

Senator BIRMINGHAM: No, it's not, but it is a standard.

Senator Wong: It is, yes, I know, but you also have to make sure that you divest yourself of investments—sorry, the first part in 3(11) then placitum 1 is that investments are broadly diversified and the minister has no influence over the investment decisions of the fund or trust.

I understand the question; you want—

Senator BIRMINGHAM: You can have no influence over the investments of the fund or trust, but an awareness that they are significantly invested in a particular sector—

Senator Wong: Sure, I understand—

Senator BIRMINGHAM: on which a minister's decisions could have an impact, such as an Attorney-General making decisions in relation to legal matters and funding of legal disputes or the like.

Senator Wong: Sure, and we will take that on notice. I would make the point that if you applied the same standard in our code to your frontbench then there would be many of you who would not meet the standards in the code, including the Leader of the Opposition. And so—

Senator BIRMINGHAM: If elected to government then it will be for a future Prime Minister to determine the code, and if it has the same standards then of course we will have to abide by those standards.

Senator Wong: Yes, but my point is that we are seeking to hold cabinet and members of the executive to a higher standard—a standard that not only did you never comply with in government but which you don't comply with now.

Senator HUME: But neither do you.

Senator BIRMINGHAM: And we are not in government—

Senator Wong: What do you mean about 'neither do we'?

Senator HUME: Not you, personally, Minister Wong—

Senator Wong: I don't own shares—I just found it easier!

Senator BIRMINGHAM: Yes. At the first test in relation to the new code and the term 'significant extent', the term was defined upwards to become a 'majority' to enable the Attorney-General to comply with the code rather than it being enforced in a manner consistent with what people would ordinarily think 'significant extent' might mean—

Senator Wong: And in—

Senator BIRMINGHAM: and the Attorney-General having to divest himself of interests—

Senator Wong: in addition to the other conditions that are in the code about not having control over the investments. Again, I say that if you had applied, in government, the same standard that you are now demanding we hold ourselves to—and we should, because that's what we have said we will do—then the majority, many people, on your frontbench would be in breach. So let's just remember—

Senator BIRMINGHAM: But, Senator Wong, as—

Senator Wong: Let's just remember—

Senator BIRMINGHAM: It is—

Senator Wong: Please, let me finish, I did listen to you. Please let's remember, before you get a little too holier than thou, that we are holding ourselves to a higher standard than you have ever held yourselves to.

Senator BIRMINGHAM: And, Senator Wong, as you've pointed out to me time and time again, when any comparison was made with past governments while I sat in that chair, you're in the big chair now!

Senator Wong: That's true!

Senator BIRMINGHAM: This is your code, and at the first test of your code you're seeking to say, 'Well, don't worry about this subclause so much because these other subclauses also apply'—

Senator Wong: No, that's not what I'm saying—

Senator BIRMINGHAM: The reality is that they each apply—

CHAIR: Senators! Senator Birmingham, Senator Wong is trying to answer your question—

Senator Wong: Sorry, no, I'm not going to say anything further.

Senator BIRMINGHAM: Ah!

CHAIR: Okay. Senator Bilyk.

Senator BILYK: I still haven't quite got my head around how the legislative instrument made by the former government to hide an up to 20 per cent increase in retail energy prices happened. Perhaps you can help me to clarify that in my mind. Can you tell me how the default market offer is determined?

Mr Chisholm: Yes, I can assist you with that. The default market offer is the responsibility of the energy minister and the Department of Climate Change, Energy, the Environment and Water, but I can broadly take you through the process in relation to that. What was the specific question about the DMO?

Senator BILYK: It was: can you tell me how the DMO is determined?

Mr Chisholm: Yes. It's a regulatory process. There were amendments made to the Competition and Consumer (Industry Code—Electricity Retail) Regulations, and they will change the date of the DMO. You asked for the process by which that happened. That's required to be published from 1 May to the first business day after 25 May each year. What happened this year was on 8 March the former Prime Minister was copied on the then Treasurer's letter to the then Minister for Industry, Energy and Emissions Reduction providing authority to act on his behalf and make the regulatory changes to the DMO under the Competition and Consumer Act.

Senator BILYK: That was 8 March, did you say?

Mr Chisholm: Yes, that happened on 8 March. That's the process by which it's undertaken.

Senator BILYK: Maybe you can help me a bit more. Can you take me through the process of how it's approved? Is it approved through the minister?

Mr Chisholm: That's right. It's the minister and the Treasurer because the Competition and Consumer Act is a Treasury portfolio piece of legislation. But on the specifics of that I will have to check because it does sit in another portfolio and goes to some pretty technical energy related issues.

Senator BILYK: I've got a few other questions, so if you can't answer them you might need to take them on notice. If you can answer them, obviously I would prefer that. I'm concerned because it was due in March but didn't happen until May, which was conveniently after the election, and it hid retail price increases. For example, in New South Wales I've got information here that says small business in New South Wales would have had an increase of 19.7 per cent if it hadn't been hidden and that a residential property in New South Wales would have had a 14.1 per cent increase. It's pretty significant to hide this information just before the election. Maybe you can tell me: would the price increase in the last DMO have been known to the government ahead of the making of the regulation?

Mr Chisholm: What I do know is that, as I mentioned earlier, the former Prime Minister was copied into correspondence providing authority—this is a Treasurer's letter—for the then Minister for Industry, Energy and Emissions Reduction to make the changes to the DMO. That was on 8 March. The department was notified of the

changes to the DMO determination date when the then Department of Industry, Science, Energy and Resources notified government of the default market offer review outcomes.

Senator BILYK: Who would have made that decision, though? Where does the authority come from, is what I'm trying to find out. Where does the authority come from to delay the instrument?

Mr Chisholm: Given the responsibility for it—and, as I said when stepped through, and it is a little confusing because of the authority that was provided to the then energy minister—that would have been a decision that—I will stop because I don't know. I would need to take it on notice. It's in another portfolio. But it is not a decision of the Prime Minister; it's a decision of the energy minister, and hence the previous energy minister.

Senator BILYK: And that was Mr Taylor—is that right?

Mr Chisholm: That's right.

Senator BILYK: You've said that the Prime Minister was copied in on the eighth. Would the minister have known anything prior to 8 March?

Mr Chisholm: The minister?

Senator BILYK: Minister Taylor, the energy minister at the time.

Mr Chisholm: There were amendments made to the CC regulations, the competition and consumer regulations, to change the date for publication, so the then minister would have been aware, I think. I'm very reluctant to use that phrase 'would have been', because I—

Senator BILYK: So when was that date to change it?

Mr Chisholm: Again, I would have to check.

Senator BILYK: Do you know, for the date to change it that you just mentioned, when the minister would have known about that?

Mr Chisholm: Again, you had a process whereby the Treasurer was giving authority for the energy minister to make regulatory changes to give effect to the default market offer. So you can assume that, at a certain point prior to the date you were talking about, the minister would have been involved in that process, given that he had the authority to make those decisions.

Senator BILYK: So can I also presume that this is entirely a decision of the then government—the former government?

Mr Chisholm: Yes, it's a decision of the previous government.

Senator BILYK: Have you known it to ever happen before?

Mr Chisholm: Not to my knowledge. No.

Senator BILYK: It still confuses me, to be honest. I don't understand. I know you can't give your personal opinion, but I don't understand, unless it was for political gain, why the former minister would have hidden it. Have you got anything that you can say there?

Mr Chisholm: I think those questions are best directed to the department, who would have been involved in supporting the minister in relation to those changes.

Senator BILYK: Okay. But I will just note that, as I said, a New South Wales residential property had \$227, or 14.1 per cent, hidden. A New South Wales small business, as I said, had \$1,130, or 19.7 per cent, hidden. I'll just talk about South Australia, because I know there are people in the room from South Australia. A residential property in South Australia had \$124, and for a South Australian small business it was \$459. I know that the energy sector was in havoc under the former government. It's been pretty clear to us for quite a while. You can't have 22 policies over nine years and not be in some sort of havoc. But I still can't understand why the Morrison government would then delay releasing this important pricing update. I'm trying to word a question around the fact that it's an absolute betrayal. I see it as a betrayal of people, of the voters, to have hidden it. Senator Sheldon, do you want to ask anything else? I know we've had these conversations backwards and forwards.

Senator REYNOLDS: Are you having a conversation with yourself there, Senator Bilyk?

Senator BILYK: Well, you can laugh about it. Let me tell you: you can laugh about it.

CHAIR: Given the answers out of the officials, we might as well, for the moment, move on to Senator Waters.

Senator WATERS: Hello, folks. Thanks for your time today. I will start off with some questions about the ministerial standards. Recent reports suggest that the former Treasurer Mr Frydenberg has accepted a role with Goldman Sachs. What measures, if any, have been taken to determine whether Mr Frydenberg could be in breach

of the ministerial standards restrictions on taking advantage of information gained in his ministerial role? Has the Prime Minister sought any advice from your department and office on that issue?

Mr Reid: Obviously Mr Frydenberg would be bound by provisions in the previous ministerial standards. I'm not aware of any advice having been sought in relation to that issue, but I will take that on notice.

Senator WATERS: Likewise, have any active measures have been taken to determine whether compliance is occurring, given the 18-month cooling-off period?

Mr Reid: Not that I am aware. I would note, though, in terms of enforcement of those matters against a former minister in relation to ministerial standards which applied under a former Prime Minister, we would need to work through those issues.

Senator WATERS: Could you take on notice for me what policy reforms you might suggest to ensure that enforcement will be available at all times. Governments do change. It's important that those ministerial standards be upheld even in these periods of change. Have there been any measures adopted to ensure that Mr Frydenberg doesn't lobby, advocate or have business meetings with the current government in his new role?

Mr Reid: Of course, Mr Frydenberg would be bound by the Lobbying Code of Conduct, or departments would be bound to comply with the Lobbying Code of Conduct. In relation to whether or not he has satisfied that code, I would direct you to the Attorney-General's Department, which maintains that—

Senator WATERS: I'm not really asking about that, though; I'm asking about what measures PMO have taken such that, if contact is sought, the PMO ensures that those ministerial standards are upheld.

Mr Reid: I am not aware of what PMO has done, but I'll take that on notice.

Senator WATERS: Okay. And the department?

Mr Reid: I'll take that on notice, too.

Senator WATERS: Thank you. Can I move now to Ms Rachele Miller. She has indicated that she is willing to release full details of the agreement between her and the government. Can you confirm when the agreement was prepared and when it was signed?

Mr Reid: No, I can't. I understand that agreement was managed by the Department of Finance.

Senator WATERS: Did the PMO or PM&C have any involvement in any review of that document prior to it being signed?

Mr Reid: Certainly not to my knowledge.

Senator WATERS: Did the department or the office provide any advice to the Prime Minister regarding the agreement or brief him before the agreement was finalised?

Mr Reid: Not my knowledge. The process was managed by the Department of Finance.

Senator WATERS: You might be able to answer this one. The agreement was not subject to a non-disclosure agreement. As you are probably aware, one of the recommendations of the *Respect@Work* report is to review the use of non-disclosure agreements. Has the Prime Minister adopted any policy around the use of non-disclosure agreements in any future settlements?

Mr Reid: I'm not sure that I can assist you. I don't have that material in front of me. But, in relation to the implementation of the set of standards, the relevant staff who have been implementing that will be made available to the committee on Monday 7 November. I will ensure that they are ready with that information.

Senator WATERS: Thank you. I'm really after any sort of non-legislative policy changes that might be being contemplated. Obviously the bill will come before us in due course.

Mr Reid: Understood.

Senator WATERS: Can I move now to a different topic: fundraising at Parliament House. I was very pleased to see the Prime Minister announce two weeks ago now a ban on using Parliament House venues for political fundraisers. What has PM&C done to give effect to that decision?

Senator Wong: I can assist. Mr Reid knows, but I have a little bit of knowledge on this. It wouldn't actually be PM&C; it would be the Department of Parliamentary Services. From memory, the Prime Minister wrote to the President and the Speaker indicating that he was requesting—and I'm paraphrasing—that this policy be given effect. I can't speak to how DPS has given effect to that, but, from the portfolio's perspective, that's what has occurred.

Senator WATERS: Mr Reid, do you have anything to add?

Mr Reid: I do. I'm sorry, but I misspoke earlier in relation to the non-disclosure agreements. The policy or legislative work going on there is being conducted out of the Attorney-General's Department, not the team within PM&C.

Senator WATERS: Who was consulted prior to the announcement of the decision to finally stop the public building being used for private political fundraisers?

Senator Wong: Sorry?

Senator WATERS: Who was consulted prior to the decision to stop fundraisers here?

Senator Wong: I'll take that on notice. I don't know the history of it, but I think it's an appropriate—

Senator WATERS: Yes, I'm in strong support of the decision. I'm just interested if anyone was consulted, and, if so, who?

Mr Reid: We'll need to take that on notice.

Senator WATERS: Have you worked with DPS to prevent bookings for events that would be in breach of the decision, or are you leaving that solely to DPS to operationalise?

Senator Wong: Why would we leave it solely to DPS? Did you say that?

Senator WATERS: That's what Mr Reid just said before.

Senator Wong: That's because they're responsible for Parliament House, not the Department of the Prime Minister and Cabinet.

Senator WATERS: That is my question: is it solely within DPS's province now, or has there been any work done to liaise to make sure that future bookings aren't made?

Senator Wong: The management of and operations of Parliament House is a matter for the Department of Parliamentary Services and for the presiding officers. PM&C just wouldn't have a role; there is nothing untoward about it.

Senator WATERS: I'm not alleging anything untoward; I'm simply trying to understand what's happened.

Senator Wong: Yes, it's just normal process.

Senator WATERS: Great.

Senator Wong: I'm not sure when they are appearing.

Senator WATERS: I'm not either, but we will all get there and have a great time when we're there! My last chunk of questions relates to the MoP(S) Act review. There are a range of matters in the review. I've been told that the gender equality aspects of that review belong in questions to the Office for Women. I'm prepared to accept that. I have some questions that don't pertain to gender equality. Does PM&C have any role in overseeing the implementation of the MoP(S) Act review recommendations? If so, what is that role?

Mr Reid: Yes, we do. We have a team within the department that manages that. Again, that is one of the matters that has been deferred to Monday the 7th. So that team that is responsible for dealing with the MoP(S) Act review and also the broader *Set the standard* review will be available to the committee on that day.

Senator WATERS: I might ask you these next few questions. If you can answer them, great, it's save me asking them later, because I'm not sure if they will require the expertise of the team you just mentioned. The MoP(S) Act review identifies the huge workload in electorate offices and the need to review resources. Is there any plan to undertake that review and any related review of personal staff allocations?

Mr Reid: I understand the question. I think it would be best if that was directed to the staff who are dealing with that matter. We will make sure that they are ready to answer that question when they appear.

Senator Wong: Sorry, can you just give me 30 seconds.

Senator WATERS: Sure.

Senator Wong: I was under the impression it was the Department of Finance, but Mr Reid has explained to me things that have happened that I was not aware of.

Senator WATERS: He is welcome to explain them to me also.

Senator Wong: Previously, staffing allocation and those sorts of staffing questions would go to the Department of Finance. But Mr Reid has explained—and I think your questioning indicates this—the role that PM&C has. That's all.

Mr Reid: As I said, it's more appropriate for the right people who have been working on this matter. The matter of staff allocation, in the post MoP(S) Act review, will be dealt with by, as I understand it, the OPSC.

Senator WATERS: Which isn't yet stood up.

Mr Reid: But, again, the people who will be here on the 7th will be able to answer those questions.

Senator WATERS: Is it within the scope of that team's role to undertake that review about workload in electorate officers and associated personal staff allocation reviews?

Mr Reid: My understanding of the recommendations out of the MoP(S) Act review is that that will be done by the OPSC.

Senator WATERS: Is the team that is coming later doing any of that work? Or is no-one doing any of that work until the OPSC is established, which is quite some way off?

Mr Reid: My understanding is that that will be within the purview of OPSC. I'm not aware that the team there is doing work in relation to staffing allocation at the moment.

Senator WATERS: So there is in fact no point in me asking them those questions? So no-one is looking at the staff resourcing issue until such time as OPSC is constituted? Is that correct?

Mr Reid: As I said, there may be things going on, but I am aware that the mandate for undertaking the staff allocation review has been passed and will be taken up by the OPSC.

Senator WATERS: Thank you. I hear you. Does PM&C have a plan for any regular reviews of the impact of the decision about allocation of personal staff on independents and minor parties?

Mr Reid: Again, I'd probably direct that to the staff who will be here on the seventh.

Senator WATERS: So, you don't know whether there's a regular review planned?

Mr Reid: I don't have that material in front of me. As I said, the material will be subject to questioning on the seventh.

Senator WATERS: Okay, but you also said before that that team isn't doing that work. So, could you perhaps take the question on notice, rather than me getting it taken on notice in a week and a half?

Mr Reid: I'm happy to take it on notice.

Senator WATERS: Lastly, are you meeting with independents and minor parties to discuss whether having fewer staff is undermining their capacity to get across the volume of legislation in the government's agenda or whether it's diverting resources away from assisting constituents?

Mr Reid: Again, I'll refer that question to the people who have been conducting all manner of meetings. I haven't been. But I'll ensure that they are ready to answer that question for you on the seventh.

Senator WATERS: Okay. Can I just clarify: would that be within their scope? Or will they tell me that that's not their job and that it's OPSC's job, once OPSC exists?

Mr Reid: I suspect that that is not part of their role.

Senator WATERS: Right. Thank you very much. That's all for me.

Senator ROBERTS: I've got one topic, two short questions. The Prime Minister and notably the member for Hunter, Dan Repacholi, have promised on multiple occasions a just transition and jobs for coal workers who are going to lose their jobs because of the government's push to net zero. Two thousand workers will lose their jobs as BHP elects to close the Mt Arthur coalmine early because of a lack of buyers, probably scared off by the regulatory outlook for coal in Australia. Given that these promises of a just transition were promises from the Prime Minister, is your department involved in any of the efforts to find 2,000 new jobs for these coalminers?

Mr Chisholm: Senator, you weren't here earlier when we stepped through a stream of work—a task force that has been established to look at the questions you've been looking at, in particular how we can support workers and communities affected by the transformation of energy in the Australian economy. That was in fact a key theme that came out of the jobs summit as well. So, the government will be working closely with affected workers and their representatives, with industry and with jurisdictions to ensure that we have a framework in place to support workers as part of those changes.

I will just say, though, that in answering that question I just want to be really clear that I'm not agreeing with the assertion that the government's policies have brought about these changes. These changes and the impacts on workers have been accumulating over many years under a number of circumstances that are not attributable to one thing. There are a number of reasons that these changes are taking place. A lot of it is attributable to changing markets and global shifts in relation to investment in forms of energy and of course international commitments on that front. The government joins in those commitments, particularly in relation to its climate commitments. But you will see that there's a range of factors contributing to those changes, not just one.

As for Mt Arthur, I think it's best that you direct questions about particular assets to the Department of Climate Change, Energy, the Environment and Water or to the Department of Industry, Science and Resources, who I think will be able to assist you with that in more detail.

Senator Wong: Senator Roberts, I appreciate the respectful way in which you engage on issues on which we disagree fundamentally. I want to respond briefly to the assertion you made in your question. If you listen to what Mike Henry, the CEO or chief of BHP, says about both Mount Arthur and his company's broader strategy and where they are pivoting investment to, it is not an issue of higher regulation et cetera. It is an issue of BHP and other resource companies looking to where markets are going in the future. My recollection of Mount Arthur—and I could be wrong—is that there was no buyer found. BHP has made a set of decisions, but what is driving those decisions is their assessment—you may or may not agree with it—about where global markets are going, which is more renewables.

Senator ROBERTS: I thank you for the answer and the detailed explanation. My understanding is that the forecast for coal demand is significantly higher than people expected, and right now the prices are unheard of.

Senator Wong: The prices are very high, absolutely, and I think that what has occurred in Ukraine and the impact on global energy markets is obviously impacting upon the price of coal and the demand for coal now, for the reasons we understand. I'm making a point that, if you're a CEO looking to 2050—and Mr Forrest also talks about this—you're thinking, 'What is my company going to sell in 10, 20 and 30 years time?' It's not just the few years where we're seeing a spike in prices because of high demand.

Senator ROBERTS: With due respect, the price of coal, as I understand it, started taking off well before the Ukraine conflict. I don't think you can blame the price of coal on Ukraine. That's all I have, Chair.

Senator BIRMINGHAM: Can I go back, firstly, to the design of the code of conduct and the settlement of the text around that. Did the Prime Minister consult any other ministers in relation to the code of conduct before he settled on and approved the final version?

Senator Wong: I'm sorry?

Senator BIRMINGHAM: Did the Prime Minister consult with any other ministers on the text and terms of the code of conduct before he settled on and approved the final version?

Senator Wong: I'd have to take that on notice.

Senator BIRMINGHAM: If you could, and if you did, which ministers and on any particular terms that they—

Senator Wong: As I recall Senator Payne saying many times, she didn't discuss conversations between colleagues, and I don't intend to. But, if we can assist, we will.

Senator BIRMINGHAM: There are different forms of consultation that could have taken place as to whether the prime minister shared a draft with any other colleagues, and, if so, who? That isn't going to conversations; that's going to actual consultation processes.

Senator Wong: I'll take it on notice. I don't know.

Senator BIRMINGHAM: If you could and it could be inclusive about whether drafts were shared and whether formal comment was provided by any ministers in relation to the content of the code. I'll take that as a yes.

Senator Wong: Sure.

Senator BIRMINGHAM: Going to the analysis that the department undertook as part of the request to look at the Attorney-General's investments, the response from the department secretary, Professor Davis, steps through, as we discussed before, the terms around what constitutes a significant investment. To be clear, because it was at the tail end of the questions, you don't know or can't say whether the department sought any advice or used any other precedents from other processes to determine how it came to the conclusion that a significant extent should be defined as a majority.

Mr Reid: I've taken that on notice.

Senator BIRMINGHAM: So you will come back to us if there was any advice sought from other agencies, if you sought any external advice, or if you assessed as part of that any precedents in other laws or processes?

Mr Reid: When you say other laws, noting that the Code of Conduct for Ministers isn't a legislative instrument.

Senator BIRMINGHAM: No, it's not, but in terms of what constitutes something that is sufficiently significant to disclose. Are you aware, in relation to disclosures that companies, for example, have to make about their share registries, what constitutes 'substantial or significant'?

Mr Reid: I'm not.

Senator BIRMINGHAM: Did you look at those?

Senator Wong: You've asked a number of times now a general question about what PM&C looked to in framing that advice. We've taken that on notice. You're now proceeding to ask, 'Did you look at this, this or this,' all of which is included in the first. We've taken it on notice.

Senator BIRMINGHAM: Sometimes it helps to be precise about some of the things there, Senator Wong.

Senator Wong: Yes, I know that. If you wish to ask, 'Could you consider A, B, C and D,' you're entitled to do that.

Senator BIRMINGHAM: Thank you, Senator Wong. I'll take it that we've put enough examples there for Mr Reid to give a comprehensive response in relation to what it is that he's taken on notice there. In relation to the analysis of Mr Dreyfus's investments, can you talk me through what analysis was undertaken by the department?

Mr Reid: I don't have before me the terms of the analysis that was undertaken, but I do know that we looked at the shareholdings that he has, the superannuation funds and what the superannuation funds were investing in, including the shareholding and bond funds of both of those investment vehicles.

Senator BIRMINGHAM: Was that work done exclusively by PM&C, or did you seek any external assistance for that analysis?

Mr Reid: That work was done by PM&C.

Senator BIRMINGHAM: Did PM&C interview or discuss this with the Attorney-General or seek any particular cooperation from him in that regard?

Mr Reid: PM&C's role—and indeed the secretary's role—was to support the Prime Minister. Our work was simply to answer the request that the Prime Minister had made of the secretary. I certainly wasn't involved in any conversations with other departments.

Senator BIRMINGHAM: Were there any conversations directly with the Attorney-General?

Mr Reid: Not that I'm aware of. Certainly not from the department.

Senator BIRMINGHAM: Not by Professor Davis with the Attorney-General?

Mr Reid: I'll take that on notice.

Senator BIRMINGHAM: Thank you, if you could. Did the Prime Minister have any conversations with the Attorney-General about the nature of his shareholdings through his self-managed super fund?

Mr Reid: I would need to take that on notice.

Senator BIRMINGHAM: Was it disclosed at any stage by the Attorney-General that he, through those investment vehicles, had interests in Omni Bridgeway?

Mr Reid: I'd need to take on notice exactly how different pieces of information came to us, whether we were informed through the Prime Minister's office or whether it was through our own researchers. I would need to take that level of detail on notice.

Senator BIRMINGHAM: If we can be clear, I'd appreciate understanding whether Professor Davis or any other PM&C official, the Prime Minister or any PMO staff member asked the Attorney-General at any point about his prior awareness of his financial interests through his financial structures in Omni Bridgeway.

Mr Reid: Thank you. That's clear. I'll take that on notice.

Senator BIRMINGHAM: Thank you. The department and the PMO in that regard. That's probably a reasonable juncture.

Senator COLBECK: Senator Reynolds wants to get some clarification around questioning in relation to the NDIS task force. If we could just clarify that before the break.

Senator Wong: That's Ms Frame, I think.

Ms Frame: Acting Deputy Secretary James Kelly is here to take those questions. He's leading the task force.

Senator REYNOLDS: My question was whether asking them here would be appropriate, but also, if we had follow-on questions, I don't want to get to community affairs and find them being referred back to this committee. Can we ask them in both?

Senator Wong: I know the committee's going to have a discussion about agenda, but why don't you ask them here and, if we can answer them, we will. If they're not something we can answer then obviously we'll refer them to community affairs.

CHAIR: If senators can have a think about how many brackets of questions they have, we will try to ration our time. I think that means that, sadly, PM&C is still required after lunch. We'll try and work out for how long as best we can.

Proceedings suspended from 13:01 to 14:01

CHAIR: The committee is now recommencing, still with the Department of the Prime Minister and Cabinet. I'll give the call to the coalition.

Senator BIRMINGHAM: Thank you, Minister, and officials, for being here longer than the program had initially indicated. I'll just close off on the code of conduct questions and those associated with Mr Dreyfus briefly, and then I'll jump to some international questions, but colleagues have some other things too. Was Professor Davis asked purely to look at a potential breach of the code, particularly in relation to 3.11, or was he asked to consider any potential breaches of the code as they may relate to any potential conflicts or perceived conflicts, and/or the disclosure of, or failure to disclose, them whilst making decisions?

Mr Reid: The request of the secretary that was made by the Prime Minister specifically flagged both clause 3.6, and 3.11, relating to shareholdings, and asked for the secretary's advice on whether or not it was appropriate under the code to approve the retention of those interests.

Senator BIRMINGHAM: The department was aware, whilst undertaking that review, of the decision that the Attorney-General had been party to, in relation to class action funding—was it?

Mr Reid: Yes. The department was aware of the Attorney's role in approving—sorry; did your question go to approving class action?

Senator BIRMINGHAM: A decision in relation to class action funding reforms—or unwinding those reforms, as the heading of the Attorney-General's press release describes it?

Mr Reid: Yes, we were aware of that.

Senator BIRMINGHAM: And did you consider whether—even if the Attorney-General is not in breach of the matters pertaining to clause 3.11(ii) of the code of conduct—there was an obligation on the Attorney-General to disclose any knowledge of any holdings in relation to companies or funds invested in class action arrangements in making such a decision, regardless of the scale of those holdings?

Mr Reid: There's a general duty of disclosure upon ministers under the code.

Senator BIRMINGHAM: There's a general duty of disclosure upon ministers, and so, if I can put it this way, there are particulars in the code that pertain to what ministers can't hold—and that includes, in general, that a minister can't hold substantial investments, even through a fund, in areas of their responsibility; separate to that, there is a general duty to disclose, if there was a conflict or a potential for a conflict, even if it wasn't in breach of that clause about substantial interests?

Mr Reid: That's right. It's probably worth pointing out that the request that the Prime Minister makes of the secretary is not necessarily generally in relation to the code. The Prime Minister can approach the secretary for any advice, particular or otherwise. I don't recall advice being sought on the general duty of disclosure. That is not to say that the Prime Minister hadn't otherwise spoken to or required other disclosures from the Attorney-General. We don't ever get the full picture necessarily of what the Prime Minister is determining under his code. He will only ask the secretary for particulars that he requires advice on.

Senator BIRMINGHAM: I think by and large this is covered by questions you took on notice before the lunch break, but just to be clear, I would like to understand whether the PMO or the department assessed whether the Attorney-General made any disclosure about holdings that he has indirectly, but through his investment vehicles, in Omni Bridgeway prior to making the decisions that he was party to in relation to class action funding.

Mr Reid: I've taken that on notice.

Senator BIRMINGHAM: I'm now going to move briefly to international. Has Prime Minister Albanese called Israeli Prime Minister Lapid to apologise, given the public concerns expressed by Prime Minister Lapid about the way in which the decision over West Jerusalem was handled?

Ms Katrina Cooper: No, the Prime Minister has not received any requests for a phone call with the Israeli Prime Minister, and nor have we sought one for the Prime Minister.

Senator BIRMINGHAM: Why has one not been sought by Prime Minister Albanese to explain the decision and rectify or at least address the concerns that have been expressed by Prime Minister Lapid?

Ms Katrina Cooper: Of course, we have an ambassador from Israel here in Australia, and we have an Australian ambassador in Israel, and they represent their governments and obviously we have had conversations with those representatives, both here and in Israel.

Senator BIRMINGHAM: It's quite an unusual set of circumstances for the Prime Minister of another country, particularly a country with whom we are on good terms, to describe the decision-making of the Australian government as having not taken matters seriously or not undertaken matters professionally, which essentially is what Prime Minister Lapid said. I would have thought that that warranted more than ambassador-level contact.

Senator Wong: When the President of France talked about the former Prime Minister lying to him, I don't know that a call was sought! But look, there's obviously quite a deal of engagement. I have responded to questions in the Senate about this. That engagement, to date, has been at the ambassador and post level.

Senator BIRMINGHAM: Have there been any discussions about prime ministerial contact?

Ms Katrina Cooper: No, we have not had any conversations about prime ministerial contact.

Senator BIRMINGHAM: Had there been any prior contact between the two prime ministers?

Ms Katrina Cooper: Yes, there was a call early on in government between the Prime Minister and the Prime Minister of Israel.

Senator BIRMINGHAM: There was a call in the early days of the new government between Prime Minister Albanese and Prime Minister Lapid?

Ms Katrina Cooper: Yes, there was.

Senator BIRMINGHAM: In that call, did Prime Minister Albanese raise Australia's recognition of West Jerusalem?

Senator Wong: You know we're not going to talk about what the leaders spoke about. I'm happy to talk about what was made clear prior to the election, but it's not the practice of any government to go into detail in public of what was said between leaders.

Senator BIRMINGHAM: I accept it's not the practice to go into general descriptions of what was said, open-ended approaches et cetera. It is quite common, however, when a decision of government has been taken and publicly announced for it to be clear as to whether or not that decision was canvassed with the partner prior to it being taken and what engagement occurred with that partner prior to it being taken. It's clear already from Ms Cooper's information to the committee that, subsequent to the decision, there'd been no contact between prime ministers, that at least immediately prior to the decision or, indeed, for some time prior to the decision there was no contact between the prime ministers. There was the initial courtesy and engagement call, if I can put it that way, between the prime ministers following the election of a new prime minister in Australia. That's obviously the only opportunity that would have existed for the prime ministers to discuss this issue, isn't it, because they didn't talk at any other time?

Senator Wong: I will check whether or not there have been any other calls in the five months we have been in government between the prime ministers. Obviously there's been quite a lot of head-of-government engagement, but I'll check whether there's been anything further. In relation to contact since the decision, apart from what Ms Cooper has said, as I said in the Senate, I have also engaged with the Israeli ambassador. I'm sure you'll ask questions about that week after next.

Senator BIRMINGHAM: I no doubt will traverse some of that then, so I'll try to keep to the Prime Minister's engagement for now. Has the Prime Minister engaged with the Israeli ambassador to Australia?

Ms Katrina Cooper: No.

Senator BIRMINGHAM: So the Prime Minister has had no engagement at any level with the Israeli government since the decision?

Senator Wong: I'm the foreign minister and I have engaged with the Israeli ambassador.

Senator BIRMINGHAM: You are the foreign minister, Senator Wong. That's what it says on your name plate. We all recognise that.

Senator Wong: I wasn't trying to be ostentatious. I'm just making the point that it's not unusual for the foreign minister to take the lead, rather than the Prime Minister, on engagements with other countries.

Senator BIRMINGHAM: It's perfectly usual for that to be the case. However, it is unusual to have a set of circumstances where the Prime Minister of another country has so expressly and publicly criticised processes and decision-making of Australia. In them having done so, there might be the expectation that our Prime Minister played some role in seeking to engage with that country following that. Equally, prior to the decision being made, aside from the one call that was the initial engagement call between leaders, did Prime Minister Albanese or other ministers, such as Senator Wong, have any engagement with the Israeli government at all at any level or with the Israeli ambassador about Australia's intention to revisit the decision around West Jerusalem?

Ms Katrina Cooper: It wouldn't be usual for the Prime Minister to engage with an ambassador here on that matter. It would normally be done by the Department of Foreign Affairs and Trade and by the foreign minister.

Senator BIRMINGHAM: In saying that it wouldn't be usual, you're indicating that there was not—

Ms Katrina Cooper: No, there was not.

Senator BIRMINGHAM: Right, thank you. What involvement, if any, did PM&C have in the process to revisit Australia's recognition of West Jerusalem?

Ms Katrina Cooper: That was a matter handled by the Department of Foreign Affairs and Trade.

Senator BIRMINGHAM: Was PM&C consulted?

Ms Katrina Cooper: No, Senator.

Senator BIRMINGHAM: Was this a decision of cabinet or a decision taken by other means of government?

Ms Katrina Cooper: I wouldn't normally comment on cabinet, but I think the foreign minister is on the record—

Senator Wong: I've already said that it was a decision of the cabinet.

Senator BIRMINGHAM: It was a decision of cabinet. PM&C was not consulted through at least the normal cabinet consultation processes?

Senator Wong: We don't discuss cabinet processes, but I've confirmed that it was a decision of cabinet.

Senator BIRMINGHAM: Well, I have sat through many a committee with discussions around whether other agencies were consulted—and indeed with references being made by officials and ministers to the normal consultation processes and the circulation of cabinet submissions. I assume it still occurs, that a cabinet submission is circulated to other departments for comment? It's a general process of cabinet procedure.

Senator Wong: I'm just not going to go into processes of cabinet. I have indicated publicly that cabinet did determine the position that I announced in the morning.

Senator BIRMINGHAM: This is a general process question about cabinet: are cabinet submissions circulated to other departments to provide for comment on those submissions for the consideration of cabinet members?

Mr Reid: I'm not sure that I can add much to what the minister has offered.

Senator BIRMINGHAM: That's a relatively straightforward question I've asked there. It would actually be an extraordinary change of process if that is not now the case, because it goes to the contestability of decision-making within governments. I'm simply framing that as a procedural question, that cabinet submissions get circulated across agencies and departments for them to be able to provide comment that is attached to those cabinet submissions, such that ministers can see if there are concerns from other agencies when they're making the decision whether or not to adopt those recommendations. Surely that process hasn't actually changed? Or has it?

Mr Reid: As far as I am aware, in terms of processes under this government and former governments there has been no substantial change to general cabinet processes in that way.

Senator BIRMINGHAM: Right, thank you Mr Reid. That was a little harder than it needed to be. So in relation to this submission, did it go through the normal processes?

Senator Wong: I've already answered that: I'm not going to talk about cabinet processes in relation to any specific decision—and neither did you. But I would make a few comments about this, if you want to deal with this today. This is a position that we, the Australian Labor Party, have held since 2018. I was very explicit about it. And the reason we've held that decision is that we did not agree with the unilateral and politically driven decision made without reference to cabinet by your government. I'll just remind you that the declaration that you would make a decision on the move of the embassy and the recognition of West Jerusalem was done by Mr Morrison calling Senator Payne and by the discussion with your leadership group. It didn't go to cabinet, and it was then announced. We have been clear about this. The Prime Minister has recognised that we would have

preferred to have dealt with this differently, and I'm happy to talk about that in the week after next, but it is not the case that this is a position that was different from the position we've held for four years. It is the position, as you know, that Australia has held for decades, except for the period for which Mr Morrison chose to change it.

Senator BIRMINGHAM: You talked about what was explicit to the public. I'm going to propose here to go through the comments of Mr Dreyfus or Mr Burns or others that sought to provide—

Senator Wong: This is a final status issue. Hang on. I issued a press release, I gave an interview and I think I was also on social media about it. I don't think there was any hiding of the position.

Senator BIRMINGHAM: That's certainly not the impression that Mr Dreyfus and Mr Burns sought to create in their commentary.

Senator Wong: I can tell you what I did, and I would also say to you that people who understand this debate understand what is meant when we say Jerusalem is a final status issue, which is what Ms Bishop used to say as well. It's very clear what that means: you don't make a decision in relation to it.

Senator BIRMINGHAM: Equally, your colleagues sought to paint a different picture pre-election to different individuals. Was PM&C alerted to the change in the DFAT website that occurred on the Monday prior to the decision being announced?

Ms Katrina Cooper: No, we weren't alerted to a change in the website, but we wouldn't be alerted to changes in other agencies' websites as a matter of course.

Senator BIRMINGHAM: Did you have any discussion with DFAT after it became public that the website had changed?

Ms Katrina Cooper: We did, yes.

Senator BIRMINGHAM: What was the nature of that request to DFAT or their request to you?

Ms Katrina Cooper: A member of my team called DFAT to follow up on the media article to determine whether that media article was accurate. I don't have the details of those conversations, but I can confirm that there was a conversation between officials in the Department of the Prime Minister and Cabinet and DFAT.

Senator BIRMINGHAM: Did PM&C request DFAT make any changes to its website?

Ms Katrina Cooper: Not that I'm aware of, no.

Senator BIRMINGHAM: Could you check on that please. Was any other action requested of any other agencies or officials as a result of that disclosure on the website?

Ms Katrina Cooper: I might ask Mr Chittick to join me at the table. I was actually not in Canberra on that day. To the best of my knowledge, no, but Mr Chittick was in Canberra, so he may have further information.

Mr Chittick: Following our awareness of the *Guardian* article, as Ms Cooper said, staff from International Division rang DFAT to inquire about changes to the whole-of-government talking points. Those were provided by DFAT the following morning.

Senator BIRMINGHAM: So the change in website was publicly identified on the Monday, and on the Tuesday morning new whole-of-government talking points were provided by DFAT to PM&C—

Mr Chittick: That's correct.

Senator BIRMINGHAM: and those whole-of-government talking points reflected the reasons for the change in website or the issues around the change in website. What was the nature of those talking points, and could they perhaps be tabled please.

Mr Chittick: They reflected the foreign minister's comments.

Senator Wong: My announcement.

Mr Chittick: Sorry, announcement.

Senator Wong: I'm unclear. What are you asking, Senator? I am trying to get some time frames in my head here. What are you seeking from PM&C?

Senator BIRMINGHAM: Right now I am seeking from Mr Chittick what the whole-of-government talking points provided by DFAT to PM&C on the Tuesday morning pertained to. A copy of them would probably be simplest.

Mr Chittick: They reflected the statement the Minister for Foreign Affairs gave to the media on the evening of 17 October, the Monday night.

Senator BIRMINGHAM: They reflected the denial of there being any change in position?

Mr Chittick: They reflected the foreign minister's comments.

Senator BIRMINGHAM: From the Monday, as distinct from the Tuesday. On Tuesday morning you got the talking points that were probably out of date moments after you got them.

Mr Chittick: We received those talking points on the Tuesday morning.

Senator BIRMINGHAM: Did you receive further talking points from DFAT later that day?

Mr Chittick: The foreign minister, as I recall, made a statement after cabinet on the Tuesday. I would think that the talking points would have been updated by DFAT following that statement.

Senator BIRMINGHAM: I would think they would have been too. Is there any intention for the Prime Minister to have a discussion with Prime Minister Lapid any time soon?

Ms Katrina Cooper: We don't usually make public plans for the Prime Minister to speak with counterparts. Often there is an announcement after he has done so. I wouldn't want to speculate on future phone calls or engagements the Prime Minister has.

Senator BIRMINGHAM: Based on what you said before, there hasn't been a request made for one to occur?

Ms Katrina Cooper: No, there has been no request from either side for a foreign call at leader level.

Senator BIRMINGHAM: Thanks, Ms Cooper. I want to shift onto another topic—

CHAIR: Senator Reynolds had questions, did she not?

Senator McGRATH: I have a question on this, if that's okay. You said there's been no contact between Prime Minister Albanese and Prime Minister Lapid in relation to this decision. Was there any contact between Prime Minister Albanese and the prime minister or the president of the Palestinian authority?

Ms Katrina Cooper: No, Senator.

Senator McGRATH: Are you aware of any ministerial contact between any Australian ministers and any Israeli ministers since the decision?

Ms Katrina Cooper: I'm certainly not aware of any, other than, of course—no. The foreign minister, as she mentioned, spoke to the Israeli ambassador. I'm not aware of any ministerial contact.

Senator McGRATH: I'm done.

Senator COLBECK: I'll do the NDIS stuff for Senator Reynolds.

CHAIR: I should draw your attention to the fact that in order to get through the day's program we will specifically still need to finish PM&C at 3 pm. I note that the coalition has had 175 minutes of questions—

Senator HUME: We've got even more than that.

CHAIR: Labor about 92, Greens 77 and One Nation about 40. That is where we'll get to by the end of the day if you use your 60 minutes now. I am very happy for you to do that, but it will limit your questions later on for the afternoon agencies, because we will run out of time. So I'm just forewarning that we will need to finish this section at 3 pm. If you want to save time, you can have that time in agencies this afternoon.

Senator COLBECK: I will do some quick questions in relation to NDIS, which Senator Reynolds wanted to do but is not available during the period we have left in the committee this afternoon. We'd just like to quickly get those on the record. They won't take me long.

Ms Frame: Senator, Mr Kelly, the acting deputy secretary, is in a position to answer any questions on the NDIS review. The secretariat is housed in PM&C. Any other questions about the operations of the NDIS and policy would be best directed to the NDIA and the Department of Social Services.

Senator COLBECK: No, I understand that, and I was wanting to ask some questions around the review on the task force.

Ms Frame: Thank you.

Senator COLBECK: I'll just rattle off a few things quickly, so that we can get those on the record, in relation to the establishment of the task force—when it was established and who leads the task force.

Mr Kelly: In terms of establishment, I joined PM&C on 2 August, so that's probably in a sense the beginning of when there was a secretariat to support the panel that was announced on 18 October. It's been slowly building up, up to that announcement last week.

Senator COLBECK: So, at the administrative level you lead the task force?

Mr Kelly: That's right.

Senator COLBECK: To what level are you expecting the task force to grow? What sort of scale are we looking at in terms of how many people and how it's staffed?

Mr Kelly: At the moment there are 22 staff, some of whom are part-time. There is provision for around 30 to 40, but we're assessing, as we work through the panel, where they want to go, how much will be in staffing and how much will be focused on activities relating to codesign which might require other supplier expenses. But 30 to 40 is kind of what we're looking at.

Senator COLBECK: Does the task force report to a particular minister?

Mr Kelly: I sit within the Prime Minister's department. I engage with Minister Shorten. The panel itself and the review is to report to the disability reform ministers, of which Minister Shorten is one, as well as the state and territory disability ministers. Ultimately the work I'm doing and the panel I'm supporting will report to the disability ministers.

Senator COLBECK: Is there a particular minister who directs the activities of the task force?

Mr Kelly: The task force works to the panel, and the panel has been given terms of reference by the Commonwealth minister and the state ministers, and we work to those terms of reference. There's not in a normal sense direction outside of that.

Senator COLBECK: Have the terms of reference been established?

Mr Kelly: Yes. The terms of reference were released on 18 October.

Senator COLBECK: So, in the context of a federation process, the effect is given to that by the engagement of the Commonwealth minister and the state ministers as a part of the panel that works with the—

Mr Kelly: There's a disability reform ministers process—I think the name has changed recently—to which the panel will report. The actual funding for the review has been provided by the Commonwealth, and we're set up within a Commonwealth agency, but we will work very closely with states and territories, and a number of the staff on the secretariat are coming from state governments.

Senator COLBECK: Is there a particular cycle of reporting required?

Mr Kelly: The requirement for the review is to provide a final report by October 2023. The terms of reference make provision, as the panel reaches conclusions on issues, to potentially bring things back to the disability reform ministers meeting as we go, and it's my expectation that we will be doing that. So, that will depend on the schedule of those meetings that's set by the minister and his colleagues.

Senator COLBECK: So, effectively there's scope for interim reporting as certain parcels of work are completed.

Mr Kelly: Yes.

Senator COLBECK: But no particular time frames on those.

Mr Kelly: No.

Senator COLBECK: As a part of that process, is there any impact on that with respect to the intergovernmental agreement with Western Australia? Is that finalised yet, do we know?

Mr Kelly: The status of that is probably a question better directed to the Department of Social Services. As I understand it, WA's been transitioning and we're near the end of that process. There might be some residual aspect of that, but I think the transition is nearly complete.

Senator COLBECK: Does that impact at all, though, on the operations of the task force?

Mr Kelly: No.

Senator COLBECK: Does the review take into consideration the original state and territory agreement to provide tier 2 community disability supports?

Mr Kelly: The terms of reference for the review require the panel—they're quite extensive terms of reference, and include looking at programs associated with tier 2 like information linkages and capacity building but also mainstream interfaces and interactions with other systems and policies, including states and territories. In that sense, in terms of what's commonly described as tier 2, it's something the review can cover.

Senator COLBECK: Does the review look at examining the rollout process of the NIIS?

Mr Kelly: NIIS?

Senator COLBECK: The sister program recommended in the 2011 Productivity Commission review.

Mr Kelly: It is a review of the National Disability Insurance Scheme. As you say, the PC also proposed a national injury insurance scheme, which has always been seen as distinct from the NDIS. While the terms of reference don't formally refer to the NIIS, they require the panel to think about sustainability and spillover effects. In that context, the absence of a NIIS scheme has meant some people who would've been in that scheme have ended up in the NDIS. Potentially it is something the panel can give thought or consideration to, but they will have to make those choices about where they focus.

Senator COLBECK: Are there particular documents being used to inform the review and any particular actuarial data and assumptions that'll feed into the review?

Mr Kelly: At this stage, the numbers we have are basically those provided by the scheme actuary and that have informed the recent budget estimates. I've seen a draft of those, but it would be better to speak to the DSS and the NDIA. We have the capacity to, and it's my expectation that we will, employ independent actuarial advice to dig into those numbers and make sure we understand what really lies below them.

Senator COLBECK: Thank you.

Senator HUME: I have some more questions around the *Cabinet Handbook*; I should've done these earlier, sorry. I just want to clarify for my own understanding, Ms McGregor: if there is a new *Cabinet Handbook* being developed at the moment but hasn't been approved yet, are cabinet ministers using the processes in the old handbook? What are they using? What are they referring to?

Ms McGregor: Whilst the new *Cabinet Handbook* is being developed, the Cabinet Division has been promulgating guidance via cabinet circulars through our cabinet liaison officer network across all departments, including through meetings of all the cabinet liaison officers across the Commonwealth.

Senator HUME: There are a fair few cabinet ministers who have never been cabinet ministers before, so they're not entirely sure whether this is standard protocol or whether this is new or whether they're doing it properly, I assume?

Ms McGregor: We work very closely with DLOs in ministers' offices around cabinet and the processes. There's been quite a lot of intensive familiarisation with the cabinet system over the last six months.

Senator HUME: Are they referring to the old handbook at all?

Ms McGregor: They're working with the procedures as we've agreed them between the Cabinet Secretary and ourselves.

Senator HUME: Can you walk me through the process that happens from where a submission goes from being an idea in somebody's head, whether it be the head of a minister or of somebody in the department, to being a cabinet submission that's then considered by cabinet—just step by step.

Ms McGregor: That process doesn't really change. I can give you a very high-level description because it will vary. Generally, cabinet submissions are developed in the cabinet system, which is a secure system. Our team will work with departments around when various versions are complete and the time frames around which those are expected. Once it's been agreed for circulation, we will circulate that submission to relevant ministers.

Senator HUME: Do you still use exposure draft and then coordination comment draft, and—

Ms McGregor: Those features rarely change.

Senator HUME: Are there any other that I've missed?

Ms McGregor: No.

Senator HUME: Who gives the final authority that a submission is ready to move from one stage to the next stage?

Ms McGregor: Generally, as I think I said earlier, there is agreement between us and the cabinet secretary's office around when a submission is okay to take from an exposure draft, for example, to a further draft or a final draft.

Senator HUME: So it's your department that does that?

Ms McGregor: It's our division that manages that.

Senator HUME: When are the submissions made available to political advisers in the Prime Minister's office? At what point in the process?

Ms McGregor: I'd have to take that on notice. That would be dependent on the office—when people are requiring things in offices, or not. They can access things on the system at particular points, but as to whether they do or they don't, I wouldn't see that.

Senator HUME: So there isn't a particular point in the process?

Ms McGregor: Nothing specific.

Senator HUME: So it could be when the exposure draft is lodged?

Ms McGregor: Not generally, I wouldn't think. That generally—

Senator HUME: Is it at the coord stage?

Ms McGregor: happens in departments. But if the minister was drafting the submission, obviously their office would have access to it at earlier points in the process.

Senator HUME: Is it generally more at the coord stage that it would go to the political advisers in the Prime Minister's office?

Ms McGregor: It goes to a minister.

Senator HUME: I'm asking about the Prime Minister.

Ms McGregor: Submissions are provided to ministers.

Senator HUME: I know I seem to be asking the same question again, but at what point does it go to the political advisers in the Prime Minister's office? Is it only at the final stage that you know—

Ms McGregor: I wouldn't have visibility of that. That would be up to the Prime Minister's office.

Senator HUME: So the Prime Minister's office has the option to jump in at any point of the process. But, as a default, do the Prime Minister's office advisers only normally step in at the final stage?

Ms McGregor: I can't comment on what happens in the Prime Minister's office.

Senator HUME: Do other advisers from other offices see things concurrently with the Prime Minister's office, or does the Prime Minister's office see things at a different stage?

Ms McGregor: Senator, I really don't have any visibility of at what point advisers would get to see things. It would be up to their minister to determine that. We provide submissions, drafts, et cetera to ministers, as appropriate in the process.

Senator HUME: Okay. I have some other questions going to this process, but I think they might be better suited to another official. I want to ask how PM&C feeds into the green brief. There's still a green brief, I'm assuming?

Senator Wong: This is the ERC?

Senator HUME: Yes.

Senator Wong: Sorry, I was going to jump in earlier, just to confirm that there are obviously different processes in different committees and on different issues. I'm sure Senator Birmingham would know there would be times when you have to deal with something urgently. ERC processes are a bit different, and, I assume, very similar to what occurred under the previous government. They haven't changed much since I was finance minister, from what I can gather, being on ERC now. But maybe I'm wrong. Maybe there's been some fantastic efficiency that I haven't observed! I apologise!

Senator HUME: Can I ask how the department feeds into the green brief? It's created by the Department of Finance, but, as part of the ERC process, where does PM&C fit in and feed into that process?

Ms McGregor: Mr Chisholm is probably best placed to provide an answer on that.

Mr Chisholm: The evidence given my Ms McGregor and the minister is correct. The process is very similar to previous governments, in terms of ERC green briefs and the role that central agencies have in providing comments on policy proposals.

Senator HUME: I should have asked this earlier—in fact, maybe Senator Birmingham already has. Did you answer how many ERC meetings they've had already, or were you going to take that on notice?

Senator Wong: He hasn't asked that. We'll take it on notice.

Senator HUME: Good, thank you. I interrupted you, Mr Chisholm.

Mr Chisholm: I was just affirming the evidence given by the minister that the process is very similar to previous governments, with green briefs and the role that central agencies play in providing comments on policy proposals to be considered by ERC.

Senator HUME: When a line agency department submission is a subject of the green, does PM&C have a different process when Finance and Treasury, for instance, are the subject of the green?

Senator Wong: How much did they have a club? Is there a central agencies club?

Senator HUME: No, no.

Senator Wong: I reckon Senator Birmingham might be able to answer that better than I. There is nervous laughter here.

Mr Chisholm: It is conventional that, if, for example, the proposal is from central agency then, no, we do not get to green in support of our own proposal. It would be Treasury and Finance.

Senator HUME: I was going to ask: when it is PM&C, for instance, and if you assume that, say, the National Indigenous Australians Agency or the department itself is the subject of the green, you don't get to feed into the process?

Mr Chisholm: NIAA, I don't think so, no. No, we wouldn't do that.

Senator HUME: So you would never get to a stage where the National Indigenous Australians Agency recommended something and then PM&C commented and disagreed?

Mr Chisholm: No, that's right. Likewise with the Department of Finance.

Senator Wong: We're in the hypotheticals here.

Senator HUME: I know, it's just a process thing.

Senator Wong: I have let this go because I think it's reasonably well known, but we're not going to get into details of specific proposals, obviously.

Senator HUME: No, I'm not asking that.

Senator Wong: But the question is: how do you manage the potential conflict of interest within central agencies when there's an NPP from them or one of their entities?

Senator HUME: That's right.

Senator BIRMINGHAM: As a general rule I found that Treasury and Finance quite enjoyed the opportunity to comment on one another's proposals.

Senator Wong: I don't know. I always found that they coordinated pretty well, actually.

Ms Frame: Can I clarify: we do comment on NIAA proposals.

Senator HUME: You do?

Ms Frame: We do.

Senator HUME: But they are part of PM&C?

Ms Frame: They're within the cluster. They're a separate agency, though, and we do green on their proposals. They're not part of PM&C, as they used to be, before I was in the Commonwealth. They were part of PM&C proper; they are now a separate agency.

Senator HUME: Who else falls into that category?

Senator Wong: A number of agencies—ONI.

Senator HUME: So you would comment on ONI, for instance?

Ms Frame: That's right.

Senator HUME: Does PM&C prepare a separate brief in addition to the green for the Prime Minister or PM&C portfolio to support them?

Senator Wong: Is this in relation generally to every ERC—

Senator HUME: Generally, just generally.

Senator Wong: Please let me finish, because if I can assist I will. Are you talking in relation to every ERC proposal or in relation to a Prime Minister and Cabinet portfolio proposal?

Senator HUME: No, a Prime Minister and Cabinet.

Senator Wong: Portfolio?

Senator HUME: Yes.

Senator Wong: Presumably you would.

Mr Chisholm: Yes.

Senator Wong: As the portfolio minister you would.

Senator HUME: So you do do a separate brief to the Prime Minister?

Mr Chisholm: Yes.

Senator HUME: Has it got a name? Has it got a colour.

Mr Chisholm: It's a brief to the Prime Minister in relation to the items to be considered in—

Senator HUME: So it's not on a particular colour of paper, puce or whatever?

Mr Chisholm: No, it's not a particular colour, it's white.

Senator HUME: So it doesn't have a nickname.

Mr Chisholm: No, no particular colour.

Senator HUME: One last thing—again, I'm not entirely sure who I should be aiming this to—and it's about one of your divisions, the Policy Projects Taskforce. It's under—

Ms Frame: Shane Johnson.

Senator HUME: Yes.

Ms Frame: That is a division within the social policy—

Senator HUME: What does it do?

Ms Frame: It provides support across any priority within Prime Minister and Cabinet. We had some questions earlier today about internal consultancy and building on that further under the APS reform agenda. That office currently performs that function and has been doing so for many years.

Senator HUME: Does a task get referred internally to that unit, or is it by a minister or the Prime Minister? Who sets the task?

Ms Frame: It's internally, within the department.

Senator HUME: Internally within the department. How many people are in that unit?

Ms Frame: I'll have to get the exact number for you; I'll take that on notice.

Senator HUME: Okay. Is that unit involved in any of the interdepartmental committees?

Ms Frame: It may be that on occasion they're asked by the relevant deputy secretary to provide some material to support an IDC—

Senator HUME: But it's not a member of an IDC?

Ms Frame: No, that's correct.

Senator HUME: Is it tasked to support any particular subcommittee of cabinet?

Ms Frame: No; they support a range of projects and they also do support across different departments at times. If a deputy secretary considers that a department is doing some really key work where it would be beneficial for them to have some support from the PPTO then they're able to provide some project and task force support.

Senator HUME: And what is the product that the division creates?

Ms Frame: It would be different in every circumstance. Sometimes they might produce placemats and conduct analysis, sourcing documents and research, and at other times they might contribute to reports—analysis that a department or a team within Prime Minister and Cabinet are preparing. So it would vary.

Senator HUME: Okay, thank you.

CHAIR: Senator Rennick.

Senator RENNICK: My question is for Minister Wong. I'd like to raise the issue of the Leppington Triangle audit. As you know, the Auditor-General ended up with egg on his face by claiming that the land was worth \$3 million when it was worth \$30 million. I've asked the Auditor-General previously in estimates for copies of the work papers with regard to that audit. You will remember that well, because you spent two hours interrogating the infrastructure department in RRAT one morning—

Senator Wong: I think you probably think my memory is better than it actually is, Senator Rennick, but that's fine!

Senator RENNICK: That's fine. My concern is that the Auditor-General won't release the work papers from that audit. Given that he was so far out and failed to apply the proper accounting standards, and in the name of transparency, I'd like to know what the Prime Minister will do about that. That's No. 1. And No. 2 is that I'd like to know whether or not the Prime Minister has ever had a relationship with the Auditor-General, given that they were both Labor staffers going back to the late eighties?

Senator Wong: The first is that the Auditor-General is appearing, I think, a bit later, because we have—

Senator RENNICK: I accept that, but I—

Senator Wong: Please. Obviously, you can put these questions directly to the Auditor-General. You've made a number of assertions about the Auditor-General's history and I don't know if they're true. I—

Senator RENNICK: Well, he's an ex-Labor staffer from way back—

Senator Wong: Well, I don't know that.

Senator RENNICK: Yes, well, he is.

Senator Wong: Well, until you said that it was never something that I've been aware of.

Senator RENNICK: It's my understanding that he was with Stewart West—

Senator Wong: It's unfortunate that you're making the imputation that you are. It's an independent statutory office. He was appointed by your—

Senator RENNICK: Yes, I've said that—

Senator Wong: So if there's some imputation about his professionalism then I ask you to consider carefully whether that's an appropriate assertion—

Senator RENNICK: It is, because I'll quote AASB 13, the standard for fair value—

Senator Wong: Well, it—

Senator RENNICK: and paragraphs 27 and 29 say that you value land at best use.

Senator Wong: Okay—

Senator RENNICK: He didn't do that in the audit and that became a big political issue, which you spent two hours prosecuting in RRAT, okay? So I'm just holding you to the same standard that you tried to hold the Morrison government to.

Senator Wong: Well, my recollection is that I went to—this was a couple of years ago now?

Senator RENNICK: Yes.

Senator Wong: Yes. I've asked a lot of questions over the years—

Senator RENNICK: No, I accept that.

Senator Wong: And I've asked questions about a purchase which, from memory, I think the secretary himself agreed there were concerns about. You're now talking about the Auditor-General's report—

Senator RENNICK: Yes, I have issues around the professionalism.

Senator Wong: Yes, sure. Well, I'm not in a position to have an argument with you about an accounting standard, but I'm sure that's something you could put to the Audit Office.

Senator RENNICK: I have.

Senator Wong: So what's the question to me?

Senator RENNICK: My issue is that he won't release the work papers around that audit, and I want to know why he got the zoning wrong and why he valued it wrong.

Senator Wong: He's an independent statutory officer. Whoever holds that office makes the judgement about their work and what is included or not included in public reports. It's not a political question.

Senator RENNICK: How can the Australian people have confidence in the impartiality of the Auditor-General when he's clearly got something wrong by a factor of 90 per cent and he fails to disclose work papers? It might be that they are an independent statutory body, but who are they accountable to? My understanding is that these guys are ultimately reportable to the Prime Minister's Office. In the name of transparency—

Senator Wong: Did you just assert that they were—

Senator RENNICK: They are appointed by—

Senator Wong: They are appointed by the government of the day, which was your government. That's one. Secondly, they are accountable to the parliament. From memory, is there not a joint committee that has oversight or with whom the Auditor-General engages? I think you made an assertion that he's appointed by the Prime Minister's Office. You ought to withdraw that. That's not—

Senator RENNICK: I will withdraw it.

Senator Wong: Thank you.

Senator RENNICK: It was our Prime Minister's office, but going forward it's something that needs to be raised. I'm concerned about it.

Senator Wong: The Joint Committee of Public Accounts and Audit.

Senator RENNICK: The problem is I have difficulty getting committees up because we don't have the numbers. So this is the only means I have to try and hold the Auditor-General to account. I could try and move a motion to try and get an inquiry into this, but I doubt that you would vote for it.

Senator Wong: You as an elected senator have the right to come to these estimates hearings and ask questions. As a minister, I can respond. You have the right to come and ask the Auditor-General about the issues you have raised. I'll just make the point it's an independent statutory office. It reports to the parliament. Auditor-General reports have been, at times, difficult for governments of both political persuasions. I have had to deal with difficult Auditor-General reports and I'm sure Senator Birmingham has had to. But that's the role in the polity that this office plays. If you do not agree with the work he has done, you are entitled to put that to him. I assume you have done that at previous estimates.

Senator RENNICK: Yes, and he rejects it and I disagree with—

Senator Wong: He obviously doesn't agree—

Senator RENNICK: And he doesn't disclose the work papers. I don't think that's right in the interests of public disclosure. So, if I were to move a motion, would the Labor Party support an inquiry into the role of the Auditor-General?

Senator Wong: I don't think you would get your colleagues to support you. Senator Birmingham is going to tell you that. Would I agree with an inquiry into an officer of an independent statutory body who is already subject to oversight by the parliament because you disagree with him? Probably not.

Senator RENNICK: It's because he won't disclose the work papers. It became a political issue of the day.

Senator Wong: It was a political issue, but what you are asking is: should the executive direct a statutory officer as to what they should provide to the Senate? It's a bit difficult.

Senator RENNICK: That's not what I am saying.

Senator Wong: I thought—

Senator RENNICK: I am not trying to have a go at you.

Senator Wong: No, but I thought that was what you are saying. You are asking: can you make sure he gives us his working papers? I thought that was—

Senator RENNICK: I want the parliament to support that the Auditor-General releases those working papers. The coalition do not have the numbers by themselves to get up an inquiry into this. I can have my colleagues support me, but—

CHAIR: You can have an inquiry in the oversight committee.

Senator Wong: I am happy for you to come and ask questions when he appears.

Senator RENNICK: But he won't disclose the work papers.

Senator Wong: It might be useful for him to explain why.

CHAIR: Let's just be clear. We have given the coalition a whole hour here, which means we have not allocated the coalition much time for the ANAO this afternoon as a result. If you want to explore that further—

Senator RENNICK: I'll come back. I won't get anywhere—but anyway; thanks.

CHAIR: Senator Birmingham.

Senator BIRMINGHAM: I will attempt a little bit of speed questioning across two topics if I possibly can.

CHAIR: I'm not sure we'll have time for that. We did have an agreement.

Senator BIRMINGHAM: I'll try to make them quick, depending on how we go. Did the Prime Minister meet with Shaq in his capacity as Prime Minister, or as a local MP?

Senator HUME: Shaq—you might want to—

Senator BIRMINGHAM: Mr Shaquille O'Neal—I'm not sure that the Prime Minister used the full title at any time!

Ms Quilty: I'm not aware whether it was in his capacity as Prime Minister or his capacity as a member of parliament.

Senator BIRMINGHAM: The media conference took place in the Commonwealth parliamentary offices in Sydney, in the Prime Minister's office there, not in his electorate, though.

Ms Quilty: Yes. We're aware that the meeting took place.

Senator BIRMINGHAM: And a media alert was distributed from the Prime Minister's office under the heading of the Prime Minister. That's correct, isn't it?

Ms Quilty: I believe so.

Senator BIRMINGHAM: Can I ask—and I don't expect that you will have it here, so in the interests of speed—for you to review FOI reference PM22010 from the office of the Prime Minister in which pretty much all communications were redacted in relation to the meeting, on the grounds that the meeting was organised by the Prime Minister's electorate office rather than his prime ministerial office? That seems quite contrary to the way in which the meeting was conducted or publicly advised.

Ms Quilty: I'm aware of that FOI.

Senator BIRMINGHAM: Do you think the findings of the FOI are in keeping with the requirements of the FOI Act?

Senator Wong: That's an opinion. You're asking her for an opinion.

Senator BIRMINGHAM: Is there a reason beyond claiming some sort of electorate office immunity as to why this information can't be made public?

Mr Reid: Senator, if I may, that FOI I think was an FOI directed to and responded to by the Prime Minister's office rather than the department.

Senator BIRMINGHAM: That's correct.

Mr Reid: So, the department doesn't have any role in making those FOI decisions. We don't have a role in responding to those requests but for providing administrative assistance to the Prime Minister's office. Obviously there are review rights available to individuals in relation to those decisions where the Prime Minister's office would stand as the respondent.

Senator BIRMINGHAM: In relation to Shaq, was PM&C engaged in providing him with a gift at all?

Ms Quilty: Could you just repeat that last part?

Senator BIRMINGHAM: Was PM&C engaged at all in the provision of a gift from the Prime Minister to Shaq?

Ms Quilty: No, PM&C was not.

Senator BIRMINGHAM: And very quickly, is Mr Thistlethwaite's position as Assistant Minister for the Republic supported by PM&C?

Mr Reid: I think it's largely supported out of the Attorney-General's Department.

Senator BIRMINGHAM: Out of A-G's?

Senator Wong: I'll check, but that's my recollection.

Mr Reid: That's right, Senator.

Senator BIRMINGHAM: Okay. Thank you. That was a quick line of questioning.

CHAIR: Thank you Department of the Prime Minister and Cabinet.

Proceedings suspended from 15:05 to 15:13

Office of the Official Secretary to the Governor-General

CHAIR: We're early but late; we were supposed to be ready for you at two o'clock. My apologies for that. Welcome. Thank you for your attendance today. Are you okay if we go straight to questions?

Mr Singer: Do you mind if I just make a very brief statement, please, Chair?

CHAIR: No problem.

Mr Singer: Thank you. I welcome the opportunity to update the committee on the Governor-General's and Mrs Hurley's program of activity and the key achievements and priorities for my office. I would like, at the—

CHAIR: Sorry—Mr Singer, may I just ask how long your statement is? We have about 65 minutes' worth of questions and about 50 minutes to do them in.

Mr Singer: I'd like, if I could, to take just two minutes.

CHAIR: Two minutes. You're also very welcome to table the whole statement. I'm sure we would be very interested and pleased to review it.

Mr Singer: Thanks, Chair. I welcome the opportunity to update the committee on the Governor-General and Mrs Hurley's program of activity and key achievements and priorities of my office.

I would like, at the outset, to acknowledge the passing of Her Majesty the Queen in September. The tributes and outpouring that followed spoke to Her Majesty's example, legacy and lifetime of service. I take this opportunity to put on the record my appreciation to the staff of the office for the role they played in our national response. The committee will appreciate that the need to respond to news from the United Kingdom was known to be inevitable, yet I would hope never to receive it. It was a duty we took very seriously. From facilitating the initial announcement of the proclamation of His Majesty the King, to supporting the Governor-General and Mrs Hurley to represent Australians in London, to opening up Government House to visitors seeking to pay tribute, I am proud of how my staff responded to this historic moment.

I am similarly proud of how my office has continued to support the Governor-General and Mrs Hurley to engage with the Australian community. This engagement, of course, takes many forms, from celebrating achievement and service through an increasingly diverse Order of Australia—this year, 46 per cent of awards were to women, an increase of 31 per cent from four years ago—

CHAIR: Well done.

Mr Singer: to offering comfort to those impacted by fires, floods and other natural disasters, including, in just the last week, the Governor-General and Mrs Hurley's visits to flood affected communities in Tasmania, Victoria and New South Wales; and, of course, to being active patrons and supporters to 239 different community organisations and much more.

Much of this work is undertaken out of the spotlight of media attention. Across more than 2,400 official engagements, Their Excellencies have supported our community, given hope to those in their hour of need, and highlighted and celebrated the individuals and organisations who contribute so much to our nation.

Finally, I wish to provide advice to the committee with regard to the Senate order for production of documents related to unanswered questions on notice. There was one question taken on notice by the office during budget estimates, and six written questions on notice were received after the last hearing. Responses to all questions were sent to the Senate committee by the nominated due date.

Finally, I apologise; I lost my voice yesterday and I've been struggling against time to regain it before this appearance. I apologise if that creates any disruption for the committee this afternoon.

CHAIR: You are doing very well. Thank you for those very fitting opening remarks. Thank you to your office for all the work that it's done with the passing of Queen Elizabeth and all the constitutional arrangements and ceremonies that have been conducted on the nation's behalf. We're very grateful for that.

Mr Singer: Thank you, Chair.

CHAIR: I'm now going to give the call to Senator Sheldon.

Senator SHELDON: Good afternoon, gentlemen. Mr Singer, I'd like to return to a matter that was raised during the last Senate estimates hearing, on the Australian Future Leaders Foundation. You were asked then by the committee whether you or the Governor-General had a pre-existing relationship with Mr Hartley. You referred to the Governor-General having briefly met Mr Hartley at a rowing regatta in 2019. I noted in answer to question on notice 83, which we can table—

Mr Singer: I'm aware of it.

Senator SHELDON: you provided additional information about your relationship with Mr Hartley, namely that you had known him since you attended a Commonwealth Study Conference program in 2015. How would you describe your relationship with Mr Hartley?

Mr Singer: As I said in that response to the question on notice, my personal relationship with Mr Hartley commenced in 2015, when I was selected to attend the Commonwealth Study Conference Leaders course in the United Kingdom. Whilst I didn't meet Mr Hartley at that time, I'm aware that he was involved in the organisation and running of that particular course. Since then, in 2020, Mr Hartley met with me to discuss an idea for the Australian Future Leaders Program.

Senator SHELDON: Do you speak regularly or send texts or emails to each other? Messages? Do you have dinner together? Have you visited each other's homes?

Mr Singer: We've never visited each other's homes. We've exchanged correspondence regularly over the last two years in the context of the design and development of the Australian Future Leaders Program.

Senator SHELDON: When did you first become aware of Mr Hartley's proposed project, whether it was known then as the Australian Future Leaders Foundation or by some other name?

Mr Singer: If it helps the committee, it might be useful for me to counter some of the public commentary that has been in the public domain around this particular program, because there has been some confusion and misreporting.

Senator SHELDON: That would be helpful. I've got a list of questions, so you'll be able to explain through those. Certainly, if there is time left—

Mr Singer: If I can help delineate: the Australian Future Leaders Foundation is the entity, and the Australian Future Leaders Program was the proposed program to be run by the foundation.

Senator SHELDON: Certainly, if there's time, regarding the rest of the explanation, I'm happy to put a question on notice to give you an opportunity to say further comments, if that's of assistance. When did you first become aware of the Australian Future Leaders Foundation, or of it by some other name?

Mr Singer: The idea was first raised in July 2020.

Senator SHELDON: In that question on notice, the transcript shows you told this committee previously in April 2022:

... the Governor-General had a knowledge of Chris Hartley before this proposal for this program was made approximately two years ago.

Can we take it from the comment that you were aware of Mr Hartley's project at least as early as 2020, from the date you just gave me?

Mr Singer: The idea was first raised with the office in July 2020.

Senator SHELDON: That was the first point in time you were aware of it, was it?

Mr Singer: To be perfectly clear: the idea was first raised with the office in July 2020.

Senator SHELDON: What was your involvement in the proposal in the period between early 2020 and January 2021?

Mr Singer: With the idea having been first proposed to the Governor-General as a deeply experiential program, with the objective of broadening horizons, networks and perspectives amongst those who will lead Australia in the future, it was acknowledged that this idea had some merit, and the Governor-General was very supportive of there being further development in the design of a detailed proposal for the program.

Senator SHELDON: How many times has the Governor-General met with Mr Hartley in that period since, and did you attend those meetings? Were there formal minutes taken of these meetings, and, if there were, could you provide copies of the minutes?

Mr Singer: The occasions on which Mr Hartley met with the Governor-General are a matter of public record and reflected in the Governor-General's diary on his website. I don't have at hand how many times there have been from July 2020 through to now. I've been present for a number of those meetings, not all of them. On each occasion there were no specific minutes taken.

Senator SHELDON: I table an ABC report from 7 April 2022, which reports:

... Chris Hartley, boasted that he secured federal support more than a year before it was publicly announced.

Do you recall Mr Hartley making such comments, or seeing such comments reflected in emails or other communications, or having such comments related to you by third parties?

Mr Singer: I'm aware of the public commentary but I'm not aware of any formal proposal having been approved at that time, other than there having been interest expressed by the government in the idea. At that stage there had been nothing formalised.

Senator SHELDON: Was it your understanding Mr Hartley had secured federal funding in early 2021? If so, what informed that view?

Mr Singer: In terms of funding, I'm aware that on 16 December 2021 the then government announced as part of MYEFO that the DJR status had been approved and, on 3 March this year, that the financial frameworks regulation had been approved as part of the Executive Council. That's the only formal involvement my office has had as part of the funding arrangements. I should make it very clear that the funding arrangements for this particular program have always been at arm's length from my office and from the Governor-General. It has been a matter for Prime Minister and Cabinet to work through those arrangements, and the modalities and mechanisms for any funding, directly with the foundation. My office and, indeed, the Governor-General, has always recognised that any financial decisions are a matter for the government of the day.

Senator SHELDON: Another quote from the ABC article:

Promotional brochures published early last year ... claimed vice-regal and government endorsement of the program.

Do you recall seeing this promotional material and do you recall Mr Hartley making such comments, or seeing such comments reflected in emails or other communications, or having those comments relayed to you by third parties?

Mr Singer: I can't speak for the foundation, but what I can say is that, from the moment that the idea was proposed to the Governor-General, and with the extensive development that went into the design of the program over the subsequent two years, the Governor-General himself was willing to lend his patronage to the program, on the basis that it attracted bipartisan support.

Senator SHELDON: Here's another quote. An email, seen by the ABC, that was sent by Mr Hartley declared that the Prime Minister was supportive of the project and the Prime Minister's office would 'own' the project. Do you recall Mr Hartley making such comments, or seeing such comments reflected in emails or other communications, or having those comments relayed to you by third parties?

Mr Singer: No.

Senator SHELDON: Was it your understanding that the Prime Minister's office would 'own' the project?

Mr Singer: That's not the way that I would characterise my understanding of the then Prime Minister's interest in the project. I am aware that the Governor-General wrote to the Prime Minister on 26 November 2020 inviting the then Prime Minister to take a brief on the project, but never was there any such commitment about the Prime Minister's office owning the project.

Senator SHELDON: I note that the Governor-General's diary shows that two official events were held on 17 May 2021, on the Australian Future Leaders Program, and I quote: 'On Monday, 17 May 2021, the Governor-General and Mrs Hurley hosted a roundtable discussion and morning tea in support of the Australian Future Leaders Program,' then, 'The Governor-General and Mrs Hurley hosted a roundtable discussion and afternoon tea in support of the Australian Future Leaders Program.' Who attended this event and were donations or pledges sought from attendees at the event?

Mr Singer: I'm not aware of any pledges or donations being sought as part of the event. What it was designed to do was be a roundtable discussion with 70 leaders from a broad range of sectors across Australia, including business, government, academia, the unions, not-for-profit—I beg your pardon?

Senator BILYK: Could we get a list of attendees?

Mr Singer: I'd be very happy to table a list of those that attended.

Senator SHELDON: Were there any attendees told of any of the claims above—that the Prime Minister's office 'owned' the project or that it had secured vice-regal and government endorsement, or that it had already secured federal support?

Mr Singer: No, not that I'm aware of.

Senator SHELDON: In another quote from the ABC article, Mr Hartley titled the program 'the Governor-General's Australian Future Leaders Programme' and asserted to potential supporters 'that it would complement "the government's economic recovery plan to catalyse societal cohesion and fairness"'. Was that claim made at this round table?

Mr Singer: We're going back over a year and a half, and I'm not sure that I recall the specific language that was used. I recall language to that effect being made reference to, as to this particular program, in terms of it catalysing and being used as a means for social cohesion and unity and promoting leadership capacity. But, as to the specific language that you quote, I wouldn't be able to comment.

Senator SHELDON: To assist the committee, can you please provide copies of invitations and printed material provided to attendees, any run sheets for the event, and any speaking remarks by either you, the Governor-General or Mr Hartley?

Mr Singer: Yes, I could provide that, on notice.

Senator SHELDON: Thank you, Mr Singer. Incidentally, were there expenses associated with the event?

Mr Singer: No more than the usual expenses for hospitality hosted by the Governor-General.

Senator SHELDON: Just so I'm clear: who paid for them?

Mr Singer: My office paid for them, as part of the Governor-General's program of official hospitality.

Senator SHELDON: Then, this year, the Morrison government tabled—

Mr Singer: I would be happy to—well, in fact I don't know that I'd have specifics, because it was a simple morning tea and a simple afternoon tea. So we're talking a matter of a few dollars per head.

Senator SHOEBRIDGE: Could you provide, on notice, how much?

Mr Singer: I would be happy to provide an indication of how much. It may not be specifically how much for that individual event.

Senator SHELDON: Thanks. Then, this year, the Morrison government tabled a piece of delegated legislation titled Financial Framework (Supplementary Powers) Amendment (Prime Minister and Cabinet's Portfolio Measures No. 2) Regulations 2022. That was the \$18 million—correct?

Mr Singer: Yes. So they were the financial framework regulations approved on 3 March.

Senator SHELDON: Did you speak to anyone in the Morrison government about this funding? Can you say who? And what action do you believe they took as a result of your conversation?

Mr Singer: Sorry—I just missed the start of your question.

Senator SHELDON: Did you speak to anyone in the Morrison government about this funding?

Mr Singer: No. Well, again, I'll just return to my earlier comment: that funding arrangements were a matter for the government, and directly handled between the Department of the Prime Minister and Cabinet and the entity, being the foundation. My office had no role in the funding arrangements.

Senator SHELDON: Just so I'm clear: do you have any involvement with the Australian Future Leaders Foundation today, Mr Singer?

Mr Singer: There's no direct involvement, other than the fact that, as has always been the case, if the program were to run in the original intent that had been proposed then the Governor-General would be interested in lending his patronage to it.

Senator SHELDON: Thank you, Mr Singer.

CHAIR: Senator Shoebridge.

Senator SHOEBRIDGE: Mr Singer and Mr Barnes, thank you for coming in today. The round table that was hosted by the Governor-General—did you say that was on 17 May 2021?

Mr Singer: That's correct. There were two round tables on 17 May, one in the morning and one in the afternoon.

Senator SHOEBRIDGE: And you've agreed to give details of who attended both round tables?

Mr Singer: Yes.

Senator SHOEBRIDGE: And costing for both round tables?

Mr Singer: As I said, Senator, I'm happy to provide an indication of costings. I wouldn't be able to specify per event, but it would be an indication.

Senator SHOEBRIDGE: I reckon you don't do \$2-a-head morning teas at the Governor-General's place, do you?

Mr Singer: I recall both events pretty clearly, and it was a fairly modest morning tea because the focus was on the round table.

Senator SHOEBRIDGE: Do you recall when the invitations went out for the round tables? I assume these were quite high-level people who would need adequate notice.

Mr Singer: Again, I would be happy to take that on notice in terms of the specific date, but it would have been in the weeks leading up to 17 May.

Senator SHOEBRIDGE: I'm just trying to work out how that was pulled together so rapidly. The organisation was only registered on 13 April 2021. There must've been some frantic activity in your office to get it together. Was that the case?

Mr Singer: I think it would be helpful for me, again, to put on the public record just how much work was done between the time that the idea was put to the Governor-General in July 2020 and, indeed, to the round tables that you referred to on 17 May 2021. There has been a lot of public commentary about the program not having an office, not having a website and not having staff. But in fact there was an incredible amount of pro bono support undertaken by some of Australia's largest consultancy firms, many of Australia's universities and some corporate leaders. That was all on a pro bono basis to design and develop the program to the point where it could be put to the government in a mature state for its consideration. To suggest that it was created as an entity in April 2021 is

correct—I understand that it was registered on 13 April—but there was so much more work that had gone into the design and development of the program before that date.

Senator SHOEBRIDGE: How do you know that?

Mr Singer: How do I know that?

Senator SHOEBRIDGE: Yes.

Mr Singer: Because the Governor-General was supportive of that work being undertaken. As is a matter of public record, Mr Hartley met with the Governor-General on numerous occasions during that period and updated him on the progress to date. That enabled those round tables, which were a key part of the design and development of the program, to harness that sort of brainpower before a proposal could be put to government.

Senator SHOEBRIDGE: But the Governor-General's patronage of an organisation is extremely valuable to an organisation, because that allows it to leverage additional funding and prestige. That's true, isn't it?

Mr Singer: Well, I'm reminded of the remarks made in an interview on 8 September by the eminent academic Professor Anne Twomey, where she said that there's nothing unusual about a Governor-General lending support to a worthwhile charity or cause—

Senator SHOEBRIDGE: But normally they're registered—

Mr Singer: Sorry, Senator—and talking to the government about the value of that work. There is nothing different in this case, other than the fact that perhaps the Governor-General was proactively involved in supporting the design and development of that program before it being put to government for consideration.

Senator SHOEBRIDGE: So if there's nothing unusual, are there other conversations that you're aware of which the Governor-General was having with the former Prime Minister seeking funding for other programs? You said it's nothing unusual; it seems unusual to me. Can you give other examples?

Mr Singer: I think that what would not be disputed is that governors-general speak to prime ministers regularly about the good work that's happening in the community, particularly about those organisations that are doing good things to uplift, encourage and support Australians—acknowledging, as has the Governor-General in relation to this particular program, that any funding support and any funding decisions are very much a matter for the government of the day.

Senator SHOEBRIDGE: In answer to a media request for the *Saturday Paper*, when you were asked about the involvement of the Governor-General in the funding decision, the quote you gave was:

The governor-general had no involvement in deciding the mechanism and, prior to it being brought forward at federal executive council, was not aware of the mechanism chosen by the government.

Accepting the Governor-General wasn't aware of the mechanism, what was the Governor-General aware of? The quantum?

Mr Singer: No. In fact, thank you, Senator, because it gives me an opportunity to absolutely dispute the fact that the Governor-General was aware of the mechanism, the quantum or the modalities of how funding would be transferred. The Governor-General had no involvement whatsoever in relation to the funding arrangements, and nor did my office.

Senator SHOEBRIDGE: It's just that you chose your words very carefully about deciding the mechanism. What did you mean when you gave that quote—'deciding the mechanism'?

Mr Singer: That the arrangements for any funding agreement, whether the then government or the current government choose to support a program or not, are a matter for that government, and that the Governor-General and my office had no involvement in those arrangements.

Senator SHOEBRIDGE: Since the grant has been cancelled, has the Governor-General had further meetings with Mr Hartley?

Mr Singer: I think, in terms of timing, the Prime Minister informed the Governor-General that the program wouldn't be receiving funding on 7 September, and since that time I'm not aware of there having been a meeting between the Governor-General and Mr Hartley

Senator SHOEBRIDGE: Could you check and provide an answer on notice?

Mr Singer: Yes.

Senator SHOEBRIDGE: I think you've clarified the fact that the Governor-General is still willing to be associated with and lend his patronage to the program. Is that right?

Mr Singer: I think there are a number of criteria that would still need to be satisfied in terms of the program satisfying the original intent. It would need to be a model that the Governor-General remained agreeable to in terms of its format and delivery, and of course there would need to be a question around viability, with or without public funding

Senator SHOEBRIDGE: When did you first meet with Mr Hartley?

Mr Singer: Senator, I'm not sure if you heard—you may not have been here—when I answered this question to Senator Sheldon. But I first met Mr Hartley in 2015 on an unrelated matter. That was in relation to a course I attended in CSCLeaders.

Senator SHOEBRIDGE: That's the Commonwealth Study Conference?

Mr Singer: That's correct. In relation to this specific issue and when the idea was first raised, that was July 2020.

Senator SHOEBRIDGE: And the Governor-General first met Mr Hartley in 2019 at a rowing regatta—is that right?

Mr Singer: It's entirely plausible that the Governor-General, as Governor or in fact as CDF, may have attended events with Chris Hartley in the years prior to that.

Senator SHOEBRIDGE: Well, are you aware of any occasions not simply where they were at the same event but where they met prior to the 2019 King's Cup rowing regatta?

Mr Singer: I can only speak for the Governor-General's diary in this term. I'm not privy to what he did before becoming Governor-General in July 2019. In terms of other events or meetings that the Governor-General may have attended with Mr Hartley between July 2019 and July 2020, I can't recall any.

Senator SHOEBRIDGE: Did you introduce the Governor-General to Mr Hartley?

Mr Singer: I think they will have met through things such as the rowing regatta or other events in Sydney without an introduction from me.

Senator SHOEBRIDGE: But did you bring them together with the purpose of discussing the leadership proposals?

Mr Singer: Yes. The idea was put to me by Mr Hartley with a view to having a discussion with the Governor-General, and that took place in July 2020.

Senator SHOEBRIDGE: Did Mr Hartley say that he wanted the Governor-General to lobby the government for funding?

Mr Singer: I don't have a recollection, and I would not accept that characterisation or the term 'lobbying'. I wouldn't accept that the Governor-General ever lobbied the government. He simply provided some support to an idea that he thought had merit in terms of it being developed more fully to a point where it could be put to government for their consideration. As far as the Governor-General's role is concerned, he simply wrote to the then Prime Minister on 26 November 2020 saying that this was an interesting idea, and he invited the then Prime Minister to take a briefing on it.

Senator SHOEBRIDGE: Just for completeness, can you provide a copy of the correspondence?

Mr Singer: Yes.

Senator SHOEBRIDGE: Do you have a copy with you?

Mr Singer: No, I do not.

Senator SHOEBRIDGE: You've described the relationship between the Governor-General and Mr Hartley as a 'tangential, peripheral relationship'. Do you recall using those words?

Mr Singer: I recall using those during the recent estimates. I used them in the context that I had an awareness that the Governor-General and Mr Hartley may have attended unrelated events prior to this idea coming to fruition.

Senator SHOEBRIDGE: Mr Singer, you brought them together to have a direct relationship, not a tangential, peripheral relationship. You brought them together to have a direct relationship on the leadership forum.

Mr Singer: The specific question that I was asked at the time was: was there a relationship prior to the idea being put to the Governor-General in July 2020?

Senator SHOEBRIDGE: So you're saying that answer, when you gave it, was intended to reflect the relationship prior to you bringing them together?

Mr Singer: That's correct. The occasions on which Mr Hartley and the Governor-General have met during this Governor-General's term are a matter of public record. Any occasions before that, as I say, I would not necessarily be privy to. But I am aware that they have attended the same events from time to time, including functions around the King's Cup.

Senator SHOEBRIDGE: But once you'd brought them together and they'd got on the same page about the leadership proposal you wouldn't have described their relationship thereafter as a tangential, peripheral relationship, would you?

Mr Singer: No, I wouldn't, and that was not the intent of that response.

Senator SHOEBRIDGE: How would you describe their relationship from that point onwards?

Mr Singer: One of patronage, where the Governor-General, as is the case with his 239 other patronages, has an active interest in their viability and their operations but very much at arm's length from the day-to-day operations of those organisations.

Senator SHOEBRIDGE: You said earlier you that you didn't think the Governor-General repeatedly raising the potential national value of the leadership program in private conversations with the Prime Minister was unusual. Do you stand by that?

Mr Singer: I was making reference to an observation made by an esteemed commentator and constitutional expert in the sense that there is nothing unusual about the Governor-General supporting good causes and, from time to time, discussing those with the Prime Minister.

Senator SHOEBRIDGE: In your experience, would you say the Governor-General having on multiple occasions raised privately with the Prime Minister the potential national value of a leadership program was unusual or not unusual?

Mr Singer: I'm not sure that I understand the question. What I would say is that this is a program that the Governor-General thought had merit. He thought it was an idea that might be of interest to the then Prime Minister. He provided an opportunity for the then Prime Minister to take a briefing on the program.

Senator SHOEBRIDGE: Is there a conflict-of-interest policy for the Governor-General? Is there a policy or a framework that identifies when the Governor-General may have a conflict of interest? Is that adopted at any point in the office?

Mr Singer: I would start by asserting there is absolutely no conflict of interest in relation to this matter, and I would hope that you are not suggesting that. To do so, I think, would be—

Senator SHOEBRIDGE: Perhaps you could address the question, though. Is there a policy about conflicts of interest?

Mr Singer: In relation to the Governor-General's activities, he relies on the advice of the government of the day. There's not a prescribed conflict-of-interest policy.

Senator SHOEBRIDGE: Do you have a role in providing advice to the Governor-General about whether or not certain activities are appropriate or inappropriate for the Governor-General? I will be quite clear. Did you provide any advice to the Governor-General about his repeatedly raising the funding of this program in private conversations with the Prime Minister? Did you provide him with any advice about whether that was appropriate or inappropriate for a Governor-General?

Mr Singer: You have suggested several times that the Governor-General raised this on multiple occasions, seeking funding from the Prime Minister. I'm not entirely sure that that's correct. It may well be that the Governor-General spoke to the Prime Minister about this program but acknowledged from the outset that any funding arrangements and any funding decisions would be a matter for the government.

Senator SHOEBRIDGE: So then what was the purpose of the Governor-General raising it with the Prime Minister if not to obtain funding—just a fireside chat?

Mr Singer: No—

Senator SHOEBRIDGE: I don't understand, you distinguish between the two.

Mr Singer: I return to my earlier point that a Governor-General would routinely speak to a Prime Minister about things that are happening in the community and particularly organisations that are doing good work or that are worthy and that might be of interest to the Prime Minister.

Senator McGRATH: If possible, Mr Singer, I'd like to go to the administration of honours and awards, in particular those under the Order of Australia. Are you able to comment on or take on notice to provide

information on the increase in the number of nominations that have taken place for people nominating either themselves or worthy members of the community for awards in say, the last five or six years?

CHAIR: Do people nominate themselves?

Senator McGRATH: I've read media reports that it's increased a lot, so do you have any figures to say how much it's increased year on year?

Mr Singer: You're quite correct and you'd recall from your own time on the council that the council is a victim of its own success in terms of recognising and acknowledging incredible service and achievement throughout the country. In the last five years there has been an increase in nominations, and pleasingly there's been an increase in the percentage of nominations for women. Specifically, if I take you through each of the financial years, in 2018-19 there were 2,993 nominations received. In 2019-20 there was a similar number, at 2,989. In 2020-21 there was a small increase to 3,042. In 2021-22 there were 3,140 nominations received, and in this year to date there have been 1,586 nominations received.

Senator McGRATH: You mentioned an increase in the number of female nominations, and you might take this on notice in terms of the precise breakdown, but I take it there's also been an increase in the number of nominations from ethnic Australians and Indigenous Australians?

Mr Singer: That's correct. In fact, that reflects a priority of this Governor-General to increase the diversity of the order, specifically around women, firstly, and then a concerted effort to ensure that First Nations are better represented within the order and similarly from the multicultural community.

Senator McGRATH: With that large increase in the number of nominations, how long does it take on average, once a nomination has been received, to the final decision, whether to approve or not approve it?

Mr Singer: From the time when a nomination is received until an award is announced is generally between 18 and 24 months.

Senator McGRATH: Is there a difference in that time frame between, say, a medal and a companion? Do ACs get treated at a faster rate than, say, someone who might be nominated for an OAM?

Mr Singer: No, there's no differentiation between the level of awards that they might be considered at. However, the only proviso that might influence when a nomination is expedited would be if the nominee is of an old age or in ill health. They might be brought forward for earlier consideration.

Senator McGRATH: In terms of the 18- to 24-month period, are there internal benchmarks—I just can't recall from my own time—of how long it should take for a nomination to be processed? Do you have a target?

Mr Singer: It's a very good point, and, again, another priority of this Governor-General's term and my office is to reduce the time taken from receipt of nomination through to announcement. Ideally, we would like to reduce that to 12 to 18 months, rather than 18 to 24 months.

Senator McGRATH: You may not be able to answer this question, but I take it that resourcing might be an issue in terms of, say, the number of case workers. Would that assist the process?

Mr Singer: It's an insightful observation. Of course, more resources, particularly for case officers, would assist in terms of being able to make further and quicker indents into the backlog.

Senator McGRATH: I have one final question before I hand back to Senator Smith. The council meets twice a year. In terms of approving or not approving nominations, do you think it would be worth the council meeting, say, three times a year to assist in the reduction of the backlog?

Mr Singer: I think one of the pleasing things out of COVID is that it's forced us to think about things differently. One of the innovations we implemented during COVID, which is different from your time on council, is to have online or virtual meetings. Although that is not ideal to discuss some of the weighty matters that the council might have before it, it is actually a very helpful way of business between those two meetings that are set in February and August of each year. That enables us to potentially consider some of those nominations that might have greater consensus amongst council members in a virtual setting, rather than those types of considerations taking up time at the council meetings. So, to answer your question, we are continually exploring and working with the council about how best to meet their needs whilst also looking to reduce the backlog.

Senator McGRATH: Thank you.

Senator DEAN SMITH: I think it's important that we acknowledge the death in August of Sir David Smith KCVO AO, who served in your role with distinction from 1973 to 1990 and supported five governors-general. Has Government House been involved in any discussions regarding the effigy of the sovereign on Australian legal tender? And by that I mean coinage and notes.

Mr Singer: No.

Senator DEAN SMITH: When did the Governor-General become aware that Mr Thistlethwaite was going to assume a new role of Assistant Minister for the Republic?

Mr Singer: It will have been at the time that the Prime Minister proposed his ministry to the Governor-General, which will have been shortly after the federal election and before the swearing in on 1 June.

Senator DEAN SMITH: And before the media statement was issued detailing the new ministry?

Mr Singer: Yes. It's convention, as you'd appreciate, that the Governor-General is informed of the ministry before it's publicly announced. Sometimes that can be moments; sometimes it can be hours.

Senator DEAN SMITH: Was the Governor-General surprised? –impressed? disappointed?—by the addition of an Assistant Minister for the Republic?

CHAIR: It's not his job to have an opinion, surely, Senator Smith.

Mr Singer: I don't think I can comment on the Governor-General's opinions—

Senator DEAN SMITH: Reaction, then.

Mr Singer: and nor would the Governor-General wish to disclose one.

CHAIR: Surely it would be a private matter.

Senator SHOEBRIDGE: He didn't rush out on Twitter?

Mr Singer: I can assure you that the Governor-General is not on Twitter.

Senator DEAN SMITH: Did your office find it necessary to make any inquiries about the suitability of having an Assistant Minister for the Republic?

Mr Singer: In relation to these matters, it is entirely appropriate for the Governor-General to act on the advice of the Prime Minister.

Senator DEAN SMITH: Without question? Without inquiry? Without curiosity?

Mr Singer: Well, I can't speak for what conversations might or might not take place between the Prime Minister and the Governor-General. But when the advice was provided in relation to recommending the appointment, the Governor-General accepted that advice.

Senator DEAN SMITH: Has Mr Thistlethwaite attended any meetings of the Executive Council?

Mr Singer: I would have to take that on notice. I recall seeing him, along with other members of the ministry, on the timetable. I'm just not sure if he's attended a meeting yet.

Senator DEAN SMITH: Did he attend the meeting of the accession council? Is that what we call it here?

Mr Singer: There was a special executive council, and, whilst we are here, I'll just ask one of my team to confirm whether he attended or not. My recollection is that he didn't.

Senator DEAN SMITH: He didn't?

Mr Singer: That's my recollection, but one of my staff will correct me if I'm wrong.

Senator DEAN SMITH: To be fair to Mr Thistlethwaite, I think a number of members of the executive council may not have attended.

Mr Singer: That's correct. You're quite right, Senator, to point that out.

Senator DEAN SMITH: When can we expect an official portrait of the King, and is it expected, or planned, that he will be wearing Australian Honours?

Mr Singer: That's a very good question that I, too, would like an answer to, and it's not one that I've received yet. The question has been asked.

Senator DEAN SMITH: Great. When was the question asked?

Mr Singer: When I accompanied the Governor-General to London for the funeral, I met with my counterparts in the palace and I said it would be a very good thing if such things as a portrait could be resolved quite quickly.

Senator DEAN SMITH: And it's unresolved at the moment?

Mr Singer: That's correct.

Senator DEAN SMITH: What are the protocols around the removal of the Queen's portrait and its replacement with the King's portrait?

Mr Singer: I don't think can I provide definitive advice on that. What might be helpful is to share what my current views are in relation to the portraits at Government House. Of course, in the absence of a portrait of the

new King, the decision is made that much easier for the time being. We, out of respect for both the Queen and His Royal Highness the Duke of Edinburgh, are retaining those portraits at the entrance to Government House, and, when the new portrait of both the Queen Consort and the King become available, we'll look to change those over, which may be at a time to coincide with the coronation, but that would be subject to the portraits being provided.

Senator DEAN SMITH: Have any instructions been issued with regard to the disposal of portraits of the Queen, not in Government House but more generally in public buildings?

Mr Singer: No, not that I'm aware of.

CHAIR: Would you like one, Senator Smith? I know you're a good—

Senator DEAN SMITH: I'm proud to say I have many. Finally, were there deletions, additions or enhancements to the program of events that were held following the Queen's death in Australia made after 23 May?

Mr Singer: Not that I'm aware of.

Senator DEAN SMITH: Would you like to take that on notice?

Mr Singer: In terms of Commonwealth observances, that's a matter for Prime Minister and Cabinet, specifically the ceremonial and hospitality or protocol on international visits division. In relation to Government House's observances, they were as planned, but the national observances are co-ordinated by the Department of Prime Minister and Cabinet.

Senator DEAN SMITH: Were any proposals for additions, deletions or enhancements shared with Government House by the government after 23 May?

Mr Singer: Not that I'm aware of.

Senator BIRMINGHAM: You referenced the role of the accession council in relation to whether or not Mr Thistlethwaite attended. My observations were that the United Kingdom's equivalent comprised members of the then current government of the UK as well as other office holders across their equivalent from previous governments. Is there any reason why in Australia the accession council process is, or was, limited to only serving members of the executive council?

Mr Singer: The simple answer is no, and I wish to just confirm that it was not an accession council; it was a federal executive council and treated as such as and therefore open to current members of the executive council.

Senator BIRMINGHAM: So that was its construct?

Mr Singer: Yes. It's a useful time for me to clarify a couple of things. The Assistant Minister for the Republic did not attend that Executive Council meeting, so I can confirm that. Senator Shoebridge, I may have made an inference that the Governor-General attended a regatta with Mr Hartley. That's not the case. He did not attend the regatta. There were meetings both before and after that regatta at which Mr Hartley met with the Governor-General, but the Governor-General didn't attend the regatta itself.

Senator SHOEBRIDGE: So there were pre- and post-regatta meetings?

Mr Singer: Correct.

Senator SHOEBRIDGE: Again, is it your understanding that the leadership program was raised at the pre- and post-regatta meetings?

Mr Singer: No, and I have not suggested that. If there's been any confusion about that, I just want to be very clear again that the idea was first raised with the Governor-General in July 2020.

Senator SHOEBRIDGE: And did you say the Governor-General sent correspondence—I'm having trouble reading my handwriting about the date. Can you just clarify the date of the correspondence?

Mr Singer: The correspondence between the Governor-General and the Prime Minister?

Senator SHOEBRIDGE: Correct.

Mr Singer: That was 26 November 2020.

Senator SHOEBRIDGE: And that was in relation to—do you know what the substance of that correspondence was?

Mr Singer: To paraphrase the correspondence, and not wishing for it to be a direct quote—I'm happy to provide it on notice—it essentially said that the Governor General had been briefed on this particular program and that there had been some work undertaken by the business community, academia and some of Australia's leading consultancy firms on a pro bono basis, and it invited the Prime Minister to take a brief on that program.

Senator SHOEBRIDGE: But, again, the program wasn't in existence and the organisation wasn't even registered until five months afterwards. On what basis was the Governor General proposing or supporting a program where the organisation itself hadn't even been registered? How was that happening?

Mr Singer: There had been a significant amount of work that had got, at this point, into a state that was mature enough for it to be put to government for their assessment and their decision about whether it would attract and enjoy government support.

Senator SHOEBRIDGE: If it was ever established.

Mr Singer: Well, it's a matter of public record that it was established on 13 April 2021 as a registered entity.

Senator SHOEBRIDGE: Five months after the letter.

Mr Singer: That's right.

Senator SHOEBRIDGE: So is it usual for the Governor-General to be advocating for the government to get on board and support a project five months before there's even an established entity there to support? It just seems, at a minimum, to be putting the cart before the horse.

Mr Singer: I think it is unique to have the proactive engagement of the Governor-General in this way, in the sense that an entity hadn't yet been established. But what is critical here is that the Governor-General saw value in an idea and supported that idea being developed, to the point where, on the back of that extensive pro bono support with no funding from the taxpayer, it had got to a stage where it was mature enough for government to make an assessment as to whether they wished to support it or not.

Senator SHOEBRIDGE: Just for some clarification, who crafted the invitation list for the two roundtable events on 17 May 2021? Was it you who pulled together those lists, Mr Singer?

Mr Singer: No, it was the foundation.

Senator SHOEBRIDGE: Did the Governor-General sign off on the lists?

Mr Singer: As a matter of course, the Governor-General would have had visibility of that list and was aware of who was attending.

Senator SHOEBRIDGE: Did the Governor-General approve the lists?

Mr Singer: Yes.

Senator SHOEBRIDGE: Moving on to another matter, I note from the budget papers—it's page 266 of the portfolio budget statements in relation to your office—that there's a very substantial increase in budget. The departmental total grows from \$19.3 million to \$24 million, and the total expenses grow from \$24 million to \$30 million. Why is there a 25 per cent increase in the budget?

Mr Barnes: The increase in departmental appropriation relates to some NPP funding the office got. That was previously classified as departmental capital. Following advice from the Department of Finance, that has been reclassified. It's now included within our departmental appropriations. It's non-ongoing.

CHAIR: What does NPP mean?

Mr Barnes: New policy proposal.

Senator SHOEBRIDGE: What was the new policy proposal?

Mr Barnes: The NPP is related to uplift of our ICT infrastructure.

Senator SHOEBRIDGE: So some of it is capital expenditure for IT. How do you explain the increased average staffing level from 81 to 87? What are the additional six staff for?

Mr Singer: Part of the NPP that was announced in the 2020-2021 budget was to support the processing of the National Emergency Medal following the 2019-20 bushfires. That attracted additional funding to the tune of \$11 million over the forward estimates and an additional six staff to support the processing of what was expected to be tens of thousands of nominations.

Senator SHOEBRIDGE: When did that start?

Mr Singer: That was announced in the 2020-21 budget.

Senator SHOEBRIDGE: So there are six staff allocated to processing that project?

Mr Singer: For a finite period of time. It concludes on 31 January next year, in terms of those additional staff.

Senator SHOEBRIDGE: So it concludes halfway through the 2022-23 budget?

Mr Singer: That's correct.

Senator SHOEBRIDGE: And the headcount will then go down from 87 to 81—is that right?

Mr Barnes: It will go down to 83.

Senator SHOEBRIDGE: Alright.

CHAIR: In a general context, I know there are IT and tech upgrades. What is planned this financial year in that regard, and what other general refurbishments or upgrades are planned at Government House or Admiralty House this financial year?

Mr Singer: I can take you through what's proposed for this year.

CHAIR: Perhaps we could start with refurbishments and upgrades. I can understand if things need to be done from a safety point of view but, more broadly than that, let's go through the headline numbers—

Mr Singer: I can take you through it completely and I can assure you that it won't take too long.

CHAIR: Okay.

Mr Singer: The planned work for this financial year at Admiralty House, the Sydney property, includes a seawall restoration, which is a regular cycle of work required to prevent deterioration of the wall; a handrail project to satisfy WHS compliance; a restoration of the Marine Barracks roofing and minor repairs, essentially, to make them weather and watertight; exterior fabric rectification of the western facade of the building, again, to address some WHS and fabric rectifications; the refurbishment of the waterway entrance into Admiralty House, again, to address WHS issues; and some minor works packages, most of which are caught up in the average maintenance of a heritage property.

CHAIR: Okay. Let's move on to Government House.

Mr Singer: Government House: there is some WHS compliance for the services wing; there's a restoration of one of the old cottages—in fact, it's the oldest cottage on the site—

CHAIR: For what purpose? Will it be for an accommodation purpose?

Mr Singer: It's actually for office accommodation. There are some security upgrades, including access enhancement for selected points of entry; some irrigation works; and, again, some minor works packages.

CHAIR: By 'irrigation works' do you mean to upgrade the gardens. What's wrong with—

Mr Singer: On a 54-hectare site, of which 40 per cent is under mains irrigation, it's a matter of ensuring that those irrigation mains are working as they should be, and that they're not leaking.

CHAIR: Are there any other any other significant financial expenses expected this financial year for events or guests or international guests being housed at Government House or Admiralty House this year?

Mr Singer: Nothing outside of the normal context of the Governor-General's program, Chair.

CHAIR: What is contained in the general context and what is outside the general context, because when you're the Governor-General it's your official residence, so you have family there, but you also have your official duties. I'm keen to know what large events, small events might be happening and what guests might be staying and visiting?

Mr Singer: That, you'll appreciate, is a feature of the Governor-General's program in terms of making both properties accessible to the Australian people and to the many thousands of guests that visit each year. You made mention of official guests who might stay. We don't yet have an indication of which visiting heads of state might be coming over the next 12 months. It's usual that if a visiting head of state comes that they would call on the Governor-General and the Governor-General would host some hospitality at either Government House or Admiralty House, but it's rare that a head of state would stay at Government House.

CHAIR: Indeed. Are there any events planned for the commemoration of Queen Elizabeth II or the succession of King Charles this year. I think it was covered that they're more likely to associate, in timeline, with the coronation period.

Mr Singer: I think that's right. We haven't yet turned our minds specifically to what coronation observances might look like, but we look forward to doing so. In relation to Queen Elizabeth, I may have mentioned it to this committee previously, and it was also in this year's annual report, that we are looking to restore one of the gardens at Government House—in fact, the garden that the late Majesty last planted a tree in during her final visit to Australia in 2011—and rename that garden the Queen Elizabeth II Garden.

CHAIR: That's lovely. I'll return the call to Senator Shoebridge. We are way overtime, knowing that we need to get two agencies done by five o'clock. Senator Rennick has questions of the ANAO and Senator [inaudible] also has questions of the ANAO. Senator Shoebridge?

Senator SHOEBRIDGE: I've got some questions about the Governor-General's program. I note that the Governor-General's program is effectively a daily diary of what the Governor-General has been up to. Is that right?

Mr Singer: Are you referring to his program on the website?

Senator SHOEBRIDGE: Correct.

Mr Singer: The program that's listed on the website is a list of those engagements either attended or hosted by the Governor-General.

Senator SHOEBRIDGE: And the Governor-General's partner? For example, for yesterday one of the entries is:

Later, Ms Hurley, as guest of Ms Trish Cran, attended the Alchemy Chorus sing-along.

Mr Singer: That's correct.

Senator SHOEBRIDGE: It's a fairly low threshold to get into the program. Would you agree?

Mr Singer: Not to the Alchemy Chorus, Senator. It's an important event to them. Any event either attended or hosted by the Governor-General or Mrs Hurley would be reflected in their program.

Senator SHOEBRIDGE: So something like attending a singalong gets in?

Mr Singer: It reflects their official engagements.

Senator SHOEBRIDGE: I'm curious about why, on 14 March 2020, when the Governor-General did a very significant action, which was to appoint the then prime minister to be the health minister, that that very significant act, much more than a singalong, wasn't included in the program.

Mr Singer: As I just said, the Governor-General's program on the website is a reflection of official engagements, not the contents of his in-tray.

Senator SHOEBRIDGE: But it includes if the Governor-General awards a sash to a sheepdog—because the day after the former prime minister was appointed to the health ministry, the Governor-General presented the Duke of Gloucester sash at the 2020 National Sheep Dog Trials. I can't work out why awarding a sheepdog is included but awarding a ministry isn't in the program. Can you explain that?

Mr Singer: Well, there are a couple of nuances there that I think warrant clarification. Again, the contents of the Governor-General's program on his website reflects the official engagements either attended or hosted by the Governor-General or Mrs Hurley.

Senator SHOEBRIDGE: It's pretty official, making a new minister. It's a pretty official thing.

Mr Singer: Please, if you'd just let me finish, because this is an important thing that's been commented on in the public. It's an important opportunity for me to clarify. The program that's reflected on the Governor-General's website lists the official engagements that he and Mrs Hurley either attend or host. They do not reflect the contents of the Governor-General's in tray and, importantly, in relation to matters where a Governor-General has approved a recommendation from the Prime Minister for a minister to administer a department or departments. That has never been reflected on the website nor in the office's annual reports, nor by any other means from the office, because the communication of those appointments has always been the prerogative of the government of the day.

Senator SHOEBRIDGE: Mr Singer, I put to you the 'attend or host' test is plainly untrue because it includes multiple entries, for example, of the Governor-General having phone calls. That's not attending or hosting.

Mr Singer: I appreciate the differentiation, Senator.

Senator SHOEBRIDGE: It's not a differentiation; it's fundamentally different. I'm putting to you that your characterisation of it only including events where the Governor-General attends or hosts things is plainly wrong. Do you accept that?

Mr Singer: Well, I wouldn't accept that it's plainly wrong, Senator.

Senator SHOEBRIDGE: It's just wrong.

Mr Singer: I accept that, as a consequence of COVID, we have reflected the videos that the Governor-General has recorded—the video messages and video conferences that the Governor-General and Mrs Hurley had—recognising that that's engagement with community groups and organisations around the country. So, too, are telephone calls. When the Governor-General couldn't get to Dubbo in the immediate aftermath of the floods or couldn't get to Echuca in the immediate aftermath of the floods, it was important that he called those mayors, and they've been reflected in the Governor-General's diary.

Senator SHOEBRIDGE: Surely if there is a purpose of the public diary, it's to show the important work the Governor-General is doing. That's its purpose, isn't it?

Mr Singer: That's correct.

Senator SHOEBRIDGE: So when the Governor-General has appointed a fresh minister, why on earth isn't that included?

Mr Singer: Again, Senator, in relation to the specific circumstances you're referring to, the Governor-General didn't approve a minister; he approved—

Senator SHOEBRIDGE: Appointed.

Mr Singer: He appointed the then Prime Minister to administer another department. Those instruments, those occasions, have not been reflected in the Governor-General's program for many years. In fact, I can refer to 38 different occasions over the last 10 years where those such occasions have not been reflected in the Governor-General's program, because the communication of those administrative appointments is the prerogative of the government of the day. Where this has been confused within the public commentary is in relation to swearing-in ceremonies. That is a different proposition where the Governor-General directs a minister to hold office or offices.

Senator SHOEBRIDGE: If the Governor-General doesn't communicate these appointments to the rest of the executive council, if the Governor-General calls an executive council, how are the ministers—for example, the substantive health minister—meant to know that there had been a parallel appointment and that, in fact, there were two health ministers in the meeting, or multiple parallel appointments in that meeting? Were they advised in the executive council meeting? Is there a process for advising, in the calling of an executive council meeting, the basis upon which people are meeting, their appointments?

Mr Singer: I'm not sure I understand the question, Senator. It may be conflating a number of different issues here. The point is quite clearly that the responsibility for communicating any changes to departments being administered is not the function of the Governor-General or my office. It has always been the prerogative of the government of the day.

Senator SHOEBRIDGE: If the Governor-General calls the executive council and has a substantive health minister, a substantive finance minister, a substantive Treasurer and a substantive home affairs minister, and also happens to have the Prime Minister holding parallel appointments in all of those, is there a process in place to make apparent, either at the time the executive council meeting is called or beforehand, the basis upon which people hold office in an executive council meeting?

Mr Singer: An executive councillor doesn't come to an executive council meeting by virtue of the portfolio they hold; they come because they've been sworn in as an executive councillor.

Senator SHOEBRIDGE: So, unbeknownst to the people sitting around the meeting convened by the Governor-General, there might be multiple people holding the same portfolio and the Governor-General has no obligation to clarify that. Is that your position?

Mr Singer: It's not my position, no. That's a hypothetical.

Senator SHOEBRIDGE: No, it happened.

CHAIR: I have to wind you up now, Senator Shoebridge. I know these things are a matter of active reporting, not just in the context of the media but also in terms of investigation currently. Are you happy to—

Senator SHOEBRIDGE: I'm comfortable.

CHAIR: A quick one from Senator Smith.

Senator DEAN SMITH: It was very remiss of me, Mr Singer, not to ask you what planning and preparations are underway for the visit to Australia of the King and Queen Consort or the Prince and Princess of Wales.

Mr Singer: I know that His Majesty and the Queen Consort and the Prince and Princess of Wales have expressed interest in visiting Australia at the first available opportunity. As far as I'm aware, there is as yet no firm date for such a visit.

Senator DEAN SMITH: Except for 2024, when the King is coming for the bicentennial celebrations for the New South Wales parliament?

Mr Singer: I'm aware of an invitation being extended; I'm not aware of the invitation having been accepted.

Australian National Audit Office

[16:34]

CHAIR: Welcome.

Senator BILYK: I want to have a look at the awarded funding under the Building Better Regions Fund. The report found the awarded funding in the program was only partly effective and partly consistent with Commonwealth grant rules and guidelines, CGRGs. Can you please provide a brief summary of why this was the finding of the office.

Ms Jago: What we found overall was that the Building Better Regions Fund was well designed in a number of respects, but there were also deficiencies in some important areas. The positive aspects included that the guidelines clearly set out that an open, competitive application process was being employed and that relevant and appropriate eligibility requirements existed and the process through which the grants hub would assess the merits of applications. We did also identify some shortcomings, though. Those were predominantly around the guidelines for all six rounds not transparently setting out the membership of the panels that would make the decisions about which applications would be funded. The guidelines also stated that the decision-making panel could use at its discretion the consideration of a non-exhaustive list of other factors.

Senator BILYK: Yes, I've got some questions on that, so I'll come to that.

Ms Jago: Overall, Infrastructure provided appropriate funding recommendations for three of the five rounds, but that wasn't the case for the third and the fifth funding rounds, which is where—

Senator BILYK: I've got a couple of questions there, so you can answer those a bit more fully, if that's alright.

Ms Jago: Yes.

Senator BILYK: Sorry, we're just really short of time. Have you finished, Ms Jago?

Ms Jago: Yes, happy to.

Senator BILYK: As you mentioned, as the program progressed through the first five rounds, the report found there was an increasing disconnect between the assessment results against published merit criteria in the applications approved for funding under the infrastructure project stream, which comprised the majority of approved projects and funding. Can you please explain to the committee why this was the finding of the office?

Ms Jago: For the third and fifth the rounds the assessment of the department was presented to the decision-makers as a pool of potential candidates, not recommended candidates. Even though they were sorted in descending order based on their scores, the department did not make a recommendation that the highest-scored applications were the ones that should be funded.

Senator BILYK: You mentioned other factors a minute ago. Can you give me some examples of these other factors?

Ms Jago: The guidelines just said 'other factors', and so it was up to the decision-makers what other factors they applied.

Senator BILYK: So they didn't provide a list of any other factors?

Ms Jago: No.

Senator BILYK: Is it fair to say the view of other parliamentarians not on the ministerial panel influenced the decision-making and was coordinated outside the application process?

Ms Jago: The records that we saw were that the decisions that were made were not appropriately evidenced as to how those decisions were made, so it's hard for us to conclude on that.

Senator BILYK: Do you know if the other factors that were relied on to make funding decisions were disclosed to applicants?

Ms Jago: No, it just said 'other factors' in the grants guidelines.

Senator BILYK: Were applicants asked to address any of these other factors in their applications?

Ms Jago: No.

Senator BILYK: Did applicants have a chance to resubmit applications in line with the unknown other factors?

Ms Jago: Not that I'm aware of.

Senator BILYK: Is it your understanding that the Department of Finance queried why the department of infrastructure had added this other criterion?

Ms Jago: I believe they did.

Senator BILYK: Can you give me any further detail on that?

Ms Jago: I think they just questioned that we didn't see any change to the guidelines following that question from the Department of Finance.

Senator BILYK: Can you detail further how you understand the membership of the decision-making panel was disclosed across the six rounds of the program? Basically, I want to know who was on the ministerial panel in the different rounds, and when did the ministerial panel meet?

Ms Jago: We set that out in appendix 3 to the report, where we set out the membership of the panel for each of the rounds.

Senator BILYK: Can you table that?

Ms Jago: It's in the tabled report. It's on page 96, appendix 3.

Senator BILYK: Does that tell me when the ministerial panel met?

Ms Jago: No, it doesn't. It just gives you the membership of the panel.

Senator BILYK: Including the changes?

Ms Jago: Yes. There is a time line of the decision-making processes in appendix 6, which is also in the tabled report, at page 100.

Senator BILYK: Can you confirm the ministerial panel provided appropriate funding recommendations based on merit assessment results for only three of the five rounds of this program that were completed?

Ms Jago: Our finding was that there wasn't sufficient documentation of the reasons for the funding decisions for those two rounds that we mentioned.

Senator BILYK: Am I right in understanding that rounds 1, 2 and 4 were okay—

Ms Jago: Were reasonable.

Senator BILYK: but 3 and 5 were not? Is that correct?

Ms Jago: Correct.

Senator BILYK: In the third and fifth funding rounds, rather than clearly identifying which application should be successful up to the limit of the available funding, the department of infrastructure recommended the panel select from a pool of projects. Are you aware of how this arrangement came to be? Was it requested by the minister's office?

Ms Jago: No, I'm not aware.

Senator BILYK: You wouldn't know?

Ms Jago: No.

Senator BILYK: Would anybody else know?

Ms Jago: I think that's a question for the department.

Senator BILYK: In your professional opinion, what does best practice look like to consider merit assessments?

Ms Jago: The Commonwealth Grants Rules and Guidelines set out the process that should be undertaken. There should be clear guidelines set upfront so there's a transparent process—applicants know what they're being assessed against. Then, applications should be assessed against those criteria, and those that score 'most meritorious' against those criteria would generally be the—

Senator BILYK: So it should be a merit list that's ranked?

Ms Jago: If it's competitive and open, yes.

Senator BILYK: Not a pooled list?

Ms Jago: Yes.

Senator BILYK: What were your findings regarding the documentation of decisions?

Ms Jago: We found that they needed to be improved, and we actually put a recommendation to the department that they needed to improve documentation in that space.

Senator BILYK: How does this differ from what you would consider best practice?

Ms Jago: We would expect to see documentation around the reason for the decision, and we couldn't see that in a number of instances in this circumstance, especially where different projects were selected to what was recommended or where, for similarly scored projects, there wasn't a decision written down that explained why one was chosen over another.

Senator BILYK: What proportion of infrastructure project stream applications approved for funding were not those assessed as being the most meritorious in the departmental assessment process?

Ms Jago: I'll have to check that. I think it's in one of the appendices. I may need to take that one on notice and come back to you.

Senator BILYK: I think the report found that 65 per cent of infrastructure project stream applications were not those assessed as best meeting the published criteria. Are you able to find it?

Ms Jago: Yes. Paragraph 29 of the report says 65 per cent of the IP stream applications were not those assessed as being the most meritorious. For the first round, 75 per cent of applications funded had been scored highly and recommended by Infrastructure for funding, whereas in subsequent rounds highly scored applications were approved at a lesser rate of between 13 and 55 per cent.

Senator BILYK: Did the office come across any specific examples of projects where this was the case?

Ms Jago: I believe we did give one or two examples in the report. I don't think we named any projects in the report.

Senator BILYK: Just to be sure, can you take that on notice and check for me.

Ms Jago: I can check, yes.

Senator BILYK: Thank you. What were the office's findings in regard to the distribution of program funding across electorates?

Ms Jago: That is what we set out in appendix 11. That shows the average funding and the number of grants awarded per electorate.

Senator BILYK: Can you be a bit more specific for me? For example, can you tell me what percentage the Nationals electorates got or how much more they got across the five rounds?

Ms Jago: I've got it by round, not by total for the program. That's also in appendix 11.

Senator BILYK: I thought I'd read somewhere that over the five rounds the Nationals' electorates were awarded \$104 million more, or 29 per cent. I was pretty sure it was in that report. Can you clarify that for me?

Ms Jago: More money definitely went to rural and provincial areas, because it is a regional grants program. That's set out in table 5.3.

Senator BILYK: Do you think this would have been a different outcome if the merit assessment processes had been relied upon?

Ms Jago: I think that's probably a question for the department.

Senator BILYK: Okay.

Ms Jago: Paragraph 5.26 sets out some more detail from that appendix 11 analysis around the proportion of electorates with different parties that put in applications versus received funding—paragraph 5.26.

Senator BILYK: What is your understanding of how round 6 of the program was planned to be administered? Was it similar to round 3 and 5?

Ms Jago: We did round 1 to 5. Round 6 was in the process, I think, when we were doing the audit.

Senator BILYK: So you didn't come to any conclusion?

Ms Jago: No.

Senator BILYK: In your view, did the administration of this program only partly comply with the requirements of the Commonwealth Grants Rules and Guidelines?

Ms Jago: Our overall conclusion was that it was partly consistent with the Commonwealth.

Senator BILYK: Partly consistent?

Ms Jago: Partly consistent.

Senator BILYK: As in partly inconsistent?

Ms Jago: Yes.

Senator ROBERTS: My question is a very short one. I'm delighted to see these topics on your list of potential audits: therapeutic goods approvals and market revelation, delivering and developing digital identity reforms, digital identity. How does an audit get from being 'potential' to 'in progress'?

Ms Mellor: Through the process of developing a profile across the risk areas of the Commonwealth, we make an annual order work program, which is where you've seen those audit topics, Senator. One of the key things that

we do in selecting audits off that program is ensure we get coverage across portfolios and across expenditure types, so a mix of financial management, asset management, service delivery, grants, procurement. When we're looking for the next audit to start—it's usually in a batch of a handful—we try to get a blend of coverage of the sector and coverage of different types of activity, and that includes a focus on regulation. We try to have a focus on regulation because regulation is an important part of Commonwealth activity, and the TGA has come up through that. The digital identity topic—I'm not sure that we started that one. We've certainly kicked off the TGA one now.

Senator ROBERTS: So it's started?

Ms Mellor: Yes, we've started. Digital identity will come up against others at the time that the Auditor-General considers that coverage across portfolios, that coverage across audit types and the availability of the skills of the staff to do the work.

Senator ROBERTS: Are people outside the ANAO able to ask or suggest certain things be audited?

Ms Mellor: Yes.

Senator ROBERTS: What's the process?

Ms Mellor: You know that the Auditor-General sets his own program; he cannot be directed. He does take into consideration the priorities of the parliament through a process with the Joint Committee of Public Accounts and Audit. We also send potential topics to entities and portfolios, and sometimes they say, 'How about you put this one on there?' That's pretty rare. Individual members of parliament write to the Auditor-General, and we publish their letter and the response. I think you've suggested topics in committee. Parliament itself sometimes through motions in chambers or within committee activity recommends things, and we publish the draft program so that members of the public can also suggest things if they wish.

CHAIR: I will give the call now to the coalition, but, before I do, I want to ask if you want to give any of your time to the Office of National Intelligence, or should I let them go now?

Senator McGRATH: We will put questions on notice.

CHAIR: My apologies to ONI. We have a deep interest in your work, but it's just a little late in the day to get to you.

Senator HUME: I have questions on the audit process. I studied audit once. I never became an auditor; I didn't really get beyond the green ticks. When the ANAO undertakes an audit, is there a predetermined outcome that it looks for, or is it more a process of looking at the facts beforehand, referring to what's in front of it and then determining a result based on the evidence that it reviews?

Mr Hehir: When we develop topics, as the Deputy Auditor was just talking about, we start from the practice of an audit objective and then set criteria under that which are basically a set of issues that we wish to investigate. We don't start from the basis of a possible outcome. Rather, the objective of the audit is a topic that we determine and then we set up a set of criteria that allow us to make a decision against that topic. Depending on the audit, the criteria would usually come from the type of activity. If it's a procurement activity delivered largely by the—

Senator Wong: Mr Auditor-General, we're having quite a lot of trouble hearing you. Perhaps you could slow down a little—

CHAIR: Perhaps if they mute us it will stop us knocking out his sound on the other side. Thank you. Please continue.

Mr Hehir: Can you hear me okay now?

CHAIR: It's better.

Mr Hehir: We set the audit criteria usually on the basis of the framework that the topic is based on. A procurement audit will largely be driven by the procurement rules, a grants audit by the procurement grants rules [inaudible] So we set the basis of the audit on those types of frameworks in order to come to a conclusion against the objective. We don't start with a predetermined view. That would be inconsistent with the auditing standards we operate under.

Senator HUME: Just to make that very clear, you said you don't start with a predetermined view, is that right?

Mr Hehir: That's correct.

Senator HUME: Would a process that essentially has a predetermined figure and then looks around to try and arrive at that figure is probably not something that you would accurately describe as an audit, is it?

Mr Hehir: It depends on what you mean by 'has a predetermined figure'. If the object of an audit was to determine whether a particular outcome—say, one published by a department—was accurate or not, we'd start with that figure and audit around it to see whether it was accurate. We don't predetermine the outcome. We would only suggest that we're looking for an outcome if it's one that the entity itself has published as being what it expected to achieve or had achieved or something like that.

Senator HUME: Did the ANAO provide any advice to the Department of Finance when it was conducting what it called the audit of wasteful spending?

Mr Hehir: No.

Senator HUME: The Australian National Audit Office did not help or advise on an audit, is that correct?

Mr Hehir: That is correct.

Senator HUME: Did it provide any—

Senator Wong: If I may: they are different functions. Not everything that is an audit will be done by the ANAO. The audit process that you described, that you reference, is part of the budget process. It is entirely normal and a reflection of the different functions that the Department of Finance would do such an audit of expenditure. You've had them under your governments. We did them in government. This is part of a deliberative process to feed into the budget. It's not an ex-post review which is the auditing framework or auditing role that the Auditor-General and his or her office would undertake.

Senator HUME: So you weren't asked to do the audit of wasteful spending? That had nothing to do with the Australian National Audit Office?

Mr Hehir: No, and nor would we expect to have such a role.

CHAIR: So, Mr Hehir, in that sense, Senator Wong is correct?

Mr Hehir: Our role may be to undertake an audit of that activity, and, if we decided to do something like that in the future, if we'd provided advice on its establishment, it would question our independence with respect to undertaking that activity, so we're always quite careful not to undertake activities which could be considered providing advice in relation to activities which we may subsequently audit.

Senator HUME: The secretary of the department of infrastructure, in estimates this morning, in response to a question about the criteria that the audit of wasteful spending was looking for, said: 'We were given an aggregate figure and it was tied explicitly to the government's commitment around the reduction of wasteful expenditure on consultants, legal expenditure and travel, and it was left to us to determine how those reductions would be found, but with obviously a pretty clear direction about what the government would like us to economise on.' Would you characterise that process as an audit?

Mr Hehir: It's not an audit in the context of how the Audit Office undertakes activity. I think as the minister said, the department had established a framework under which it did things. Auditing in the context of audit offices generally refers to activities undertaken in the standards based framework, and, in our case, it's largely the standards established by the Australian auditing standards board.

Senator HUME: So it's not something that you would describe as an audit, and, by the sounds of things, it's not something that any professional auditor would describe as an audit. How would you characterise that process?

Mr Hehir: I don't know the details of the process, so it's hard for me to characterise it.

Senator HUME: Well, that was the process that I described: 'We were given an aggregate figure and it was tied explicitly to the government's commitment around the reduction of wasteful expenditure on consultants, legal expenditure and travel, and it was left to us to determine how those reductions would be found, but with obviously a pretty clear direction about what the government would like us to economise on.' Would you describe that process less as an audit and more as an efficiency dividend—or, even better, a cut?

Mr Hehir: I don't think it's the place of the Audit Office to define words that others are using. We are pretty clear about how we define what an audit is, and we set that out in the standards and methodology which we use.

Senator HUME: Thank you, Mr Hehir.

CHAIR: Mr Hehir, it's not your job to apply those audit standards, and your own way of doing things, to other bodies?

Senator HUME: I don't think he'd be so loose with his words.

CHAIR: It's not your job to apply what are your independent standards to what is the role of government?

Senator HUME: No, Chair, that's the government's job—to hold up those standards.

Mr Hehir: We are not the determiner of who can use the word 'audit'.

CHAIR: You audit the policy and its implementation; you don't create the policy that oversights it?

Senator HUME: Or make the case.

CHAIR: That's right.

Senator Wong: Could I say something? I just thought it might be useful for the committee to go back to the legislation and the purpose of the ANAO, as set out on its website. The website describes:

... the Auditor-General's conduct of the full range of audits and related services under the Act. These include:

- financial statements audits of Commonwealth entities, and Commonwealth companies and their subsidiaries ...

et cetera, and including the audit of the 'consolidated financial statements', 'performance audits', 'auditing annual performance statements', 'other assurance reviews, including the Defence major projects report', et cetera, 'reporting directly to the parliament on any matter, such as information reports', and 'the publication of audit insights and key learnings from audit work'. It's not the role of the Audit Office to participate in the formulation of the budget.

CHAIR: Or its priorities.

Senator HUME: No. That's why it's not called an 'audit'.

CHAIR: I now give the call to Senator Rennick.

Senator RENNICK: My question is for the Auditor-General. According to a crikey.com.au article entitled 'Where are 150-plus Hawke-Keating staffers?', Grant Hehir—you—was listed as working for Stewart West, a Labor MP, from 1986 to 1989. Is that correct or not?

Mr Hehir: It sounds correct. I think the dates are correct, yes.

Senator RENNICK: Thank you. Did you disclose that when you applied for this role?

Mr Hehir: I don't believe it was secret. I can't recall whether it was on my application form. That was 30 or 35 years ago. In between that time and when I applied for this role, I had held senior executive positions and worked for governments in multiple jurisdictions at all levels, including in the role of Auditor-General of New South Wales.

Senator RENNICK: But you'd still consider it relevant to partiality? Most people, I think, would look at someone's past career going right back to the start. I know that, when we go through preselection, we get vetted right back to our youth. You don't think that you should have disclosed that?

Mr Hehir: What I'm saying is that I can't recall whether I disclosed it or not at the time. It's not something that I'd ever sought to hide.

Senator RENNICK: That's fine. Talking about seeking to hide things, I asked for the work papers in regard to the Leppington Triangle. The Audit Office has declined to disclose those working papers. As Minister Wong herself said earlier on, the parliament is the supreme authority in terms of accountability. Can you please explain why you don't think it's appropriate for you to disclose those working papers on your determination of the value of the land at Leppington Triangle?

Mr Hehir: Maybe we should start with that latter point. As you are aware, we never, in any valuation, determined the value of the Leppington Triangle. The valuations that were referred to in the report were carried out largely by the department, not by the Audit Office. So we didn't do a valuation. We reported on other people's valuations, which is, of course, the appropriate thing to do, because, as you would be aware, under auditing standards it's not appropriate to audit your own work, so it's not an activity we undertook. So I'll start from there.

We've had a longstanding position, which we've raised in various committees over a long period of time, that we don't believe as an office that the disclosure of our working papers and evidence is in the public interest. I think our broadest exposition of that view of public interest was in the context of the select committee inquiry into sports grants, where the committee asked us to disclose our audit evidence with respect to the activities leading to those decisions. At that time, I wrote to Senator Chisholm, the chair of the committee, setting out the public interest reasons why we think it's not in the public interest for us to disclose or release all of our audit evidence. I'm happy to provide that to the committee again if you would like, and I believe we've given similar responses with respect to questions that you've put on notice.

Senator RENNICK: Thank you. I do believe it's in the public interest. It became a political item, both in estimates and in question time. Staffers had the Federal Police raid their homes over alleged improprieties over things like meetings in coffee shops. You may disagree with that, but, as Minister Wong said earlier on, parliament is the supreme authority when it comes to disclosure, and I think that it's only appropriate that, if a

senator would like to review those working papers, they're entitled to review those working papers and form their own opinion. Whether you like it or not, you've got to be accountable to someone. I know you're an independent authority, but you're still accountable to parliament to a degree. In the name of transparency, you should release that, because it was public interest. It was \$30 million of taxpayers' money. They are entitled to know the process by which you audited that, because it's very important that the public have confidence in the audits that you do and the processes that you follow. You yourself are an auditor, so the question is: who audits the auditors? Of course, the answer to that is parliament. So I don't see how you have the right to withhold information that the parliament has the right to scrutinise on behalf of the Australian people.

Mr Hehir: We are accountable to parliament. In the case of the audit you're speaking about, the Joint Committee of Public Accounts and Audit has undertaken an inquiry into that audit report as part of *Report 492 Governance in the stewardship of public resources*, which was tabled in April this year. With respect to that particular audit, I'll read you what the committee said:

The Committee finds that Infrastructure did not demonstrate effective conduct of its activities relating to the Leppington Triangle transaction, consistent with the PGPA Act and PS Act. The Committee concurs with the findings of Auditor-General's Report 9 (2020-21) and the Sententia review that the department 'did not exercise appropriate due diligence' in its land acquisition and aspects of its operations 'fell short of ethical standards'. It also agrees that the department 'did not undertake all reasonable steps to determine what a suitable cost would be for the Government to acquire the property, to demonstrate that the price paid for the property represented an efficient, effective, economical and ethical use of public funds'—

Senator RENNICK: Well, that report's wrong, because it contravenes AASB 13, paragraphs 27 to 29.

Senator Wong: You can put that to him. I would just make the point that, as I understand what has occurred here—and I wasn't engaged in the JCPAA process—the views you've put have been considered and not accepted by the committee.

Senator RENNICK: Well, are they qualified accountants? Are these people qualified accountants?

Senator Wong: So you're right, but not the Auditor-General or the committee?

Senator RENNICK: I'm referring to the accounting standard. Best use is best use. It's there in black and white. You don't need to be a rocket scientist. But yet again—

Senator Wong: If you want to put the accounting standard to the Auditor-General, you're entitled to it, and he'll answer as he sees fit.

Senator RENNICK: Exactly. Those procedures weren't employed. It's also evaluation standards, as well, and it also comes to sending federal police around to staff who had done nothing wrong. Can I say yet again, Mr Hehir, that you're now referring to your opinion in that work. Did this committee look at your work papers or not? Did they have unfettered access to all of your work papers? Yes or no?

Mr Hehir: We made a submission to the committee which addressed the issues that you've raised, and the submission is available on the committee's website.

Senator RENNICK: Sorry to interrupt you. Did they have access to all of your correspondence, all the minutes of your meetings and all the conversations that took place between your staff, department staff and other political operatives? Was that made available to the committee—all of it?

Mr Hehir: The committee didn't request those things. If they had requested our audit evidence, our position would have been the same one we've sent it in the past. At the end of the day, you're right: we are accountable to the parliament.

Senator RENNICK: That's right, and, as you've just said, you haven't provided all of the work papers to the parliament. I'm now asking for all work papers so that I can review all the work papers to look at what processes were followed. I don't see why I don't have a right as an elected representative to get access to that data.

Mr Hehir: As I said at the beginning of this, it's my view that providing the totality of audit evidence isn't in the public interest. I've expressed the view to parliament on a number of occasions and to committees who have been undertaking inquiries, and that's generally been accepted by those committees.

Senator RENNICK: I accept that it's been generally accepted, but in this case it hasn't been.

Mr Hehir: I'm expressing that view again now.

Senator RENNICK: Yes. That's your view. No-one is auditing your view. In someone else's view—me, an elected representative—I would like to see further data so that we can assess that information, based on the fact that whoever came up with this conclusion clearly didn't follow AASB—

CHAIR: Senator Rennick, we're about to close.

Senator RENNICK: Okay; just one more question. There was another report recently released, after the election, where you criticised the Morrison government for not rolling out the vaccines fast enough. Did you have a biochemist or anyone that was specialised in vaccine management to form that opinion?

Mr Hehir: What that audit report says is that the department of health, in the rollout of the vaccines, did not meet the performance targets that the government asked it to meet.

CHAIR: Thank you, Auditor-General. That concludes today's hearing. Thank you to all witnesses who appeared and to Hansard and broadcasting for their assistance. The committee will resume on Monday 7 November.

Committee adjourned at 17:00