



COMMONWEALTH OF AUSTRALIA

# Proof Committee Hansard

## SENATE

FINANCE AND PUBLIC ADMINISTRATION LEGISLATION  
COMMITTEE

**Estimates**

(Public)

TUESDAY, 8 NOVEMBER 2022

CANBERRA

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**FINANCE AND PUBLIC ADMINISTRATION LEGISLATION COMMITTEE**

**TUESDAY, 8 NOVEMBER 2022**

**Members in attendance:** Senators Antic, Cadell, Colbeck, David Pocock, Dean Smith, Hume, Mcgrath, Paterson, Pratt, Roberts, Sheldon, Shoebridge and Thorpe

## FINANCE PORTFOLIO

### In Attendance

Senator Ayres, Assistant Minister for Trade, Assistant Minister for Manufacturing

### Department of Finance

#### Executive

Ms Jenny Wilkinson PSM, Secretary, Department of Finance

#### **Outcome 1—Support sustainable Australian Government finances through providing high quality policy advice and operational support to government and Commonwealth entities to maintain effective and efficient use of public resources.**

Ms Cath Patterson, Deputy Secretary, Budget and Financial Reporting

Ms Amanda Lee, First Assistant Secretary, Budget and Financial Reporting

Ms Anna Harmer PSM, First Assistant Secretary, Budget and Financial Reporting

Mr Martin Graham, First Assistant Secretary, Budget and Financial Reporting

Ms Libor Pelecky, First Assistant Secretary, Budget and Financial Reporting

Mr Stephen Sorbello, Assistant Secretary, Budget and Financial Reporting

Ms Louise Sasaki, Assistant Secretary, Budget and Financial Reporting

Ms Elizabeth Hickey, Assistant Secretary, Budget and Financial Reporting

Ms Christine Duke, Assistant Secretary, Budget and Financial Reporting

Ms Donna Valenti, Assistant Secretary, Budget and Financial Reporting

Mr Nathan Williamson, Deputy Secretary, Governance and Resource Management

Ms Tracey Carroll, First Assistant Secretary, Governance and Resource Management

Mr Scott Dilley, First Assistant Secretary, Governance and Resource Management

Ms Lucelle Veneros, First Assistant Secretary, Governance and Resource Management

Ms Amy Fox, Assistant Secretary, Governance and Resource Management

Ms Shannon Frazer, First Assistant Secretary, Governance and Resource Management

Ms Mary Wiley-Smith, Deputy Secretary, Business Enabling Services

Mr John Sheridan, First Assistant Secretary, Business Enabling Services

Mr Iain Scott, First Assistant Secretary, Business Enabling Services

Mr Grant Stevens, Assistant Secretary, Business Enabling Services

Ms Kelly Hoffmeister, Assistant Secretary, Business Enabling Services

#### **Outcome 2—Support an efficient and high-performing public sector through providing leadership to Commonwealth entities in ongoing improvements to public sector governance, including through systems, frameworks, policy, advice, and service delivery.**

Mr Andrew Jaggers, Deputy Secretary, Commercial and Government Services

Mr Lex Bennett, Acting Assistant Secretary Commercial and Government Services

Mr Jason McDonald, First Assistant Secretary, Commercial and Government Services

Mr Paul Hubbard, Assistant Secretary, Commercial and Government Services

Mr Andrew Danks, First Assistant Secretary, Commercial and Government Services

Mr Nick McClintock, Acting First Assistant Secretary, Commercial and Government Services

Mr Sacha de Re, Acting First Assistant Secretary, Commercial and Government Services

Mr Rudy Alcantara, Acting Assistant Secretary, Commercial and Government Services

Ms Rachel Figurski, Acting Assistant Secretary, Commercial and Government Services

Ms Rachel Antone, Assistant Secretary, Commercial and Government Services

Mr Nathan Williamson, Deputy Secretary, Governance and Resource Management

Ms Tracey Carroll, First Assistant Secretary, Governance and Resource Management

Mr Scott Dilley, First Assistant Secretary, Governance and Resource Management

Mr Sebastian Powney, Assistant Secretary, Governance and Resource Management  
Ms Lucelle Veneros, First Assistant Secretary, Governance and Resource Management  
Ms Amy Fox, Assistant Secretary, Governance and Resource Management  
Ms Shannon Frazer, First Assistant Secretary, Governance and Resource Management  
Ms Sally Harris, Assistant Secretary, Governance and Resource Management  
Ms Gayle Milnes, National Data Commissioner, Office of the National Data Commissioner  
Ms Mary Wiley-Smith, Deputy Secretary, Business Enabling Services  
Mr John Sheridan, First Assistant Secretary, Business Enabling Services  
Mr Iain Scott, First Assistant Secretary, Business Enabling Services  
Mr Grant Stevens, Assistant Secretary, Business Enabling Services  
Ms Kelly Hoffmeister, Assistant Secretary, Business Enabling Services

**Outcome 3—Support for Parliamentarians and others as required by the Australian Government through the delivery of, and advice on, entitlements and targeted assistance**

Ms Mary Wiley-Smith, Deputy Secretary, Business Enabling Services  
Mr David De Silva, First Assistant Secretary, Business Enabling Services  
Ms Jill Flinders, Acting Assistant Secretary, Business Enabling Services  
Mr Tim Abrahams, Assistant Secretary, Business Enabling Services  
Mr Dean Edwards, Assistant Secretary, Business Enabling Services  
Ms Lauren Barons, Assistant Secretary, Business Enabling Services

**General**

Mr John Sheridan, First Assistant Secretary, Business Enabling Services  
Mr Iain Scott, First Assistant Secretary, Business Enabling Services  
Mr Grant Stevens, Chief Financial Officer, Business Enabling Services  
Ms Kelly Hoffmeister, Assistant Secretary, Business Enabling Services

**ASC Pty Ltd**

Mr Stuart Whiley, Chief Executive Officer and Managing Director  
Mr Ashley Menadue, Chief Financial Officer  
Mr Andrew Jaggars, Deputy Secretary, Commercial and Government Services, Department of Finance  
Mr Sacha de Re, Acting First Assistant Secretary, Commercial and Government Services, Department of Finance

**Australian Naval Infrastructure Pty Ltd**

Mr Andrew Seaton, Chief Executive Officer and Managing Director  
Mr Andrew Jaggars, Deputy Secretary, Commercial and Government Services, Department of Finance  
Mr Sacha de Re, Acting First Assistant Secretary, Commercial and Government Services, Department of Finance

**Commonwealth Superannuation Corporation**

Mr Damian Hill, Chief Executive Officer  
Mr Andy Young, Chief Operating Officer

**Digital Transformation Agency**

Mr Chris Fechner, Chief Executive Officer  
Ms Lucy Poole, General Manager, Digital Strategy, Architecture and Discovery  
Mr Wayne Poels, General Manager, Digital Investment Advice and Sourcing  
Mr George-Philip de Wet, Branch Manager, Corporate  
Mr Matthew Sedgwick, Branch Manager, Digital Identity  
Mr Doug Rutherford, Branch Manager Digital Prioritisation and Cyber Capability  
Ms Michelle Tuck, Branch Manager, Digital Sourcing

**Future Fund Management Agency**

Dr Raphael Arndt, Chief Executive Officer, Future Fund Management Agency  
Mr Ben Samild, Deputy Chief Investment Officer, Future Fund Management Agency  
Mr Nathan Williamson, Deputy Secretary, Governance and Resource Management, Department of Finance  
Mr Scott Dilley, First Assistant Secretary, Governance and Resource Management, Department of Finance  
Ms Tracey Carroll, First Assistant Secretary, Governance and Resource Management, Department of Finance  
Mr Neil Robertson, Assistant Secretary, Governance and Resource Management, Department of Finance  
Ms Amy Fox, Assistant Secretary, Governance and Resource Management, Department of Finance

**Independent Parliamentary Expenses Authority**

Ms Nicole Pearson, Acting Chief Executive Officer  
Mr Michael Frost, Branch Manager  
Ms Jodi Norden, Acting Branch Manager  
Ms Christina Grant, Branch Manager

**Australian Electoral Commission**

Mr Tom Rogers, Electoral Commissioner  
Ms Robyn Black, Acting First Assistant Commissioner, Enabling and Regulation Group  
Dr Kath Gleeson, Acting First Assistant Commissioner, Service Delivery Division  
Mr John Forrest, Acting First Assistant Commissioner, Electoral Integrity and Operations Group  
Mr Thomas Ryan, First Assistant Commissioner, Organisational Transformation Division  
Mr Andrew Johnson, Chief Legal Officer  
Ms Joanne Reid, Assistant Commissioner, Disclosure, Assurance and Engagement Branch  
Ms Natasha Scandrett, Acting Assistant Commissioner, Delivery and Support Branch  
Ms Sally So, Chief Finance Officer  
Mr Scott Dilley, First Assistant Secretary, Governance and Resource Management, Department of Finance  
Mr Sebastian Powney, Assistant Secretary, Governance and Resource Management, Department of Finance

**Committee met at 09:01**

**CHAIR (Senator Pratt):** I declare open this hearing of the Finance and Public Administration Legislation Committee into the 2022-23 budget estimates. I begin by acknowledging the traditional custodians of the land on which we meet today. On behalf of the committee and those here, I pay respects to elders past and present and extend that respect to Aboriginal and Torres Strait Islander peoples here today.

The committee is due to report to the Senate on 29 November and has fixed 16 December as the return date for answers to questions taken on notice. Senators are encouraged to provide written questions on notice to the secretariat by 25 November.

The committee's proceedings today begin with the Department of Finance and its agencies as listed on today's program. Under standing order 26 we must take all evidence in public, and this includes answers to questions on notice. I remind witnesses that, in giving evidence to the committee, they are protected by parliamentary privilege, and that it is unlawful for anyone to threaten or disadvantage a witness on account of evidence given to a committee. Any such action may be treated by the Senate as a contempt. It is also a contempt to give false or misleading evidence.

We have 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 discretion to withhold details or explanations from the parliament or its committees, unless the parliament has expressly provided otherwise. The Senate has resolved also that an officer of a department of the Commonwealth shall not be asked to give opinions on matters of policy and shall be given reasonable opportunity to refer questions asked of an officer to superior officers or to a minister. This resolution does not preclude questions asking for explanations of policies or factual questions about how policies were adopted.

Witnesses are reminded of the Senate order specifying the process by which a claim of 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 specifically 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 specific indication of the harm to the public interest that could result from the disclosure of the information or the document.

**Department of Finance**

[09:04]

**CHAIR:** I now welcome the Assistant Minister for Trade and the Assistant Minister for Manufacturing, Senator the Hon. Tim Ayres; Ms Jenny Wilkinson, Secretary of the Department of Finance; and other officers of the department. This morning we're examining outcome 3. I thank Assistant Minister Ayres for attending today, noting that the relevant minister, Senator the Hon. Don Farrell, has sadly had a bereavement. He is the pallbearer for the funeral, and he has apologised for the fact that this has necessitated his absence today. Minister, I understand you want to make an opening statement?

**Senator Ayres:** As the committee would be aware and the chair just alluded to, Minister Farrell isn't here today, for personal reasons, so thank you to the chair and committee members for making arrangements that keep this all working. For a number of years, and a number of estimates sessions, the Parliamentary Expenses Management System, or PEMS, has been a topic of some scrutiny, not least from Senator Farrell himself. Those who aren't new to the parliament would be aware of the significant issues faced in both developing and implementing this system since its inception in 2018. PEMS issues experienced by parliamentarians and staff aren't new and are no surprise to those who work in the building. However, it's become apparent that the system is not progressing as intended and previously announced by the former government.

A key function of the system is to populate the public expenditure reports of all parliamentarians, which is a vital transparency measure in the building. Public reporting by parliamentarians is a legislative requirement, and that followed rules changes that were introduced with bipartisan support. Delays in the system are now so severe that, although the system is functional and claims can continue to be made, they prevent these reports being created and populated. As a result, the government has been advised that significant time and additional work is required to rectify the system and to allow the established system of public reporting to continue.

On the advice of the relevant agencies, the Special Minister of State has authorised a postponement of parliamentary quarterly reports until the second half of 2023. This is not a decision that the minister has taken lightly. The requirement for public reporting is a key pillar of faith in our parliamentary system, and the government has requested relevant agencies to put every effort into rectification of this issue. In the government's view, a fix is not enough. Maintaining transparency and integrity must be the highest priority. As such, the Special Minister of State will write, today, to the Australian National Audit Office and suggest that this project be the subject of an audit or review should the Auditor-General deem it necessary.

Officials here today can answer both technical and logistical questions about the PEMS project and provide attending senators with some detail regarding the issues that have been identified. Immediately following this hearing, the Special Minister of State will write to every parliamentarian with updated information on the system itself. This is a matter that affects every parliamentarian, and therefore briefings will be offered to all parliamentarians and staff, starting with the shadow special minister of state. I thank the committee for their time.

**CHAIR:** Thank you, Assistant Minister. Senator Hume.

**Senator HUME:** Thank you, Assistant Minister, for that. Can I just put on the record my thanks to the Special Minister of State for reaching out to me on this issue. Before I ask a few questions specifically on PEMS, can I ask that a table of staffing allocations please be provided, which I understand is a very standard thing to do in this committee. Then we'll come back to that issue. When did the department first discover the issue with PEMS?

**Ms Wilkinson:** I might start, and then we'll walk through all of the details. PEMS has been a project which had its inception in about 2017. It's been rolled out since 2018. There are a number of modules. I think there are something like nine milestones in the project overall. The first seven milestones have been rolled out sequentially since 2018. I think one of my colleagues here would be able to walk through exactly what was rolled out at what stage.

The final module that was rolled out on 1 July this year was the expense management module itself. When the decision was taken for that module to go live, at that stage, we were aware that the reporting module—that's the final piece which is what extracts the information from what has been inputted into the system and provides the reports—I wasn't here, but, as I understand it, we were aware that the reporting module had not been built, and it was expected to be built over the next three months.

When the system was rolled out, there were a number of different issues that were confronted by parliamentarians, by suppliers. A number of different things. Some of them could be rectified very quickly. Others took more work. And so, over the subsequent four months of rolling out PEMS, we just diverted our efforts to trying to make sure that there was as much training as possible made available for parliamentarians and their staff in order to manage the new system, to make sure that both suppliers were paid, to make sure that reimbursements were made to parliamentarians, and also to make sure that some of the specific almost idiosyncratic elements of parliamentary entitlements were able to be entered in the system. So there were a large number of specific things which affected a very small number of people but required quite a lot of coding.

We diverted our efforts to making sure that we were getting that right so that the right information was going into the system and that people were getting the support that they needed and that those adjustments were being made to the system. I think it's the case that around 60 per cent of the reporting module has been built, but we're just continuing to work on it. We think it's incredibly important that accurate reports are provided. The first report that would normally be provided for the first quarter of this year wouldn't come out until the end of December. As

Minister Farrell and Senator Ayres has said this morning, those reports will be available next year. They will cover all of this period. But I think it was in the process of rolling out this last milestone that it was clear to us that we needed to divert our resources towards getting the system working, as opposed to building the reporting element of it. But it's being done.

**Senator HUME:** Okay. Exactly when was that decision made?

**Ms Wilkinson:** All I can say is we knew when the expense module was rolled out that we didn't have the reporting module built. I started early August. I had early discussions with the team in the first two weeks that I was in my role. It was clear at that stage we didn't have the reporting module. And we have just been working, over the last couple of months, to try and—well, some of it has been built over that time. When is it being clear? It's one of these things that has emerged over this period.

**Senator HUME:** Obviously the reporting module is a core functionality.

**Ms Wilkinson:** It is.

**Senator HUME:** And this theoretically shouldn't be something that's crept up on anybody.

**Ms Wilkinson:** No.

**Senator HUME:** And it wasn't built, did you say? It was 60 per cent built?

**Ms Wilkinson:** It's about 60 per cent built. I think that would be the right way of thinking about it.

**Senator HUME:** So is the problem the fact that it hasn't been built, or is the problem the fact that the module itself isn't working?

**Ms Wilkinson:** It's that it hasn't been built.

**Senator HUME:** How did you identify the problem in the first place? Did somebody come to you and give you a report?

**Ms Wilkinson:** We had internal discussions in the steering group. I had early discussions with Mr Sheridan, who has been leading on the ICT side of the project, and I had earlier discussions with IPEA—both the chair of IPEA and the CEO of IPEA. As early as August it was clear that we needed—I can't quite remember what day, but some date early in August. I would say it was clear to me by the end of August—well, it was clear to me at the outset that we hadn't built the reporting module. We were expecting to build it. At that point, I think it was still the case that we were probably less aware of the amount of work we had to continue to do to make sure that the data could be inputted correctly and to deal with all of the different circumstances parliamentarians find themselves in.

**Senator HUME:** Had the module commenced building at that stage?

**Ms Wilkinson:** I'm not sure. Mr Sheridan?

**Senator HUME:** When did it commence building?

**Mr Sheridan:** I'll just clarify: 'build' is really shorthand for developing, testing internally, testing externally and then deploying so it's not just one activity; it's a range of activities over time. When we were getting ready to deploy milestone 7, phase 2—the expense-reporting module—in July this year, it became apparent to us in about April that we would not be able to finish the development, the entire build, of all the aspects of the expenditure-reporting module, but also the actual report, by July. So, in late April or early May, we decided to stop work on expenditure reporting itself and instead focus on finishing the expense work that needed to be finished by July.

At the time that we stopped that, we'd actually built, in a development sense, some 250 use cases for the expenditure report, and we had tested, at that stage, something like 150 of those use cases with our colleagues from IPEA and other parts of Finance. As a consequence, I recommended to the steering committee that we cease work on the expenditure report and recommence that work after we had delivered the rest of the functions in milestone 7.2. We had intended, at that stage, to begin that work early in July, once the rest had developed.

By the time we got to early July and the deployment of milestone 7.2, we discovered that, while the vast majority of payments could be made, there were a small number of what you might think of as edge cases or unusual requirements that hadn't been foreseen by the developers in the time that we were working on the project. Because the requirements are so detailed and so unusual in a general sense of building an expenses system related to the legislation that covers these arrangements, we had not foreseen that we would need them. In practice, of course, when parliamentarians made, as they were perfectly entitled to, these quite legitimate claims—or their staff did—we discovered that the logic to deal with those claims hadn't been built into the system.

So we focused our work on making sure we could get all those claims paid, and we have indeed managed that by now. We've paid more than 80,000 claims since July. Something like 99 per cent of office expenses claims



have been paid. I think 94 per cent of travel allowance and 98 per cent of domestic travel expenses have been paid. There are no travel allowance claims that are overdue for the service-level agreements around that. But, clearly, there is work to do on improving the system and the user experience of parliamentarians and their staff and then finalising the expenditure report development—noting that all the data is being collected. It's just the delivery of the data—in a form that can be easily understood by, obviously, the direct clients but also the public—that we need to make sure we get right. Our focus has been on getting the payments right first and then, having got the payments right, on making sure we can report them properly. What we didn't want to do was risk putting out a report that was incorrect, because we understand the sensitivity of the arrangements.

**Senator HUME:** Let me clarify, then. The wheels started getting a bit wobbly, if not falling off, in April? Was that in caretaker mode?

**Mr Sheridan:** We were building milestone 7.2 essentially since we delivered milestone 7.1 in July the previous year. The caretaker mode didn't affect the work we were doing on the project at all. Indeed, I don't actually remember—

**Senator HUME:** I wouldn't imply that caretaker mode would affect the work that you were doing on the project. I'm more interested in when that information came back to the relevant minister, and how. How did you feed that information back up the line?

**Mr Sheridan:** The steering committee would have decided, I guess, in early May that the best thing to do was not to proceed with the expenditure report and focus instead on the rest of milestone 7.2. I don't recall—I'd have to take on notice—when we advised the minister about that.

**Ms Wiley-Smith:** I might be able to assist a little bit here. When that original decision was made, as I understand it, to delay the final module—the reporting module—I believe that the intention was to build it within the three or four months of this financial year, which would have enabled IPEA to still report in December, which was their normal time frame for the next report to be released. I suspect that the committee thought that it was the one thing that you could push back, because they still would have been able to report in the normal time frames.

**Senator HUME:** I'm still not clear exactly when the minister found out.

**Ms Wiley-Smith:** We'd have to take that on notice and find out for you.

**Senator HUME:** It's a shame Minister Farrell isn't here, because it would be interesting to find out exactly when he found out. When did you notify Minister Farrell specifically that there was a problem that needed to be discussed today?

**Ms Wiley-Smith:** I think we've been talking to his office. There have been a number of briefs. I would have to take that on notice to have a look. Mr Sheridan has talked about the original time frame, when we knew that it was going to slip by three or four months. What we've talked about today—and what Assistant Minister Ayres has just announced—is a delay until next year. This is a new process that we've gone through in understanding what we need to do now to fix some of the systems and work together to address some of the extra functionality that we need to enable payments, with the release that happened in July. That's delayed us for those three to four months, which, back in April, they thought would have enabled the final module to be delivered. What's happened now is we have been working very closely with our colleagues in IPEA and all areas of the Department of Finance that are involved in this particular build, to work through and have a look at how long it's going to take us to do all the things that we want to do, including some of the user experience enhancements that we want to focus on, and how long it will take to do the final testing and running through of the final report module. It's been a collaborative effort now, with everybody working together.

**Senator HUME:** This is a bit of an odd question. The old system wasn't perfect, certainly, but it was getting reports. Why didn't you delay the change to the new phase, just to continue reporting, to allow the other module to be built?

**Mr Sheridan:** The PEMS—the new work—has been delivering information since 2018. Up until 30 June this year, that information was fed into the legacy system. After July, it's been fed into the new system. We needed to make a changeover of systems in order to feed the information into the new system so it could eventually be reported on. As you've heard, our expectation was that we could do that and still provide information to IPEA, to meet their normal reporting time frames. Unfortunately, that hasn't been possible for the reasons we've explained. But there was no suggestion at the time that we wouldn't be able to achieve that.

**Ms Wiley-Smith:** I'd just like to support what I was saying earlier. I'm just going through my notes, and I think it was probably October when we realised that there was going to be a further delay to the development of this module. That's when, I suspect, we would have briefed the minister—so it was quite recently. But we will take it on notice and just confirm that.

**Senator HUME:** What was the indication that made you realise that the issue couldn't be resolved?

**Mr Sheridan:** It was simply a question of how long it was taking us to work through various things that needed to be fixed after we deployed the work and how long it took to develop and test things. The accumulation of those activities over time led us to understand that there needed to be these delays.

**Senator HUME:** You might have covered some of these, but were there any other processes or solutions that the department has attempted to resolve the issue?

**Mr Sheridan:** The challenge is essentially building business requirements into the system so that they can be automated. Some of those business requirements are relatively straightforward; others aren't. When we built the system originally, as I explained, we had built much of the expenditure reporting work earlier last financial year. When we came to test it live, when we saw it operate after July, there were particular odd cases that we hadn't anticipated. I could give you some minor examples. The notion that a provider of commercial travel—so a contractor provider who provided unscheduled commercial travel—was not required to pay GST. That required a change in the way we set up the payments in the system, because we hadn't anticipated that that would be the case. We hadn't anticipated that some parliamentarians wouldn't claim allowances for particular legs of particular trips, so we didn't build a system that would do that.

**Senator HUME:** That's the payment functionality, but this is the reporting functionality.

**Mr Sheridan:** As I was saying, Senator, we have to get the payments right so the expenditure report is correct. Until we make sure all the payments are correct and properly being recorded against the proper codes, we can't then report on them, because that would result in an incorrect report.

**CHAIR:** Senator Hume, I note we've also got questions on this topic.

**Senator HUME:** Can you give me a couple more minutes?

**CHAIR:** Yes.

**Senator HUME:** This question might be best directed to you, Ms Wilkinson or maybe Minister Ayres. I want to understand what steps have been taken to contact parliamentarians—I know that was something you mentioned, Minister Ayres—to alert them to this. I want to better understand how the issue is going to impact current reporting for officers and for their budgets.

**Senator Ayres:** All I can tell you is what I indicated earlier today. When I spoke about these issues, I said that people were very shortly being written to. I wouldn't be surprised if it hasn't just arrived in their inboxes. Parliamentarians will receive a note from Minister Farrell outlining what steps have been undertaken. I am aware that there was some early discussion with the opposition to indicate that this was coming. I hope that assisted. I think Minister Farrell's indicated that there'll be further consultation over the coming days and weeks.

**Senator HUME:** Yes.

**Senator Ayres:** As to the detail of how that's going, it's delayed reporting until next year. As to the detail of how that's going to work, I'd defer to officials on some of those questions of detail.

**Ms Wiley-Smith:** Senator, I can just pick up on one of the questions that you had earlier around how it affects what's in the system for parliamentarians and what they can see. Everything's still there.

**Senator HUME:** And we know that it's accurate?

**Ms Wiley-Smith:** Yes, Senator.

**Senator HUME:** Has that been verified in some way?

**Ms Wiley-Smith:** There have been a few changes that have occurred around some of the payments, and Mr Sheridan just talked through those and some of the reflection in terms of budget. But I understand that all of the payments have now been made. That's correct, isn't it?

**Mr Sheridan:** Where there have been errors and we've been notified, we've corrected those. Some of those errors have been more obvious than others, and we've acted earlier. Some of them are a bit more challenging to fix. But I think, generally speaking, the way that the budgets are recorded is now accurate and can be relied upon.

**Senator HUME:** Are there errors that you haven't been notified of yet, that you're not aware of yet? What are your unknown unknowns or your known unknowns, I suppose?

**Mr Sheridan:** I guess we can make some broad comparisons with previous data and determine, for example, if there are a whole bunch of missing claims. There's no evidence that that is the case. We seem to be processing the range of claims that we would have expected previously under the old system. If duplicate payments or some error like that were to occur, there are ways of checking financial statements and those sorts of things that we can go through to make sure they're corrected. If someone—and parliamentarians and their staff, are very helpful in

this regard—has thought that something was wrong, they have contacted either IPEA or MaPS to report this. We very carefully log reports of errors or issues and follow them up on a daily basis to make sure that those are preventing claims being paid are addressed as quickly as they can be.

**Senator HUME:** Is there any external support being brought in to consider solutions?

**Mr Sheridan:** In 2021, when we were looking at the expenditure report solution, we engaged SAP. The system is based on SAP's commercial off-the-shelf software. We brought them in to do an assessment of the suitability of the work we had done in order to deliver the expenses system and the expense report. They found that that was suitable. Previously, before we went live with the HR component in July 2021, we engaged KPMG to ensure there was integrity in the data that was being moved to the system, and they found that was the case as well. There has also been a series of gateway reviews—the last of which I think was done in February this year—that have independently reviewed the project and looked at what we should do in order to properly progress and test our readiness for various activities.

**Senator HUME:** It doesn't sound like those reviews did the trick, does it—if one was as recent as this year?

**Mr Sheridan:** It said that milestone 7.2 would be ready to be delivered and, indeed, it was.

**CHAIR:** Senator Hume—

**Senator HUME:** One thing I want to get on the record is that, obviously, this project was more than just about payment functionality; it was very much about reporting functionality, which is just as important. We are acutely conscious that the transparency of PEMS was what instilled public confidence. This is going to impact that, and we have no doubt about that. But, clearly, the opposition will work with the government to find alternatives, because it is very important that we fix this and get this done.

**Senator SHELDON:** Good morning to you all. I just want to be clear about the sequence of events. There was the Turnbull government initiative after 'choppergate', involving Bronwyn Bishop, and there was a decision to put a new system in place to deal with those sorts of claims that were made in that circumstance and all the controversy about that particular claim. We've spent \$66 million so far for a system that doesn't work. We have had a number of initiatives since. Over 300 questions, if I understand correctly, were asked specifically about the failings in the system by the now minister when he was in opposition. They went to issues of overpayments, underpayments, late payments, incorrect claims, incorrect reports and money sent to the wrong recipients. And now we have a major cost blow-out. What was the initial expectation of the amount of money that would be spent on this project?

**Mr Sheridan:** The original budget allocated in the 2017-18 MYEFO was \$38.1 million over four years. It became apparent, probably midway through that four-year period, that that wouldn't be a sufficient amount in order to address issues we were discovering in the complexity of building the system, and thus additional funding was provided, primarily by the department, but also by IPEA, to ensure the project could be delivered.

**Senator SHELDON:** What's the total amount which has been spent on PEMs to date?

**Mr Sheridan:** I think it's \$65.8 million to 30 June this year.

**CHAIR:** \$66 million nearly?

**Mr Sheridan:** Indeed.

**CHAIR:** Goodness!

**Senator SHELDON:** And the original amount you just stated to me?

**Mr Sheridan:** \$38.1 million.

**Senator SHELDON:** What's the projected total cost of PEMs at completion?

**Mr Sheridan:** I think we're anticipating something in the vicinity of \$68 million or \$69 million.

**Senator SHELDON:** So we're getting close to double the amount that was originally forecast on this. I understand that clearly there was a series of questions asked through last year—literally hundreds of questions—about overpayments, underpayments, inaccurate payments within the system, and we're just now finding out there is a problem in the system. The problem was known last year. What was the response to reports about those problems that were existing in the system and the fact that it wasn't working? We paid twice as much to get half as less.

**Mr Sheridan:** To be clear, the use of the system to pay office expenses and travel expenses and allowances only began on 1 July or 4 July, to be exact, this year. Last year, between July 2021 and now, the system was used for HR arrangements—

**CHAIR:** They don't work either.

**Mr Sheridan:** Previously the elements of PEMs that had been put in place since 2018 were used to enter expenses into the old system, and it was from the old system that those expenses were paid. The issues that have occurred since July, which have, indeed, resulted in relatively small numbers of issues with payments, have been reported, investigated and fixed. The only element of the system that is not working at the moment is expenditure reporting, and that's because it hasn't finished being built. It's not that it's failed; it hasn't been built yet.

**Senator SHELDON:** Wouldn't it be concerning that there are hundreds of examples of mispayments, overpayments and underpayments on the previous aspects of the system, and—if I got that correctly—you mentioned seven stages that you're working through. You're getting all these problems, all these complaints; there were hundreds of instances last year of concerns that were going on with the system. You're spending twice as much than what was originally budgeted to get the system. Don't you think the system has failed? Don't you think there's been a fundamental failure in operating the system and putting it into operation?

**Mr Sheridan:** I would need to take on notice the details of those previous issues to which you refer. I'm certainly not aware of the quantum you described around that. I would, again, point out that the system has paid, since July, more than 80,000 claims successfully. The numbers that have not been paid successfully wouldn't exceed 100 out of the 80,000, if I have my figures correct. It would be my position that the system is working, but not everything has been delivered. Certainly it has cost more than expected and that we were able to calculate when we did the second-pass business case in 2017.

**Senator SHELDON:** How can you say that to me, that the system has been okay, when, in estimates, there have been hundreds of examples of underpayments and overpayments? Isn't this the heart of the problem that we've got now—that people are underestimating the problems that were occurring in the system? And the minister who was sitting in that chair in a different government was hearing these same claims being made, and so were officials, but nothing was properly being done about it.

**Mr Sheridan:** As I said, I would like to take on notice the details of those previous claims. I've been in estimates about PEMs since 2018 and I don't recall that number of complaints being raised, but I am certainly keen to check what occurred.

**Senator SHELDON:** This might be the heart of the problem. Ms Wiley-Smith, thank you for when you opened this before. I note that you used the words 'collaborative now'. Was there an issue about the collaborative approach before, in that there was something lacking in the collaborative approach about how to deal with these issues?

**Ms Wiley-Smith:** I'd have to refer to one of my colleagues, or take that on notice, because I actually have only just joined the department in the last couple of months. But what I have seen during that time is a very close working relationship between our colleagues in IPEA and Mr Sheridan's area, Mr De Silva's area and our service delivery office, which is also focused on ensuring that we finish with this particular build and make sure that there's complete transparency and accuracy.

**Senator SHELDON:** This is a question for any of the officials there. How much has been spent on the currently unusable reporting module on PEMS?

**Mr Sheridan:** I'd need to take that on notice. I don't have the figure readily to hand.

**Senator SHELDON:** That's concerning. Were previous special ministers of state warned about the overspend, delays and inability to report?

**Mr Sheridan:** Our reporting about the system to previous ministers' general briefing included the amounts being spent.

**Senator SHELDON:** When were they made aware of these difficulties and this spending?

**Mr Sheridan:** I'd need to take on notice when various briefs were delivered, but it's a project that's been running for almost five years, and we've briefed regularly on it.

**Senator SHELDON:** When you say 'regularly', is that monthly, fortnightly, weekly, bimonthly?

**Mr Sheridan:** It wouldn't be as frequent as you just described. I'd need to take on notice when those briefs were delivered.

**Senator SHELDON:** Would they be getting more briefs on this than once a year?

**Mr Sheridan:** Certainly they would have been briefed in the context of estimates at least, so that's three times a year.

**Senator SHELDON:** If you can come back with the actual dates and times and occasions, I would appreciate it. Are we re-using the old reporting module? Is that effectively going to be turned back on?

**Mr Sheridan:** No. We're not re-using the old reporting module. We used that until the quarter covering June this year. So the last quarter of last financial year—April, May, June—is reported using the old system. The first quarter of this financial year—July, August, September—will be reported in the new system.

**Senator SHELDON:** With everything we know now about the overspend, the delays, the lack of reporting functionality, the issues officers have been experiencing in assessing and viewing their leave entitlements on PEMS, the issues officers have been experiencing with their payslips on PEMS, the tricky process of putting in travel claims on PEMS, the errors and the outages—why should we not tear it down and start again, or buy something off the shelf?

**Mr Sheridan:** There are a couple of things I would like to address in those comments. It's understandable that the previous system, which had been in place for the best part of 10 years, was very familiar to parliamentarians and their staff, and they understood—

**CHAIR:** Blame the user!

**Mr Sheridan:** I'm sorry; I didn't hear that.

**CHAIR:** Sorry. Some of my frustration at the system is perhaps getting the better of me right now. I apologise.

**Senator SHELDON:** I think the suggestion was: don't blame the user. We're talking about the system that's been put in place.

**Mr Sheridan:** I'm definitely saying: don't blame the user.

**Senator SHELDON:** I certainly am not doing that. I'm concerned about how the finance department has dealt with this.

**Mr Sheridan:** We're definitely not doing that. We understand why users were very familiar with the previous system and we also understand that automating the system, creating an online digital system, as required by the direction to build the project, meant that claims and expenses that were previously submitted on paper by parliamentarians and their staff and then entered into the system by Finance and/or IPEA staff are now being entered into the system directly by parliamentarians and their staff.

**CHAIR:** We know, because we do it.

**Mr Sheridan:** Indeed. We appreciate that this has been an additional burden on parliamentarians and their staff, particularly if they are experiencing challenges in how fast the system is operated or, indeed, if there is a lack of an ability to acceptably understand what is going on.

**CHAIR:** There are technical glitches. You seem to imply that it's the user at fault, but I have to say that it is not an easily understood system in terms of the data fields that you are required to input. The system defies logic at times.

**Mr Sheridan:** I'm not disagreeing with you at all. Finance is well aware of the challenges that users have been experiencing. As I think you heard earlier, one of the plans that we have as we move forward with further development is to make sure we address issues of user experience, combined with the training and assistance we have provided to parliamentarians and their staff to make using the system easy.

**Senator SHELDON:** The system is not working. There are overpayments and underpayments. The system is not working. We have had to now postpone it. There's a question of accountability and transparency, which is extremely important in the public eye. At this point, we're forecasting that we are going to spend close to twice the amount of money that was previously budgeted. Has the Department of Finance completed a cost-benefit analysis on whether it could cost less to stick with the PEMS or buy a functional system off the shelf?

**Mr Sheridan:** Part of the gateway analysis process is to look at benefits realisation over time. The gateway reviews—

**Senator SHELDON:** Mr Sheridan, it's costing us twice as much. I'm asking you what the cost analysis is that is saying that this is working properly.

**Mr Sheridan:** What I'm trying to explain, Senator—perhaps inadequately—is that the cost to go to a new system would far exceed what is it to finish the development of this system. Most of the work is complete. There is an amount of work to do with expenditure reporting that needs to be completed, and we anticipate that being completed in the coming months. I think the cost remaining of that element, as part of the total system, would be something in the order of four to five per cent. I would need to check that directly to make sure, but it is probably less than that. Certainly, more money is required to fix those issues.

It is clear from our work that we have a commercial off-the-shelf platform which we have configured in order to meet the detailed requirements of parliamentary expenses management. There is no commercial system that is designed to meet those things off the shelf. All the work that's required to develop the use cases, to put the code into place and to test what is required would need to be completely redone to meet any new system—that is simply a matter of reality—and we couldn't do that without expending very much more than we plan to expend to finish the system.

**Senator SHELDON:** Well, we've obviously spent a lot more than we planned to spend. What are the current usage levels for PEMS for between 1 March 2022 to 31 October 2022? Could you give me the number of individual claims lodged in each month?

**Mr Sheridan:** We can take that on notice. We know that information. I just don't have it readily to hand.

**Senator SHELDON:** Does anyone behind you have that?

**Mr Sheridan:** We don't have it readily to hand, but we can provide it.

**Senator SHELDON:** The number of staff who have lodged claims in each month?

**Ms Wilkinson:** Senator, we can provide you with all of that information. Over the whole period, as we said, 80,000 claims have been made. So an average of 600 claimless per day have gone through the system. But we are very happy to provide you with a breakdown of the number of staff. I think we do know the number of staff who are using the system. Over 2,000 staff are using the system and over 90 per cent of parliamentarians registered.

**Senator SHELDON:** I will give you a list and see if there is an answer to any of these now, and I appreciate that you will take a question on notice if you do not have the answer right now. I would like to know the number of parliamentarians who have lodged claims in each month.

**Ms Wilkinson:** We don't have the month-by-month figures with us, but we're very happy to take that on notice.

**Senator SHELDON:** The number of offices which have lodged claims in each month?

**Ms Wilkinson:** Same—happy to take it on notice.

**Senator SHELDON:** Percentage of office expense claims which were lodged by PEMS in each month?

**Mr Sheridan:** That's 100 per cent, essentially. There's no method of lodging claims other than that.

**Senator SHELDON:** Percentage of travel expense claims which were lodged by PEMS each month?

**Mr Sheridan:** That's the same, since July.

**Senator SHELDON:** Thank you. Please take all those on notice.

**Ms Wilkinson:** We're happy to.

**Senator SHELDON:** It does seem particularly concerning that we've got a system on which we've overspent, it's over budget, it's over time and now there are delays in reporting. It's extremely concerning to, I'm sure, all senators and members of parliament here, as it will be for the general public, about where the system is up to—twice over budget, a project that came out of 'choppergate' to try to rectify these things. Now we've got 'disastergate'.

**CHAIR:** Is the PEMS user reference group still going? Who is on it? I used to be on it.

**Mr De Silva:** We've had a PEMS user reference group since the conception of PEMS. It met regularly between 2019 and 2021. We are looking re-establish that for the new parliament. We re-establish it after each—

**CHAIR:** When I was a member of it, I don't recall there being many actual users from electorate offices or ministerial offices on it at the time, and because of that I stopped participating, because it wasn't dealing with the user interface issues or what our end experience might look like. So it is of no surprise to me that the system has the problems that it does. May I ask what we are to do if we can't rely on the existing reports? There won't be reporting. I'm concerned. I've had problems with working out the accuracy of my budget, and I want to know how we manage concerns if we find ourselves with an unexpected overspend or if we're trying to make difficult decisions around how much money to spend. Our budgets are complicated—the electorate support budget versus travel. Airfares are going all over the place. We've got to budget for staff out of that same pool of funding. An expensive airfare can put that out of whack. We really rely on the reports for day-to-day operations. What do we do?

**Mr De Silva:** Under the old system, parliamentarians couldn't look at their own budgets. They would need to ring up MAPS, and we would run a report and we would send that.

**CHAIR:** And it worked very well.

**Mr De Silva:** Under the new system, parliamentarians and their staff, depending on the authorisation that they've been provided with, can go in and look at: 'What budget do I have? What have I spent?' As soon as an expense is lodged and then it's paid, it's reflected in the budget. So now you could go into PEMS—

**CHAIR:** Yes, but it shows me my office budget as a pool, and it's very hard to look at the different elements of it, particularly when it comes to your electorate support budget, in order to look at the pattern of expenditure over time and to see if you're tracking well. When I look up office budget, all I can see are some big graphs. Yes, it's probably beyond my technical expertise to be able to click the right filter buttons to work out how to get that in the right format, but it doesn't currently come with instructions to tell you how to do that, whereas previously I could just—

**Ms Wiley-Smith:** We have people on stand-by to assist you with that, in MAPS and also in IPEA, and they are happy to come up and actually work it through with you.

**CHAIR:** Are you doing any extra hours for those of us that are in Perth? It's very frustrating if you have an issue at two o'clock in the afternoon.

**Mr De Silva:** We have a help desk that operates nine to five, including nine to five in Perth, so we have staff in Perth who are on the help desk. But also, if an office wants additional training, we can send staff out to that office. We can sit with you, we can sit with your staff, and help you work through the easiest way of having a look at what information is in PEMS and give you guidance to be able to track what you're spending and what your budget is in office expenses or in the other budgets. As you would appreciate, there are several budgets that parliamentarians have. In the old system, as you know, MaPS would get called up and we would run that and provide it. You actually had no access to that outside of calling MaPS. PEMS allows you to look at the data itself and allows you to track your own budget.

**CHAIR:** Yes, except that you didn't have to call. You just put in a web form—

**Mr De Silva:** That's right. Yes.

**CHAIR:** and you could do that any time of the day; whereas now I've got to work out a complicated—

**Mr De Silva:** As I said, we're happy to come to your office and provide training to you or to your staff. We rolled out additional training in July. It's fair to say the take-up was not huge. We're happy to come to any office and assist with guidance and training. Noting that different offices want different arrangements, we can adapt to suit those needs.

**CHAIR:** You might let Western Australians know you are open according to our hours. I wanted to revisit what happens if we find we have an unexpected under- or overspend. We are used to the reporting coming back to us to tell us what's happening. Now we have to go into a complicated system and double-check for ourselves, because there is no public reporting, what happens to any potential over- or underspend.

**Mr De Silva:** If there is an issue a staff member or you discover, there is a PEMS help desk. I would just call them.

**CHAIR:** I'm worried about what happens if we discover it too late. The money's spent. What happens with the bill?

**Mr De Silva:** Are you saying you've—

**CHAIR:** I know we're liable, but there's no public reporting. How long is that suspended for?

**Ms Wiley-Smith:** The public reporting by PEMS is the second half of next year. But you will still be able to actually see your own expenditure and where you're up to in the system.

**CHAIR:** We can see it, but it's not sent to us. Some officers will rely almost exclusively on those reports to work out how they're tracking and therefore they won't know without those reports if they're headed towards an overspend, particularly if it's a difficult user system already.

**Mr De Silva:** We can have a look in terms of tracking budgets and so on. In terms of the MMRs that you're talking about, you would look at that and ask, 'How much have I spent?' What I'm saying is that we can come into your office and help you go into the actual system and look at it. It's not a report that comes out four weeks later. You can go into PEMS and have a look at, 'How much have I spent based on the claims that I have lodged at a point in time?' It's not four weeks later; it's at that point in time. We can help you to be able to work through how to do that in PEMS and make it as simple as we can.

**CHAIR:** If we don't certify things now for another 12 months, because that's when the reporting's going to happen, how can we in good faith certify something that we don't really have a recollection of contemporaneously?

**Mr De Silva:** In terms of that process, under the act, under the framework, parliamentarians are supposed to certify at the time they lodge.

**CHAIR:** We do, but on the reports—perhaps the department can tell us—is it just the PEMS bit? I'm assuming we will still be asked to certify our officers, our telephones and all of that other stuff.

**Mr De Silva:** All the standard processes that you currently do you will continue to do. So there are expenses that you would certify in PEMS. There are third-party contracts that you don't do because they are contracts that Finance pays.

**CHAIR:** What will appear in those reports now? Normally, those reports combine that data. Will they just be blank, or will they—

**Mr De Silva:** There are no reports being generated at this point.

**CHAIR:** But those reports are included in the master reports that have our office leases, our telephones—

**Mr De Silva:** All that information is still being collected. The difference is that it's not being publicly reported.

**CHAIR:** Including our office tenancies and the like? That won't be publicly reported either, even though it's not part of PEMS?

**Mr De Silva:** There would be information that we would insert that reflects that. But, again, the issue here is about when the public reporting will be able to be generated out of PEMS.

**CHAIR:** They are all public reports, and I already find it somewhat odd that we have to certify our leases and office telephones, over which we have no control or oversight of the contracts, in any case.

**Mr De Silva:** Under the framework, there's a requirement to ensure that those resources are only used for proper parliamentary business and not used for, say, a commercial purpose. So it's to certify that you've met the obligations under the framework, as opposed to the expense itself, which is managed through third-party arrangements. It is an issue that's been raised with us—'Why do we certify?'—but it's about the use rather than the dollar value.

**CHAIR:** That makes some sense. Can you take on notice what is going to remain in those reports and what will now be missing? Normally I can see every staffer's individual flight, their travel allowance and their—

**Mr De Silva:** You can still go into PEMS and look at every claim that you've submitted.

**CHAIR:** No; I'm talking about the report that is public and that is certified. You're saying that information will no longer be in the public report.

**Mr De Silva:** I'm saying that the report itself won't be generated yet until the reporting functionality—

**CHAIR:** Is there going to be no reporting? There are plenty of other things, as I've just outlined, that are in those reports.

**Ms Wiley-Smith:** When the module is actually ready, you will see something similar to what you've got right now. The final design is happening now. I think Mr Sheridan said that we've got about 60 per cent of the module completed. The final bit of the module is actually looking at the look and the feel of the reports and what will be there. But the underlying data and all the information that you're talking about that's already kind of stored in the system. So that's all there and you'll be able to see it; it is just that there won't be public reporting.

**CHAIR:** I understand that. What I'm trying to work out is whether you are suspending reporting for all of those things or only the things for which there is not currently reliable data?

**Mr De Silva:** From a data integrity point of view, PEMS is collecting all the data that it should. On those few occasions where there is an issue, that's been identified and fixed. So, from a data point of view, it's all there. It really is the extracting of that data and the population of a report, both in terms of form and content, that are still being built. It's the extraction and the reporting rather than the collection.

**Ms Wiley-Smith:** And the reporting is a delay. So it'll still be there and you'll still have all of the three-monthly reporting, as you do now. It's just that you're going to have this delay.

**CHAIR:** Do you have any concerns about the fact that we certify a bunch of expenditure contemporaneously as we claim for it, but we are required to certify things that, months down the track, we will not sometimes even know what the context of that was?

**Mr De Silva:** As I said, I think the purpose for doing that is for you to certify that your office has only been used for, say, parliamentary business. It's not about you certifying that the lease payment—



**CHAIR:** That's fine, and it shouldn't matter, therefore, that I have no idea what something in a report even is sometimes?

**Ms Wiley-Smith:** When the reports are generated, there'll be time before publication where you'll be able to work with IPEA, MAPS and your staff to go through some of these issues. So that's still built into the time line.

**Senator COLBECK:** I have just a couple of questions off the back of Senator Pratt's questions. So are we satisfied at the accuracy of allocation of expenses against various forms of entitlement within the system? I say that because I have an issue.

**Mr De Silva:** Are you saying by the various different budgets or generally?

**Senator COLBECK:** It goes back to the point that Mr Sheridan made at the outset. We started with an off-the-shelf program. We're modifying it to suit the way that we work and operate, and then publicly report. The various levels of functionality and the ways that we operate couldn't be anticipated in any other form of business, I wouldn't have thought. Like Senator Pratt, I am concerned about the accuracy of my budgets, because we have allocations made to us for things that we can do and spend, and, if something's not allocated in the right place or not allocated accurately, that creates an issue for the way that we can actually perform our roles in some sense, including capacity to employ staff, travel, in exactly the same ways that Senator Pratt was talking about. Because I know I have one issue that's been dealt with by my office with yours, I'm just concerned that we understand that we have all of the functionalities of the system and the allocation against the appropriate allocations sorted properly.

**Mr De Silva:** My understanding is that, in terms of the accuracy of the data in PEMS, we are confident that that's accurate, as I said. On those odd occasions where there is a particular transaction which wasn't envisaged, we identify it, we fix it, and then we correct the data itself so it's allocated to the correct budget. So when you go in, you can have confidence that the amount of money that's showing in your budget is correct. Whenever an issue is raised, we examine it, it might just be there's a payment that can't be made, and we make sure that it can be paid. But on the odd occasion where we have to go back and adjust the data to make sure it is reflective of that transaction, that then is reflected in your budget. We also do that.

**Senator COLBECK:** So the capacity exists now that didn't exist before for us to go in and look at each element of our budget—

**Mr De Silva:** That's correct.

**Senator COLBECK:** and what we spent against that?

**Mr De Silva:** That's correct.

**Senator COLBECK:** So the functionality is there for us to do that?

**Mr De Silva:** Yes.

**Ms Wilkinson:** that is including in real-time.

**Mr De Silva:** Yes, in real time.

**Senator COLBECK:** I understand that. Possibly there is some more training required—

**Mr De Silva:** We are happy to do that.

**Senator COLBECK:** to manage operator error. Has an assessment of the additional workload posted on electorate staff under the new system been undertaken as part of the work that you're doing? Because it's been put to me that effectively what's happening is that a lot of the work that was done within Finance is now being transferred to our electorate staff and that's creating an additional load.

**CHAIR:** It's also time-wasting too, waiting to talk to Finance.

**Senator COLBECK:** I wasn't going to go there. But the new functionalities and dealing with the functionalities of the system, I think, are contributing to that frustration, so Senator Pratt's point about engaging with our officers in assessing that functionality, I'd support. But has that been assessment done? You said you were doing some assessments of the way that it operates. Is there some saving to Finance for the way that the new system will operate, given that your data input requirements won't be there? Will it be done in MPs' and senators' offices?

**Mr De Silva:** Under the old system, there was a front-end portal into which staff could enter information and it would link to the back-end. Quite often, information that came in would not be quite accurate. I've had staff who would go in and fix it, and there'd be conversations with the office how to fix an expense. There was also a process where each of the expenses could be done in paper form and manually sent in, emailed or faxed, and then

my staff or IPEA staff would then go in and enter that in. What this system does is an end-to-end process. So you can lodge each claim.

**Senator COLBECK:** I understand that.

**Mr De Silva:** You can go in and see it's with MaPS, it's with IPEA. You can see when it's been paid. You can see that it's come out of the budget. So it gives you a full end-to-end process. What it means, though, is that it can't go past to the second step unless the first bit is accurately entered. That's the part where I think the challenge is in terms of the time spent to make sure that what is entered in the first place is accurate, because quite often we were just fixing the back end. We would make a phone call and say, 'Look, you've done this and it doesn't look quite right,' and we would be able to fix that. The system allows the client to go end to end, and we basically process it just at the back end, rather than, for want of a better phrase, intervening and adjusting it on your behalf. I think that is the difference, but it does mean that the requirements to make sure that the claim is entered correctly—you've got the right invoice and that it's itemised correctly—is sitting with both the parliamentarian and the staff, rather than us fixing it after it's come in.

**Ms Wiley-Smith:** We acknowledge that the increased automation with this particular system has meant that some of the burden of recording expenses has moved from IPEA and MaPS in terms of manual processing to online entry by parliamentarians and their staff. It's one of the issues that we're really focusing on, and we want to understand what the impact is on the user and the user experience, because then in subsequent updates and releases to this system we want to be able to address some of those issues. So all feedback at the moment is very welcomed.

**Senator COLBECK:** I think in a general sense we've covered that, but it is causing some stress at this point in time.

**Senator HUME:** I have a couple more questions. When was IPEA first informed of any issue relating to the reporting module?

**Ms Wiley-Smith:** I think IPEA would have to answer that question. We can't speak for them. I know they're coming up next. But I would just go back to what I said earlier, on the record, which is we're working in partnership with them and so they know everything we do.

**Senator HUME:** But there isn't a date that you would have flagged this with them?

**Ms Wiley-Smith:** They're working together with us in the team and so, constantly, as parts of the system are built, they're looking at it, testing it, providing feedback. It's not us and them; we're actually working together.

**Senator HUME:** So it's been a creeping awareness for them as well, the same way it has been for you.

**Ms Wiley-Smith:** Yes. When we started to work through some of the issues that we've talked about already around some of the things we've needed to enhance or the gaps that we've had to fix within the system since the 1 July release of the expenditure element of PEMS, we've been working pretty closely with them to address those issues, including some of the things that have been mentioned around invoices, underpayments or delays in payments. That's been our priority, and now we're looking at, together, what that means for the release of the final build, which is the reporting. For all of us, we want to make sure that we get it right. Transparency and integrity matter to both the Department of Finance and I know to my IPEA colleagues.

**Senator HUME:** And to these colleagues around the table too. Mr Sheridan, I wanted to clarify—I think it was you who said that the only way that claims could be made was on PEMS. Is that right?

**Mr Sheridan:** Yes. All the claims since 1 July have to go into PEMS.

**Senator HUME:** They have to? There is no way that you can do it on paper now?

**Mr Sheridan:** Not that I'm aware of, no.

**Senator HUME:** Okay. Thank you, Chair. That's all the questions I have on PEMS, but obviously I've got lots more around other issues.

**CHAIR:** You may continue with the call.

**Senator HUME:** I want to ask questions about staffing. First and foremost, how many of the staff positions allocated to ministers and assistant ministers remain vacant at the moment?

**Mr De Silva:** Have you got the tabled document?

**Senator HUME:** Yes, I've got it here.

**Mr De Silva:** If you go to page 3, you can see a summary. There's 'total allocated', and then there are four, which is an unallocated pool.

**Senator HUME:** Only four?

**Mr De Silva:** Of positions that haven't been allocated to an office.

**Senator HUME:** How many of these positions have seconded members of the Public Service?

**Mr De Silva:** I don't have that information.

**Senator HUME:** Could you take it on notice to get that information?

**Mr De Silva:** It would be on an office-by-office basis.

**Senator HUME:** Could you provide it on an office-by-office basis?

**Mr De Silva:** I'll take it on notice and see what information—

**Senator HUME:** Do we know then how many members of the APS are employed full time under a MOP(S) Act arrangement by any ministers or assistant ministers, as an aggregate?

**Mr De Silva:** I don't have that information, but we can take it on notice.

**Senator HUME:** That would be terrific, and it would only need to be an aggregate. That's fine. Could the department provide some information to the committee about how the government is conducting staffing processes? Is there a staffing committee?

**Senator Ayres:** I'm in a position to be able to say that there is a staffing committee.

**Senator HUME:** Could you tell me, Minister, who's on it?

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

**Senator HUME:** Could you tell me how often it meets?

**Senator Ayres:** I'll take that question on notice and see what information we can provide you with.

**Senator HUME:** So you'll take it on notice to see whether you can provide me the information, or you'll take it on notice to provide the information?

**Senator Ayres:** What I just said was that we'll take that on notice and see what information we can provide you with.

**Senator HUME:** If you can't provide it to me, could you please provide to me the public interest immunity claim that you want to make on that?

**Senator Ayres:** I don't anticipate we'd do that. I'm not certain what information we can provide. That is not an anticipation of trying to deny information to you—

**Senator HUME:** What you want to provide as opposed to what you can provide?

**Senator Ayres:** Yes, that's right, precisely.

**Senator HUME:** Could you also let me know whether—you shouldn't have to do this on notice—it considers all staffing? Is it just personal staff, or is it also electorate staff?

**Senator Ayres:** As I understand it—and I will correct this later on today if it's any different—it's in relation to ministerial staff.

**Senator HUME:** Ministerial staff? So personal staff only?

**Senator Ayres:** Yes.

**Senator HUME:** Is the government staffing committee responsible, as it has been in the past, for enforcing the statement of standards for ministerial staff? Is that the body that's responsible for enforcement?

**Senator Ayres:** I don't know. I will come back to you later on today about that question.

**Senator HUME:** So you'll take that one on notice?

**Senator Ayres:** Yes.

**Senator HUME:** That would be good. Has the government established a unit similar to the one by the former Labor government? I think, under the previous Labor government, it had a very long acronym of CCSTU, and then I think it went to CCT after the election.

**Senator Ayres:** I don't know to what you refer.

**Senator HUME:** I want to find out what it was called. I'll find out what the acronym actually meant. But it was a unit that had a particular function within the previous government—sorry, not in the previous government, in the government prior to the previous government. There was a version of it in the previous government, and I'm just wondering whether it mirrored our MSU—I think we called it—in our government and whether there is a

document that outlines that unit's capability and function. And, if you don't know what that is, could you ask somebody relevant and find out whether there is an enabling document that describes the function of that unit?

**Senator Ayres:** Again, I'll take all that on notice.

**Senator HUME:** Could you also then take on notice how many staff have been allocated to it, and where I might find them in this staffing document? Who are they allocated to?

**Senator Ayres:** It's not clear to me what all those acronyms mean, and it's not clear where that sits. But we can provide you with an answer on notice, and you'll have to—

**Senator HUME:** Caucus Support Unit. That looks like it.

**Senator Ayres:** It does. I think that's what you're referring to.

**Senator HUME:** Yes, that would make sense with that acronym.

**Senator Ayres:** We can provide an answer to that question on notice.

**Senator HUME:** Could you tell me who it is? On page 3, under 'other', there is a Caucus Support Unit staffed by Ms Ryan, Senator Gallagher, Senator Farrell, Senator Dodson, Ms Templeman, Senator Sheldon and Senator Green. That totals 26 staff. Are all of those staff part of the Caucus Support Unit, or whether it's just the 14 allocated to Ms Ryan there, and what is the cost of establishing that unit? If you could give me an indication, too, of the ICT and the facilities and the equipment that that unit might be using, and any services or subscriptions that have been provided, and where they're located in the building.

**Senator Ayres:** For all of those, of course, we can help you to the extent we can on notice. It seems to me to be apparent, just on the face of the spreadsheet that's been provided to you, that the staff allocated to Senator Dodson, Ms Templeman, Senator Sheldon and Senator Green are allocated to them, and there's a separate allocation for the Caucus Support Unit.

**Senator HUME:** And they're employed by Ms Ryan?

**Senator Ayres:** That's what it says, yes.

**Senator HUME:** I might not have been making myself clear before. I wasn't specifically asking about the unallocated staff; I wanted to know about the vacancies that existed.

**Senator Ayres:** Yes, that's what I heard.

**Mr De Silva:** Sorry, I don't have information regarding what positions have been allocated that have yet to be filled.

**Senator HUME:** Minister Ayres, can you take that on notice too?

**Senator Ayres:** Yes, I can and will.

**Senator HUME:** Thank you. I might come back with some additional questions on this. Thank you, Chair.

**CHAIR:** Are there further questions?

**Senator DEAN SMITH:** Just one from me, Senator Ayres. Perhaps you could provide us also with an explanation of the distinction between the Caucus Support Unit and the Office of Staff Support. I notice the Caucus Support Unit of 14 positions is allocated to Ms Ryan, and then an Office of Staff Support of four positions is allocated to Senator Farrell. I'd be interested in understanding what the distinction is between those two categories.

**Senator Ayres:** Yes, we'll take that on notice.

**Senator DEAN SMITH:** I'd be curious about the interim staffing unit as well, but I notice it doesn't have any allocations to Senator Gallagher.

**CHAIR:** Is that a question, Senator Smith?

**Senator DEAN SMITH:** No, a statement.

**Senator Ayres:** It just helped frame the question we're going to take on notice.

**Senator DEAN SMITH:** Contextual.

**CHAIR:** Are there any further questions?

**Senator McGRATH:** I think there are some questions Senator Paterson wishes to ask. He's just leaving—he's on the way.

**Senator HUME:** I do have some more questions if you don't mind, Chair. There were some quite significant delays in the department providing final payments to former staff, and some of that led to fair a bit of financial distress that ended up being reported back to my office. Can I ask a couple of questions about the current

enterprise agreement under the MOP(S) Act 1994, when they came into effect? Particularly when the enterprise agreement came into effect, the department prepared itself to provide those entitlements under the enterprise agreement.

**Mr De Silva:** The current MOP(S) Act enterprise agreement came into effect on 5 August 2021. I'll need to double-check, but I think the first increase in payment was in September, and the second pay rise occurred on 5 August 2022.

**Senator HUME:** So there were entitlements allocated under that particular agreement. I'm assuming that the department was prepared for those entitlements.

**Mr De Silva:** In terms of the changes to the enterprise agreement?

**Senator HUME:** Yes.

**Mr De Silva:** Yes, back in 2021, when the agreement was agreed on. There were a range of changes that had to be made in terms of adjustments to wages but also adjustments to allowances. At the same time, it would have had to pay the annual retention payments but also the increments that staff would go up. As I said, that was 12 months ago.

**Senator HUME:** Does the department ever seek legal advice on how to meet its obligations in relation to the enterprise agreement?

**Mr De Silva:** We seek advice when we are engaged in bargaining, in terms of scope of that. In terms of meeting our obligations under the EA, we have met our obligations under the EA.

**Senator HUME:** So you don't need to seek legal advice?

**Mr De Silva:** It's quite straightforward in terms of what payments can be made to a staff member.

**Senator HUME:** Yes—and when they should be made.

**Mr De Silva:** And when, yes.

**Senator HUME:** Do you keep track of all the staff currently employed under the MOP(S) Act?

**Mr De Silva:** What do you mean by 'keep track'? In terms of the number, or—

**Senator HUME:** Yes.

**Mr De Silva:** I don't quite understand.

**Senator HUME:** There were a number of staff who obviously no longer maintained their employment after the election.

**Mr De Silva:** Yes.

**Senator HUME:** Do you keep track of all of them?

**Mr De Silva:** Post employment?

**Senator HUME:** Post election, when you know that they are leaving.

**Mr De Silva:** Post election, they're on deferral, so, clearly, we'd be aware of them. In terms of post election, if there was a termination due to the election, we would calculate their final moneys.

**Senator HUME:** Do you keep track, then, of their status and their personal circumstances so that those entitlements can be calculated correctly?

**Mr De Silva:** Their entitlements are based on their actual termination date. There's the standard deferral but others might leave early, and others might get a further deferral, so we'd basically calculate it based on the circumstances of the individual employee. So, yes.

**Senator HUME:** When an employee ceases employment or goes on sick leave, for instance, does the department system provide accurate information on what they're entitled to, or is it a manual process to check it?

**Mr De Silva:** If they're terminated, we would calculate what payments fall due in terms of final moneys. If they're in ongoing employment and they take sick leave, they would get paid sick leave.

**Senator HUME:** Is it manual or is it automated?

**Mr De Silva:** The employee, under PEMS, would submit a leave claim. It would go into PEMS and then get paid through the normal cycle.

**Senator HUME:** Given that the enterprise agreement has been in place for a fair while, the department, I'm certain, would be aware that there was the potential for very large numbers of staff to cease employment under the agreement at the election. Is that right?

**Mr De Silva:** We always expected there would be a number of staff who would be terminated post election, yes.

**Senator HUME:** What steps did the department take to prepare for that eventuality?

**Mr De Silva:** We created a surge team that focused purely on final moneys. In terms of the number of final moneys—

**Senator HUME:** I'm sorry, could you say that again?

**Mr De Silva:** We established a surge team.

**Senator HUME:** A 'search' team?

**Mr De Silva:** A 'surge' team—an extra team—that focused purely on final moneys. So we left what I would call the everyday payroll team, which makes sure that we're paying the fortnightly pay, and established a small team that looked purely at final moneys. Since the election, we've paid 1,193 final moneys. So it hasn't been a small number. Of those, 776 were automatic terminations as a result of the election. Just as a point of comparison, in 2019, there were 463, and, in 2013, which was the last time there was a change of government, there were 506. There was a substantial increase compared to previous payments.

**Senator HUME:** Yes, and much of that would probably be due to the change in the enterprise agreement. When you say 'termination packages', are you talking about those staff that chose to take redundancy packages or were compelled to?

**Mr De Silva:** There would be staff who, by virtue of the election and by virtue of a parliamentarian not being re-elected or having a change in circumstance, would automatically be terminated.

**Senator HUME:** How many did you say there were?

**Mr De Silva:** There were 776 that were by virtue of what we would call an automatic termination, and then there were an extra 417, which might be due to contracts expiring, other forms—an employee deciding to quit—or through other means. That gives you a breakdown. There were 776 that were automatic because of the parliamentarian losing their seat or because their position changed in some way.

**Senator HUME:** What was the date of the first request and the date of the final request for those payments? Do you have particular dates? There's a period of time when staff could say: 'Well, am I going to stay? Am I going to go? What am I going to do?'

**Mr De Silva:** It would depend on what happens to the individual staff member. There was a deferral period that was put in place, and a large number of terminations would have occurred at the end of that deferral period. There would be other staff who chose to exit employment earlier because they decided to take other employment, and there would be other staff where the deferral period may have been extended. There would not be a single date when everyone would end employment; it would be a rolling over a three-month—

**Senator HUME:** But there'd be a date for when the first one became certain and a date for when the last one became certain.

**Mr De Silva:** Yes.

**Senator HUME:** You might have to take that on notice.

**Mr De Silva:** I can take on notice the date when we made our first final moneys post the election and the date when we made our last final moneys post the election.

**Senator HUME:** That's different. I want to know the notification date, as opposed to the payment date. I do want to differentiate between the two.

**Mr De Silva:** I can take both of those, and I can look at it.

**Senator HUME:** Yes—if you could. I want the date you were first notified and the date you paid your first redundancy, and the date you were last notified and the date you paid your last redundancy. I'm also interested in the dates that the department provided communications to staff in relation to payments of those final moneys.

**Mr De Silva:** Okay.

**Senator HUME:** Did the department know about the advice from Fair Work that moneys should be paid within seven days?

**Mr De Silva:** In terms of when you look at normal payroll, there is a best-practice guidance. For final moneys, there's also a best-practice guidance. What we have said is that we will make final money payments within two pay periods, which is, I think, an acceptable process. As I said, the volume of final moneys turned out to be much larger than what was anticipated.

**Senator HUME:** Anecdotal reports provided that, in many cases, some of those redundancy packages were still being paid to staff in September of this year. That's over two months after the deferral of the termination period ceased. Is that right?

**Mr De Silva:** I can confirm that there were still fund moneys being paid in September. I'd need to take on notice what the date was on which the termination occurred and when the final moneys were paid. As I said, it was a rolling. There was not a set time frame for all employees; it was employee by employee. It's fair to say there were big clusters in certain pay periods. In terms of automatic terminations, we paid 86 per cent within two pay periods.

**Senator HUME:** Were you aware that there were staff waiting on their final moneys to be paid and relying on those funds who potentially had problems and had to go onto bridging loans?

**Mr De Silva:** Where an employee contacted the payroll team and said, 'Look, I've got some issues,' we would do a special pay run whenever that was possible.

**Senator HUME:** Could you take on notice how many of those situations occurred?

**Mr De Silva:** How many people raised hardship?

**Senator HUME:** Yes.

**Mr De Silva:** I'm happy to take it on notice. I'll see whether we've recorded that a payment for a particular employee was paid in advance of the next pay run because of that. I might only be able to show how many final moneys were done through a special pay run rather than the standard pay cycle. If we can, we will.

**Senator HUME:** Has the department been made aware of any moves to take to Fair Work the delay of the payment of final moneys?

**Mr De Silva:** I'm not aware of that.

**Senator HUME:** In not being aware of that, then, the department, I assume, hasn't taken legal advice on the issue?

**Mr De Silva:** I'm not aware of any such issues.

**Senator HUME:** Okay. You were aware, though, that people were being paid late and that it was causing some distress—is that right?

**Mr De Silva:** As I said, we had committed to pay the final moneys within two pay periods, when all the paperwork had been submitted. There were times when not all the paperwork was there, but what we agreed was that within two pay periods we'd try to make sure that everyone got paid. As I said, for automatic terminations we were able to pay 86 per cent. Where we were advised that there were particular issues, we endeavoured to do a special pay run, outside of the normal fortnightly cycle, so people could get their money as quickly as possible. I had staff working every night and every weekend just trying to get the final moneys out. It was a fairly intense time period for my payroll staff, as you'd expect. Post-election is busy. At the same time, I think, they probably processed something like 4,500 contracts. Everyone tried to do everything as quickly as they possibly could.

**Senator HUME:** Alright. I will leave it there. Thank you, Chair.

**CHAIR:** Senator Paterson.

**Senator PATERSON:** Thank you, Chair. I appreciate you accommodating me from another committee. I have some questions of the rollout of the CCTV and remote electronic door-locking mechanisms in Commonwealth funded electoral offices. The minister on parliamentary services sent an email to members and senators on 12 July to notify us that this would be proceeding. Firstly, can I say that's very welcome and very sensible. Unfortunately, we know from our law enforcement and intelligence agencies that threats to members of parliament, their staff and their families are only increasing. We have seen all around the world, unfortunately, instances of violence against elected officials. I want to congratulate the department for this initiative. Where are we up to with the rollout? What is the status of it?

**Mr De Silva:** I might get Ms Barons to come to the table. We've approved all the funding so the program can occur. That occurred earlier this year. The broad time frame is to have that all completed within a 12-month period. Ms Barons might be able to give you slightly more information in terms of exactly where it's up to.

**Ms Barons:** We have projected that the rollout will be completed by February 2023. At the moment, a number of offices have already had their CCTV and locking established, and we do have a schedule that's being finalised for the remaining offices.

**Senator PATERSON:** That includes an office where, for example, they may have cameras which are currently operational but not recording; they're just there for staff to have awareness of who's coming and going?

**Ms Barons:** It is an upgrade to any older cameras that don't have the newer functionalities, and then parliamentarians choose whether they want to turn on the recording capability.

**Senator PATERSON:** Have you sought or received any advice on whether there are any vendors which should be excluded from the rollout—any high-risk vendors which should not be included in the rollout?

**Ms Barons:** Yes. We did consult with the relevant agencies in making sure that we were putting secure CCTV and appropriate equipment in the office.

**Senator PATERSON:** What was that advice? Did they say that there were particular vendors that should be excluded?

**Ms Barons:** I don't have the exact details. There was certainly equipment that—we've been using the recommended equipment, noting that these aren't networked cameras as well. We have followed that advice.

**Senator PATERSON:** I'm interested in the advice. You might need to provide it on notice if you don't have it. Was it a whitelist of providers that are recommended, or was it a blacklist of providers that are not recommended? What was the form of the advice?

**Ms Barons:** I will take that on notice. I believe it covered recommendations as well as covering that if we did have older equipment that needed replacing because of concerns then we would prioritise that as well.

**Senator PATERSON:** Were either of the providers Hikvision or Dahua on the blacklist of providers not to be used?

**Ms Barons:** I'll take that on notice.

**Senator PATERSON:** Okay. Are you aware about the background to Hikvision and Dahua?

**Ms Barons:** Yes.

**Senator PATERSON:** Just for the benefit of everyone else: they're Chinese companies, they are closely linked to the Chinese government and they have been involved in the surveillance and repression of Uighur people in Xinjiang. In the United States the Federal Communications Commission has banned them if they're to be used in public safety, security of government facilities, physical safety or surveillance of critical infrastructure. In the UK they've been removed from a number of government departments. Are you aware whether either Hikvision or Dahua are currently used in any electoral offices?

**Ms Barons:** I will have to take that on notice. But I will also note that our electorate office CCTVs are not networked, which does remove some of the risks that are attached to some of the equipment in terms of whether people can actually access that footage. Ours are standalone systems.

**Senator PATERSON:** I'd be interested, on notice, if you could tell me if they do exist in any electorate offices, not limited just to CCTV but intercoms or access control or any other kinds of services—whether or not Hikvision or Dahua have any presence in any electorate offices—and, if they are currently in electorate offices, whether or not they'll be replaced as part of this rollout.

**Ms Barons:** Yes, absolutely, we'll take that on notice.

**Senator PATERSON:** Great, thank you.

**Senator HUME:** I have a couple more questions, Chair, if that's alright, on induction training. I'm interested to know how many staff have completed the new training program.

**Mr De Silva:** This is staff, not parliamentarians?

**Senator HUME:** Staff, yes.

**CHAIR:** Is this the Respect@Work training?

**Senator HUME:** This is induction training, which is new.

**Mr De Silva:** Yes, that's fine. This is the first time we've done it. Previously we've relied on parliamentarians to induct their employees, but we rolled out an induction program directly to MOP(S) Act employees. We've had 132 employees participate in 13 induction programs. There are also 165 employees who have completed an online foundation induction program.

**Senator HUME:** Okay. So 162 did it online?

**Mr De Silva:** There are 165 who have completed. There are a further 97 who have enrolled but not yet completed, and there were 132 who participated in face-to-face or face-to-screen inductions.

**Senator HUME:** Was it only marketed to new staff?

**Mr De Silva:** That was primarily marketed to new staff, yes.



**Senator HUME:** What was the thinking behind that? Obviously, ongoing staff can do the training, can't they?

**Mr De Silva:** Yes. It was largely focused on the first time a MOP(S) Act employee is engaged. There is a lot to understand in terms of expenses, employment practices, work health and safety requirements and so on. There are a range of other online programs that are available to all staff. There's also the Safe and Respectful Workplace training program; that is also available to all staff. Again, coming out of *Set the standard*, there is a bigger focus on initial induction. Again, we used to rely on parliamentarians to induct their staff, but, post *Set the standard*, it was agreed that we would probably be more interventionist and reach out and at least make the induction offer to new MOP(S) Act employees so they can understand the various legal frameworks but also the supports and processes that are in place. We've done that in every capital city around the country. It wasn't mandated. It was basically, 'It's here; we will come out to you.' On average, we've had 10 or 13 staff come to each face-to-faces.

**Senator HUME:** It sounds like it's been quite successful.

**Mr De Silva:** The feedback's been really positive. I think about 95 per cent found that the quality and the level of information—because I think quite often you can come into a new job and get inundated with so much information that it's really hard to digest all that. We very much wanted to focus on the critical information. What are the critical processes? What are the critical obligations that staff need to understand from the get-go?

**CHAIR:** May I ask for the content in those general terms. And, when you say 'what they need to know from the get-go', how do you work out what that is—noting that Finance only overlooks some of that, and there's the parliament, there are constituents and there are all of the other elements which all have their own obligations as well. I don't want a perception that it's skewed because someone's done finance training, when actually there are a lot of other systems you need to be across as well.

**Mr De Silva:** That's a completely fair point. It wouldn't cover off what the current processes in Parliament House are. That would be left to the various departments here. I'm happy to provide what the program covered. We've given it out to MOP(S) Act staff. I think we did one at your office four weeks ago.

**Senator HUME:** You did, yes.

**Mr De Silva:** I'm happy to table that.

**CHAIR:** Thank you.

**Senator COLBECK:** What about regional [inaudible]?

**Mr De Silva:** We did face-to-face in each of the CPOs. We said that we would fly staff in. It is fair to say, I think, that there were a number of MOP(S) Act employees in regional areas who found coming to the CPO too hard, which is why we went to face-to-screen. I think, going forward, we will continue to do that mix, again, because, even if you are in a suburb of a capital city, it can take time to come into a CPO. I think, going forward, we will do both face-to-face and face-to-screen. We'll leave it up to the employees to decide what works best for them, particularly in terms of transport. But we didn't want at least the cost of travel to be a disincentive, so we said that, if staff travel to the CPO, it wouldn't come out of the parliamentary budget.

**Ms Wiley-Smith:** Just to be clear there, if there are staff that are in regional areas that would prefer face-to-face then we have staff that could travel to them.

**Senator COLBECK:** Has there been an assessment of the effectiveness of face-to-face versus the online?

**Mr De Silva:** I'll take that on notice.

**CHAIR:** What's the uptake of the Set the Standard workplace training, and who is doing that?

**Mr De Silva:** Sorry, Set the Standard? So, the Safe and Respectful Workplace Training?

**Senator Ayres:** I should indicate, perhaps, before Mr De Silva answers that, that the government is also conducting our own induction training for all ministerial staff. That's informed by, of course, Ms Jenkins' recommendations, but also, more broadly, to professionalise ministerial staff approach—

**Senator COLBECK:** Isn't it a requirement under the ministerial standards?

**Senator Ayres:** It's run by the office of staff support, overseen by the Special Minister of State.

**Senator HUME:** When is the next round of face-to-face training scheduled to occur?

**Mr De Silva:** For induction, or for something else?

**Senator HUME:** Yes, induction.

**Mr De Silva:** I don't think we have scheduled further face-to-face. We do it based on the numbers of staff who are asking. We will say, 'If you want us to come out, we're happy to.' It's fair to say, in terms of face-to-face, there were some sessions where it was difficult to get the numbers, so we collapsed some together. We will continue to

do face-to-face if there is demand if that's in a CPO or in an electorate office. As I said, we came out to yours because you asked us, so we were happy to come. We will just continue to do that. I do find that different staff like face-to-face, other staff like face-to-screen. I don't think there is a single mode that works for everyone. That's been our experience. We need to be as adaptable as we can to make sure that we engage as many staff as we can, and they feel free to ask questions and seek additional information after the fact.

**Senator HUME:** Obviously, that new induction training is really important at the beginning of a new parliamentary term, but new staff come on all of the time.

**Mr De Silva:** Exactly. We wanted to have this on a rolling basis. The idea being that you want to have that initial contact with new staff as quickly as possible to make sure that, when they on-board, they're aware this training is available. They can contact the helpdesk and we can arrange a time, a place. If it's face-to-face or face-to-screen, again, we can adapt to try to meet the needs.

**Senator HUME:** I'll probably ask the same questions again at the next estimates to get a sense of what has happened in the meantime.

**Mr De Silva:** Sure.

**CHAIR:** We will break for morning tea

### **Proceeding suspended from 10:48 to 11:06**

#### **Independent Parliamentary Expenses Authority**

**CHAIR:** I welcome Ms Nicole Pearson, the Acting Chief Executive Officer of the Independent Parliamentary Expenses Authority, and other officers. Ms Pearson, would you like to make an opening statement this morning?

**Ms Pearson:** No, Senator. Thank you.

**CHAIR:** That being the case, we'll go straight to questions. I'll give the call to Senator Hume.

**Senator HUME:** I don't have many questions, but I would like, first and foremost, to get an understanding of progress on the independent review of the Parliamentary Business Resources Act. What's the progress that IPEA's made in progressing the implementation of the recommendations of the independent review?

**Ms Pearson:** We're working very closely with Finance, who own the legislation—both the IPEA Act and the PBR Act. There are a number of recommendations that we're progressing with them. So that has started.

**Senator HUME:** When did it start?

**Ms Pearson:** As soon as it was tabled, we were contacted by Finance, and we've started to have meetings about the recommendations.

**Senator HUME:** Is there a time line associated with that progress?

**Ms Pearson:** You'd have to ask Finance.

**Senator HUME:** Okay.

**Ms Pearson:** But there are meetings happening each week on different recommendations.

**Senator HUME:** Is there legislative change that's expected that comes about with that review?

**Ms Pearson:** I believe at least four—maybe a couple more—of those recommendations which would envisage some kind of change. But I think that's still being worked through.

**Senator HUME:** Are there any other operational or system changes that you're making in responding to some of the observations in the review?

**Ms Pearson:** I think there are a number of recommendations that flag changes to the expenditure reporting. The position is that we need to build the expenditure reporting for what we need at the moment and, where we can put aspects of those in, that might happen. But it might be that it's further down the track, until we actually get a functioning reporting functionality.

**Senator HUME:** Yes. You might have just answered the question I was about to ask you, but can you see any obstacles? Are there any of those recommendations that might cause some problems to IPEA?

**Ms Pearson:** Not problems; it's a matter of making changes in the system.

**Senator HUME:** It's just logistical?

**Ms Pearson:** Well, the things have got to be built.

**Senator HUME:** Technical, as opposed to logistical?

**Ms Pearson:** Yes, not logistical. It's more the technical, and when those things would be prioritised to be put into the system, given that the system needs to be built first.

**Senator HUME:** Okay. I should have asked Finance these questions about the time line. You don't have a sense of—

**Ms Pearson:** I don't, I'm sorry, Senator.

**Senator HUME:** Okay. I do want to ask some questions about the recent election period, because obviously there were additional claims made during the election period. How many claims did you receive and pay out during that period of time? I want a sense of how your system handled the additional workload.

**Ms Pearson:** Of course. I might ask Ms Grant to answer.

**Ms Grant:** On travel administration: in the 2022-23 financial year, as of 30 September, IPEA processed 20,021 transactions. That's just this financial year up until 30 September. I don't know if I have the dates for just the election period. Let me just double-check. I'm not sure that I anticipated that question.

**Senator HUME:** That's alright.

**Ms Grant:** I can take that on notice though—here it is. So many briefs, so little time! It probably is important to note that there is no specific reference to 'election travel', so there's no differentiation between travel prior to the election, travel during the election that was just for parliamentary business or travel that was specifically related to other things. In the period 3 April to 23 May, IPEA paid a total of 2,184 transactions, to the value of around \$1.2 million.

**Senator HUME:** Right. And did you have many complaints or issues that you had to handle during that period of time?

**Ms Grant:** Sorry, I should note that that was parliamentarians' travel and that there were another 13,870 transactions for staff, to the value of \$5,130,000—just to be totally clear. Did we have any complaints. I'm not aware of any unusual complaints or complaints specifically in relation to election-period travel. Do you mean in relation to the quality of service or the timing of service?

**Senator HUME:** I'd imagine it would be more about timing. But were there were any errors—were there overpayments or underpayments?

**Ms Grant:** I'm happy to take it on notice. But, to the best of my knowledge, there wasn't anything outside of the ordinary that happened during the election period. We had a number of surge teams set up to make sure that we had enough staff that were dedicated to the various parts of election travel, and they seemed to operate very well. There were some delays in receiving claims, because obviously MOP(S) staff are very busy during that period, so there might have been a little bit of a lag in IPEA receiving the claims. But to my knowledge there weren't any major issues with the administration.

**Senator HUME:** When things are so busy do you then do a post-election review and say, 'Well, what could we do better next time?'

**Ms Grant:** Yes, absolutely.

**Senator HUME:** What would you pick that you could be doing better next time?

**Ms Grant:** There are a couple of things—they're fairly administrative—that we could do differently next time. Some of the things that worked really well were meeting early with the major parties and making sure that we had key contacts set up and had received information from each of the parties about who the major travellers were going to be, and the locations and so forth, so that we could provide the best support. Those are things that we would do again. They worked well.

One of the things that we did do during the election was to pay hotels directly. This was something that did not work so well. The delay in receiving claims from MOP(S) staff meant that there were some delays in paying hotels. It was nothing too major, but it probably was something that we'd look at doing a little bit differently next time.

**Senator HUME:** As part of that post-election review, do you then speak to stakeholders as well and get feedback from them as to what worked for them and what didn't?

**Ms Grant:** I guess one of the challenges post election is that there are a lot of staff and parliamentarians leaving and coming, so it's not an ideal time to be running a satisfaction survey. But I would encourage anyone who experienced that, if you have any suggestions, to email them through, and we would be happy to receive them. We have just this morning released our client satisfaction survey. All parliamentarians and staff will receive an email, and in that email is—

**Senator COLBECK:** It's arrived.

**Senator HUME:** It's arrived. We've got it.

**Ms Grant:** It's arrived? Fantastic. There you go—just like that! We encourage you to complete the survey. There's an opportunity to also do a face-to-face or a one-on-one chat with the independent survey providers if you wish to. So go ahead and provide any feedback.

**Senator HUME:** Alright. I have some questions about your audit and assurance section or operations. I'm wondering if there's someone at the desk who can give me a little overview of that assurance process.

**Ms Pearson:** How it works?

**Senator HUME:** Yes.

**Ms Pearson:** Certainly. We have a tiered approach to assurance matters. In the first instance we would look at a matter and we would decide whether a Commonwealth resource is actually being used, because in some cases that's not the case. That's like a preliminary assessment. If a matter has involved the use of Commonwealth resources then we would undertake an assurance review where we would ask someone questions and gather information. Most of the time those things resolve. Occasionally we do find that there's perhaps an instance where someone needs to repay money. There is also the third tier, which is the audit function, which is not used very often. You'll see that our audits are published, so there are not that many of them, and that's usually where there's some systemic or larger issue around concerns about how resources are being used.

**Senator HUME:** How many claims are you currently assessing?

**Ms Pearson:** I won't have that on me. I will take that on notice.

**Senator HUME:** I was going to say approximately, but we will probably want it accurate.

**Ms Pearson:** There are no audits currently; I can tell you that. There are probably, at any one time, three or four preliminary assessments. There are probably about five or six of the actual assurance matters going on at one time.

**Senator HUME:** Right, and what's the rate of resolution for those assurance processes? Do you have a time frame within which you work?

**Ms Pearson:** We don't actually have a set time frame. We try to move them through as quickly as we can. It really depends on how forthcoming information is in coming back to us. Sometimes that can take some time, because sometimes people answer a question but then that prompts another question, so we actually write to them again and ask them further questions. So there's no set time. We just try to resolve them as quickly as possible.

**Senator HUME:** Is there a threshold? Is there some sort of amount that triggers—

**Ms Pearson:** No.

**Senator HUME:** So if it was—

**Ms Pearson:** We look at all use of Commonwealth resources. It doesn't matter what the amount is.

**Senator HUME:** Okay. That's interesting. So if there isn't a threshold, how do you—or do you—do a cost-benefit analysis of whether it is worth IPEA's while pursuing an assurance issue?

**Ms Pearson:** No, we don't. We look at a matter and we look at it against the legislation and the obligations, and we don't look at a cost-benefit analysis at all.

**Senator HUME:** Okay, that's good. Obviously there's an education process for parliament and staff that you're responsible for.

**Ms Pearson:** Yes.

**Senator HUME:** You're making investments in that. How much has been allocated for investing in the education department?

**Ms Pearson:** In terms of our resources?

**Senator HUME:** Yes.

**Ms Pearson:** I'll let Ms Grant talk about that.

**Ms Grant:** Do you mean actual administration budget?

**Senator HUME:** Yes. Is there an amount that you've set aside specifically for training for parliamentarians and staff? Or education, as opposed to training, I should say.

**Ms Grant:** I don't have an actual limitation on the budget. We operate towards two rounds of education sessions in capital cities each year, supplemented by online education sessions for those who prefer an online session or to come up to the House. But it's not limited to a specific budget. There's just enough allocation to allow those two rounds of sessions.

**Senator HUME:** So it's two face-to-face sessions in capital cities each year?

**Ms Grant:** Yes. We offer two face-to-face sessions in each capital city. There's not always the take-up. There's not always enough interest to run a session in a capital city, in which case we won't go—we don't want to waste public money—but if there's interest, we're always happy to come and attend. We do also offer electorate office visits, and we're happy to come out and visit electorate offices. Obviously we're a small agency, so that's subject to availability of staff.

**Senator HUME:** Finally, we were talking to the Department of Finance before about their induction training, and obviously IPEA has a big role to play. Do you feed into that induction training somehow?

**Ms Grant:** We did partner with ministerial and parliamentary services when they conducted inductions for new parliamentarians following the election. We tried to jump in step with them and provide our education sessions following theirs. We have a slightly different focus. We have an introductory session for all new parliamentarians, which explains the travel expenses and IPEA's role and functions. We also provide education sessions for staff, and we provide those all of the time. We build some PEMS education into our education sessions as well, to make sure that staff are aware of how to lodge a travel claim and to provide some additional support in relation to PEMS.

**Senator HUME:** We were talking to PEMS earlier. Obviously, there's been some news today around the PEMS system. I asked them at what point they notified you of their inability to complete that final module, and they said that you'd sort of partnered with them all the way through. There wasn't a date when you sort of went, 'Uh-oh, there's something really seriously wrong here'?

**Ms Pearson:** We do work very, very closely with Finance and have done. Resources were iteratively diverted to fix some of the things that were happening with the release. So it became more and more clear over time that that probably push out that build. I haven't got an exact date; I would need to check. But it was certainly around October when we really started to feel that the timing would need to stretch out for the expenditure reporting build.

**Senator HUME:** The inability of PEMS to be able to implement that reporting module and report accurately for the next 12 months at least, is that going to affect the work that you do?

**Ms Pearson:** It doesn't actually affect our processing. Getting that processing right, with some of the fixes that have been done, is really important because that all flows through into your expenditure reports and creates the accuracy. So it's good that we do take the time to do some of that. What will happen with the expenditure reporting is that we will need to give you some bite-sized chunks when it's time to report so you're not given a year's worth of things to certify. We're looking at doing quarterly reports still and rolling them out probably in close succession just to get through the backlog. But we'll try and chunk it down so that you've got something bite sized that you can focus on and certify at a time. So it doesn't actually stop anything we're doing but it does stop our reporting function.

**Senator HUME:** What about some of those triggers that you get from those reports? Is that going to stop you identifying some of those triggers or is it going to change your assurance processes?

**Ms Pearson:** No. I can still pull ad hoc reports and I can still look at, say, family travel. I can look at events that happen and travel around public holidays and school holidays. For all of those sorts of things that we would normally look at, we can still pull ad hoc reports for those.

**Senator HUME:** That's it. Thank you.

**Senator SHELDON:** I want to go to IPEA because, as we talked about, of their very important function of assurance and reporting. Could you just describe to me some of the assurance activities IPEA undertakes to ensure correct use of Commonwealth funds?

**Ms Pearson:** Do you mean some of the things that we would thematically look at?

**Senator SHELDON:** Yes.

**Ms Pearson:** We look at things like the use of family travel. We look at travel around school holidays and public holidays to desirable destinations and then we might look at particular use of Cabcharge by staff or some themes around that. Those are some of the things that we look at. There are a whole raft of things that we would look at, as well as looking through for different trends in terms of big amounts of money and those sorts of things in individual reports.

**Senator SHELDON:** Just on the reporting schedules for parliamentarians, what are the reporting schedules again, just quickly? The reporting schedules for—

**Ms Pearson:** Do you mean for expenditure reporting?

**Senator SHELDON:** Yes.

**Ms Pearson:** We were doing those quarterly, and the last quarter's just been released in October. We would normally do them on a quarterly basis from there.

**Senator SHELDON:** We've heard this morning, of course, the difficulties regarding PEMS. When's the next report likely to be, in your mind, delivered?

**Ms Pearson:** We're looking at the second half of 2023. As I said, as soon as we can get that report to parliamentarians for them to have a look at, we will do it in chunks so that it's not a year or a huge period that you're getting to certify. But it will be the second half of 2023, based on the timing that's been announced today.

**Senator SHELDON:** So you've got a good deal of confidence in that timing?

**Ms Pearson:** I actually do, yes.

**Senator SHELDON:** Why does the reporting need to be delayed, from IPEA's perspective? We've heard evidence this morning and what's happening, but what's your perspective?

**Ms Pearson:** The module's actually not built. It's 60 per cent built. There's, therefore, a way to go with the build, but there's also testing. There are requirements. There's development. There's testing. All that takes quite a deal of time to do. You've got to have developers that have the right skills to do the building. I can see how all of those factors are very sensible factors as to why the time frame has moved out.

**Senator SHELDON:** I just want to confirm that no previous expenditure reports are affected by this.

**Ms Pearson:** No. Our last expenditure report out of the old system was to 30 June. That report has been produced. It's just the reports from the PEMS system that began on 4 July.

**Senator SHELDON:** And you're confident that they're accurate?

**Ms Pearson:** I will be confident they're accurate when I can have a look at what's flowing through into the reporting module.

**Senator SHELDON:** I understand that the PEMS project is managed by the Department of Finance, but can you just explain to me what has happened from IPEA's perspective, and what's gone wrong?

**Mr Frost:** Since 2018, we've worked with the Department of Finance. We have a representative on the project board and a representative on the project steering committee. I think Finance has outlined the factors that have resulted in some of the delays in PEMS over the years, and they are significant factors. We have worked with the Department of Finance on the capability and the build, in terms of providing input, but not in providing expertise in an ICT perspective. We're going to continue to do that with the expenditure report. We won't provide expenditure reports to parliamentarians until we're satisfied that the build is finalised and we have confidence and trust in the data. That's what we will do. In terms of why it is delayed, it's a complex build. It's a complex environment in work expenses and in the framework itself. There have been significant challenges, and we're working through those challenges.

**Senator SHELDON:** Obviously there's a project plan. We'll be over budget by almost twice the amount, by the look of it, by the end of this, if we meet the expanded amount that's being projected. Let's hope we don't go over that. What do you think, in essence, went wrong? The project's set. There's an amount of money set towards the project. So what, in IPEA's view, has gone wrong?

**Mr Frost:** The Minister for Finance has asked for an audit from ANAO, so we'll wait to see what the outcome of that is. For us, in an ICT project, time is money, and it's just taken longer to do the work; therefore, the cost is inflated. What's critical—

**Senator SHELDON:** That's pretty logical. Why is it taking longer, and why do you think, from IPEA's perspective, there was a misjudgement on the cost and also the time frame?

**Ms Pearson:** We're a client of Finance in this process.

**Senator SHELDON:** Yes.

**Ms Pearson:** So I think that's a question for the Department of Finance, rather than for IPEA.

**Senator SHELDON:** Well, you must have a view. As a client, you would have concerns; you must have some view. There was interaction with IPEA about the project. I appreciate you're not managing it directly.

**Ms Pearson:** I think Mr Frost has touched on that. It has cost more than what was thought and has required more resources and has taken longer.

**Senator SHELDON:** I understand that, in an effort to aid the completion of the PEMS reporting module, IPEA contributed \$5 million. Has IPEA contributed any other resources?

**Mr Frost:** Our staff work with PEMS every day, whether it be doing some testing or liaising with the Department of Finance. There'd be a percentage of most staff in IPEA who touch on PEMS most days. Some of those percentages are quite small; some are more significant. We have a PEMS team that we've set up with a couple of staff to work with that communication interaction with the Department of Finance. So all of those costs would contribute to PEMS.

**Senator SHELDON:** I appreciate that you've allocated an extra \$5 million. That's correct, isn't it—\$5 million—or have I got that figure wrong?

**Mr Frost:** That's correct.

**Senator SHELDON:** In those discussions between the finance department and yourselves, when considering putting that \$5 million in there, there would have been considerations about what was going wrong. I would have thought you would have been thinking about whether, with that \$5 million, there would have come an expectation of even more, whether that were realised or not, to get the project completed. It brings us back to that question about what did go wrong here, because you would have been considering that when the \$5 million was put in and whether that was good money after bad.

**CHAIR:** Sorry to interrupt you, Senator Sheldon. I wouldn't normally do that while you are midstream, but apparently there's a problem with our audio and we will need to suspend until broadcasting has sorted that out. So hold that thought and review the transcript. I'm sorry to have interrupted your train of thought. We will be back with proceedings as soon as possible

#### Proceedings suspended from 11:30 to 11:39

**CHAIR:** We are ready to keep going. Once Senator Sheldon has regained his stream of consciousness, I will give him the call. He is ready to take the call again.

**Senator SHELDON:** Thank you, Chair. I appreciate that the Department of Finance manages PEMS and that IPEA are clients. As we ascertained, there's \$5 million that has been contributed to the project by IPEA to aid in the completion of the reporting module. So, just to be clear, what do you feel has gone wrong? You've made an assessment of the \$5 million. I suspect it's not good money after bad, I would hope. So what has gone wrong and what gives you confidence you will get it right?

**Mr Frost:** There's been a delay in PEMS. When we talk about what's gone wrong, there is a delay in building the functionality and providing it to parliamentarians and their staff. In part, the functionality does work. There are things that need correcting, and we are working on those with Finance, in terms of the usability and some access things. We are working on those. That's normal for a new ICT project.

In terms of the \$5 million, we made a contribution three years ago, I think it was, because a significant chunk of PEMS relates to travel and travel related expenses, so we felt it was a reasonable thing to do to face IPEA functionality that was being built. We made that payment in good faith. The thing we're waiting on at the moment is the expenditure report itself, which is an IPEA product. We report our expenses that we pay, as well as the Department of Finance expenses that they pay for parliamentarians and staff. We report on their behalf as well. It is critical piece of the IPEA puzzle, and we want to get it right. So if it takes a bit longer to actually get that expenditure report out to the public with a level of confidence and trust in the data, I think we need to take that time and get it right.

**Senator SHELDON:** I agree with getting it right. I don't think there's anyone in here who would not agree. It's twice over budget. There's been a series of complications with the project, and it's over time. So there are deep concerns about how right it's going to be. If you're confident that we're going to have a scheme up and running that will be right by the middle of next year—is that the time?

**Ms Pearson:** The second half of next year, and we will keep an eye on it, to make sure it's accurate.

**Senator SHELDON:** Looking at the \$5 million, what has been achieved with the resources IPEA has contributed? What do you feel the \$5 million has achieved?

**Mr Frost:** I think it would be difficult to quantify. We didn't slate it to anything in particular other than a contribution to the overall project itself. A decision was made at the time by the IPEA members and the executive to make that contribution. As I said previously, we are consumers of a significant part of the PEMS system in terms of the travel related expenses reporting and the budgets, so we made that contribution.

**Senator SHELDON:** What were the additional resources? Are there any additional resources that IPEA have also contributed to this project?

**Mr Frost:** Over the course of the five years, we've engaged staff to do different roles with PEMS. Some staff do additional testing, some have an ICT level of expertise to help us to navigate in that engagement with the

Department of Finance and service delivery office. I'm not an ICT expert myself, so it's nice to have some people that have that level of expertise sitting around us to give us that guidance and work with the Department of Finance. I couldn't put a figure on what we have paid for staff and the additional stuff that we've done, but it's very small in comparison.

**Senator SHELDON:** There's no estimation of the figure?

**Mr Frost:** I could take that on notice and try to get one for you.

**Senator SHELDON:** Thank you. Were the previous special ministers of state warned by IPEA about the overspend and delays in the report?

**Mr Frost:** We're an independent agency, but we meet regularly with government and opposition. Our CEO, who is not with us today, meets regularly with those stakeholders. There's all manner of briefings that happen across the board.

**Senator SHELDON:** That would include, in that answer, previous special ministers of state as well?

**Mr Frost:** Yes.

**Senator SHELDON:** When were the previous ministers of state made aware of these problems by IPEA?

**Ms Pearson:** We'd have to take that on notice, Senator.

**Senator SHELDON:** The dates would be helpful. To narrow it down a little bit, with the regular updates that would happen with the special ministers, how regular would they be? Would it be more than once a year?

**Ms Pearson:** There would be general meetings—not specifically on PEMS, but general meetings. They would occur at least probably twice a year, but we could check that for you.

**Senator SHELDON:** You would expect that PEMS would be part of the discussion at least once, if not twice, a year?

**Ms Pearson:** I would think that's fair, yes.

**Senator SHELDON:** Just so I'm clear what happens from here, what should parliamentarians and their offices do from now until the next time they report?

**Ms Pearson:** In relation to expenditure reporting?

**Senator SHELDON:** Yes, thank you.

**Ms Pearson:** There is no expenditure report for you to look at. Unfortunately, it will be when the first report for the first quarter is produced that you will need to certify. We will be available to do anything we can at that time to help you work through your reports.

**CHAIR:** What do we do between now and then, though?

**Ms Grant:** It's probably a good idea to continue to monitor expenditure through the PEMS interface. You can view your electorate support budget and other budgets within the interface.

**CHAIR:** It's very difficult to do that.

**Ms Grant:** Yes, it's not the easiest thing. We are happy to come up and provide support to staff to help them with extracting that information so that they can provide it to you on a piece of paper, if that is easier. I know that MaPS offered the same thing earlier today. But it is probably a good idea to continue to monitor expenditure and let us know if you have any concerns or issues. We're always happy to investigate any concerns that you might have in relation to that.

**CHAIR:** Do you think we need to be running our own spreadsheets and systems in parallel? What should we be doing? What advice can you provide?

**Ms Grant:** It's a great question. My understanding is that a lot of offices have always run a shadow budget, because, obviously, IPEA's expenditure—

**CHAIR:** We don't have a template for that.

**Ms Grant:** We don't provide a template, either. It's probably a matter for each office. I'm aware that some offices run their own—some using software, some using a spreadsheet. There are a range of arrangements in place, and each office sets its own arrangements. We're happy to come up and provide advice and support the extraction of data so that you're able to view it.

**CHAIR:** Sorry to interrupt you.

**Senator SHELDON:** No, I've concluded. I think you asked a question similar to what I was going to ask, so that's wonderful.



**CHAIR:** How will you work with us to ensure the accuracy of our records?

**Ms Pearson:** Before your reports? Anything Christina has suggested: we can come up and help you look at your reports and run reports for you and work through those issues with you. But that's probably it.

**Ms Grant:** It is a big change. The information is there live now. Each staff member can see all of their travel. You can see all of your travel. But understanding how to access that, getting in there and doing it is definitely a different piece of work to just receiving a monthly management report and being able to look through it. We appreciate that there's a change process that needs to happen. We're happy to try to provide whatever support we can, noting that we are also a client of the system. But we do have some expertise in viewing, particularly travel and extracting travel information. We've had quite a few meetings with various offices to support staff in learning how to do this and knowing how to do it, because there is a little bit of knowledge required to make that as easy as possible. At the end of the day, we have the system that we have, and we'll do the best we can to support you in using it.

**CHAIR:** How has this PEMS problem impacted on your own operations and your own capacity for oversight?

**Ms Grant:** In the administration of travel? All travel is administered through PEMS, so we are also using PEMS to administer travel. We still accept claims on paper forms, where it's not able to be lodged in PEMS or the client doesn't wish to use PEMS. That is still available. As we said earlier today, there were a number of issues that needed to be worked through, and we continue to work collaboratively with the Department of Finance to ensure that the system is processing accurately and correctly. Our main objective is to make sure that expenses are processed correctly, and that, where there is an issue or a problem, it's raised as quickly as possible.

**CHAIR:** How do you currently distinguish between what might be a mistaken claim or an illegitimate claim versus technical user error?

**Ms Pearson:** Usually someone will alert us to an issue, and we will go and investigate and find out what that is.

**Ms Grant:** Yes, we can see them, because our staff are also using the same system. As they administer the claims, they know what the rate of travel allowance should be or what the rate of motor vehicle allowance should be. As soon as we identify an issue, we'll escalate that with the project—I think that was raised a little bit by Finance earlier—and work with the Department of Finance to get it fixed. We'll also work with them to test the fix and make sure that it is working accurately and correctly. And then we'll work with Finance to make sure that the data is also fixed and is accurate. The volume of errors is low in comparison to the volume of claims. The volume of claims processed is huge. But every error is something that we're going to focus on. Sometimes we do get calls from staff or parliamentarians. Sometimes it's because they're having challenges lodging a claim, and we'll work with them and step through it. Other times it's because there's a system error, and we'll take that on board and escalate it to the Department of Finance.

**CHAIR:** Have you had insight into how much time has been wasted in terms of people having system errors?

**Ms Grant:** I don't know how you would quantify it.

**Mr Frost:** We haven't done work in that space yet.

**CHAIR:** No, I guess that's just a personal grievance, having sat aimlessly in front of a system that hasn't been working, and working out why it's not doing what it should. Are there any further questions?

**Senator COLBECK:** A very quick one. Do you set the budgets for travel or the global budgets for offices that incorporate capacity for relief budget for staff and travel—an electorate support budget?

**Ms Grant:** That's right. There is a calculation included in a determination, and we calculate it, yes.

**Senator COLBECK:** So the budget this year was set based on a reduction in air fares. I have to say, I haven't seen evidence of that.

**CHAIR:** Especially from Perth.

**Senator COLBECK:** Is there a review process in relation to that, because that directly affects the capacity to employ staff in our offices. Is that being monitored? That's something we have to be very alert to—

**Ms Grant:** Yes. It's a very good question.

**Senator COLBECK:** which is why the sensitivity to the reporting and us understanding where our budget is at, because, appropriately, we're liable for maintaining the budget and any overspends.

**Ms Grant:** The way we calculate the budget is set out in the determination. We do need to follow what's set out in the determination in the way that we calculate the budget. This is an unusual set of circumstances in that the travel industry is in a state of hiatus following the COVID-19 pandemic, and so there has been fluctuation, I am

aware, in the cost of tickets. However, IPEA has followed the normal process of approaching the airlines and asking for quotes for fully flexible fares upon which to calculate the budget. The budgets are recalculated every financial year and so each financial year we will go back and retest. One of the things that happens when you have a budget that's based on quoted fares is that there will be fluctuations, depending on what is happening in the industry.

**CHAIR:** Does that distort, more for particular states—a state like Western Australia, where we've had a massive spike in airfares?

**Senator COLBECK:** The other question to add to that as part of this process is the current disruption and the impact on costs for members and senators in actually getting places, because, for example, there have been plenty of times I haven't ended up in the port that I was expecting to when I started a journey. I suspect I have a few colleagues in the same boat.

**Ms Grant:** Yes, it is definitely challenging times. We're seeing challenges we haven't necessarily seen in the travel industry before—not in this way. So we're in new waters. We're always happy to look at the budgets and review them. We were very careful in our calculation of the budgets at the beginning of this financial year, because we were aware of this issue. We will do what we can, but we are limited by what is set out in the determination as to how we can calculate it. If particular parliamentarians have concerns or feel that their budget isn't reflective of the actual cost of flights, we're always happy to go back and review them and take a look at them. We have reviewed a couple. But, at the end of the day, we can't just increase the budget. It's always open to parliamentarians to approach the minister and ask for an increase. These things are tricky, and the same calculation is applied to every parliamentarian. It's not just applied to you; everybody has the same challenges to deal with.

**Senator COLBECK:** I think the discipline is appropriate. I don't have a problem with that, but it is, as you quite correctly identified, a difficult period, and costs are not where I think they might have been anticipated to have been.

**Ms Grant:** Yes. I should have noted as well that Ministerial and Parliamentary Services calculate the employee part of that budget, and we add that to the travel elements of the budget. I am aware that, during COVID, electorate staff didn't do as much travel, and so there probably were adjustments within offices using the budget more for staffing than for travel. So a readjustment is possibly required as well.

**CHAIR:** In that context, it's important to note our obligations under industrial law to offer permanency and security to those people who have worked for more than six months. Those changes have had an impact in some offices as a result, in terms of not having that flexibility to travel. I might also flag with you issues around having one bucket of money for doing travel and having that uncertainty around airfares, and the difficulty of getting accurate reporting on the staffing and relief element out of PEMS at the moment. That can make it quite difficult to work out what's going on inside your budget.

Senator Cadell can ask questions, and then we'll move on to AEC.

**Senator CADELL:** Thank you for your indulgence, Chair. I heard an earlier question which spoke about the new training for new senators and members. I thought the training was exceptional; thank you. I think you're doing a good job. Thank you very much. That's all.

**CHAIR:** Nice.

**Senator CADELL:** I was a good student, too, but anyway!

**CHAIR:** Thank you for your assistance with our accountability here at estimates today and for your support of our work.

### Australian Electoral Commission

[11:57]

**CHAIR:** I now welcome Electoral Commissioner Tom Rogers and other officers of the Australian Electoral Commission. Do you have an opening statement for us today?

**Mr Rogers:** I don't.

**CHAIR:** That's more than fine. I'll give the call to Senator Smith.

**Senator DEAN SMITH:** Welcome, Mr Rogers, and congratulations to the Australian Electoral Commission for all the work that they did on the conduct of the most recent poll. Some of us would have liked the result to be different, but that have not your problem. I just want to turn to the time that it takes to prepare for the conduct of a

poll. I'm particularly interested in the preparation that is required before the election is called. Can you, at a high level, step us through those time frames and the sorts of tasks that are involved?

**Mr Rogers:** Thanks, Senator. As you know, it's an incredibly complex event, given it's one of those few events that every adult Australian citizen is required to attend. It's a very large-scale event, and the electoral roll is now over 17 million people. The scale itself introduces its own level of complexity.

As you'll be aware, there's a whole range of things that have to occur, from procuring the polling places, which is an ongoing issue that we keep an eye on right through the electoral cycle, and it becomes very difficult, through to ordering—I know this sounds low level—equipment, even pencils. At the last event, given we were in the middle of the pandemic, I think we used over four million pencils. We ended up printing close to 60 million ballot papers, so, effectively, we almost become a paper merchant for a period of time. We have to procure services to deliver and print the postal votes. We also secure the printing of the ballot papers. The printing doesn't occur in one spot; I think we used eight separate printers. Then there is procuring things like the premises and the staff we needed for the Senate count, which, as you know, is a very complex event. We also had to get 105,000 staff for the last election to be able to fulfil the 120,000-odd positions and the training, with police clearing a large number of those individuals—effectively anyone that touches one of our computer systems. I think we did close to 40,000 people or thereabouts. There is also the training, the preparation, the media campaign that we run and the procuring of those services to do that; working with our suppliers across a range of different areas; training our staff; and ensuring that, as we get closer, we also do the kind of community outreach that we need to do to ensure that citizens understand the electoral process. That's a very high level. We are also working on our budgetary position. I'm looking at Dr Gleeson. I don't think I've missed anything major in that big thing. We sometimes say it's four years worth of work truncated into three years. It's a highly complex preparation.

**Senator DEAN SMITH:** At a high level, the election was held on 22 May. When did preparations begin for the 2022 federal election?

**Mr Rogers:** Essentially, the day after the writ returned for the previous election.

**Senator DEAN SMITH:** I understand that, but the level of activity didn't start here; the level of activity graduated to a peak.

**Mr Rogers:** For example, straight after that event, we start a lessons-learned process, which we then apply to our planning for that event. As you know, obviously it picks up closer to when the election is.

**Senator DEAN SMITH:** It's that inflection point that I'm interested in understanding. So 22 May was the election date. When is that inflection point when the level of activity increases significantly?

**Mr Rogers:** I could take on notice for you some key activities. For example, there is a point at which we simply must order all the cardboard equipment. That's not something we can turn around overnight. We work with our suppliers to work out when the last possible date is to order those supplies. Incumbent upon all of that is then we receive the supplies, we have to store them. We have to work out how that's going to be deployed. We start working on preparing the electoral roll into our estimates for the sort of equipment supplies that we'll need. There's a date at which we have to order paper for printing. There's a date at which we have to prepare our media campaign. So there are set dates within the cycle that we use for that. We have an election readiness framework that assists us with that process. That framework, we introduced after the 2013 election.

**Senator DEAN SMITH:** Is that a public document?

**Mr Rogers:** It's not a hidden document. We can absolutely provide you with that document.

**Senator DEAN SMITH:** Is there a referendum readiness framework document?

**Mr Rogers:** There is, in that it's the same process that we use for elections.

**Senator DEAN SMITH:** Great. So where we see the word 'election readiness framework', we can read the word 'referendum'?

**Mr Rogers:** Largely, yes.

**Senator DEAN SMITH:** Great. In your report on the conduct of the 2022 election that you provided to the joint standing committee, you identify or you make the statement that there were 76 polling places at risk of not operating.

**Mr Rogers:** Yes.

**Senator DEAN SMITH:** Where were they located? Were they metropolitan areas, inner suburban areas or remote areas?

**Mr Rogers:** They were in remote areas.

**Senator DEAN SMITH:** Was there a particular state or territory where there was a higher proportion of those polling places?

**Mr Rogers:** Without delaying the committee by going into the detail—I'll clean this up if I'm not right—from memory, most of the distribution of those polling places were in remote WA, South Australia, and some in Queensland.

**Senator DEAN SMITH:** In your report, you also talk about participation by telephone for electors. How did that go? Was it successful?

**Mr Rogers:** It went incredibly smoothly. I think the maximum wait time was about 10 minutes, which, given this is a novel and an emergency measure, was fantastic. I would point out, though, it is not resource-neutral. I think, on top of our 105,000 temporary workers, at its height, we used something like close to 6,000 public servants from a range of different agencies to support the delivery of that telephone voting service across multiple sites. They didn't just come from one area. I should shout out and thank our colleagues at Services Australia for obviously providing the lion's share of that support. I think Tax, Defence—

**Dr Gleeson:** The Department of Education.

**Mr Rogers:** and a range of other agencies assisted with that process, but it was a very smooth process.

**Senator DEAN SMITH:** Was that mechanism made available specifically as a result of electors who might have a COVID infection?

**Mr Rogers:** Absolutely.

**Senator DEAN SMITH:** Is it correct to say that in regional and remote polling booths it is more demanding to maintain the integrity of the poll?

**Mr Rogers:** I think that in remote areas there is less support available to the staff fulfilling those functions. That's probably how I would categorise that.

**Senator DEAN SMITH:** I would assume, also, that the prevalence of scrutineers for particular parties would be significantly less.

**Mr Rogers:** We find that scrutineers appear pretty much everywhere. It's never seemed to be an issue for me.

**Senator DEAN SMITH:** That's reassuring; that's great.

**CHAIR:** Sorry to interrupt proceedings. We've had a request from the media to take photos. The line is there, but are there any objections to the media taking pictures facing that way? No? Please continue.

**Senator DEAN SMITH:** Mr Rogers, turning to the substantive matter that I'm interested in, have you been asked to prepare for a referendum on the Voice?

**Mr Rogers:** As you know, there's planning occurring for a referendum. There was an item announced in the budget. I think we received something like \$60 million to prepare.

**Senator DEAN SMITH:** It was \$59,783,000.

**Mr Rogers:** Exactly. Part of that is for referendum preparation, and part of that is for matters associated with assisting Indigenous engagement. We are part of—

**Senator DEAN SMITH:** That's a very, very good point. Can you break down for the committee what that \$59,783,000 represents?

**Mr Rogers:** Yes, we can. Whilst Dr Gleeson's looking that up, I'll just say, to round out my answer, that we're part of an interdepartmental committee planning group that's providing advice. I would point out that we're just part of that committee; the policy ownership of this is with NIAA, not with us. We're just providing advice, as we do, on how to conduct these matters.

**Senator DEAN SMITH:** My questions at the moment go to the conduct of the referendum itself on referendum day and the preparations in advance of referendum day. Can you break down the \$59,783,000, which is noted at page 84 of the Finance PBS, for me, please?

**Mr Rogers:** There's \$50.2 million to commence preparations and support work to deliver the referendum and \$16.1 million over two years to increase First Nations enrolment and participation in future electoral events. I think that's it.

**Senator DEAN SMITH:** Have preparations and support been commenced?

**Mr Rogers:** Yes, they have.

**Senator DEAN SMITH:** So your work has gone beyond the referendum readiness framework?

**Mr Rogers:** The difficulty for me in answering that question is that it's an electoral event. We knew there was going to be an electoral event in this electoral cycle, and our work in preparing for the referendum—

**Senator DEAN SMITH:** I'll be more specific. The Prime Minister has said that there'll be a referendum on the Voice in the next financial year, post 30 June 2023 and before 1 July 2024. So my questions with regard to preparations are absolutely about the time frames that are involved to prepare for that particular period and how they also might run into your preparations for the conduct of a federal poll, which could happen at any point—there's a lot of speculation that it will be between November 2024 and May 2025. In the interest of transparency, that is the context in which I'm inquiring. I'm keen to populate that context with a lot of detail. I asked you about the election/referendum readiness framework and whether preparations had commenced.

**Mr Rogers:** As I was indicating, there is, for example, a minimum lead time we require to order cardboard. This sounds so low level but, as you would understand, the quantity of cardboard—

**Senator DEAN SMITH:** No. Your 2022 federal election report makes it very clear that supply chain issues are relevant. A future question is about procurement and how much of this is sourced offshore and how much of it is sourced onshore. We're all heading in the right direction. I think I'm going to be constrained by time, unfortunately, Mr Rogers.

**Mr Rogers:** No problem. It's always a pleasure to be here and answer those questions.

**Senator DEAN SMITH:** And you're very generous with your answers. There's no doubt about that.

**Mr Rogers:** The point I was making is that we will order an amount of cardboard for an electoral event. There are also, as you know, costs associated with storing so much cardboard. I'm very conscious of not blowing money unnecessarily. We're in the process of preparing for an electoral event. But we're very conscious that we might have to back up very quickly, potentially after that event, for a possible election. That has factored into our planning for the electoral readiness framework that we're talking about. I might get Dr Gleeson, perhaps, to talk a little further about that and the interplay between those two events.

**Dr Gleeson:** Under the election readiness framework, we develop what we call a road map to event readiness. We will have a dedicated referendum-ready road map and a dedicated election-ready road map. Both of those documents work in parallel and work to ensure that we're ready for those electoral events, if and when they're announced.

**Senator DEAN SMITH:** Do both of those documents exist at the moment?

**Dr Gleeson:** They're in draft form.

**Senator DEAN SMITH:** Are you able to make them available to the committee in draft form?

**Mr Rogers:** Can I contemplate that? We'll certainly give you the framework, which is a useful document.

**Senator DEAN SMITH:** On notice, could you disaggregate the \$50 million, in as much detail as you can for the committee, in regard to the preparations for the referendum and disaggregate the \$16 million in regard to the education and voter registration—my words, not your words. In your 2022 report, you talk about Indigenous enrolment and engagement and the Indigenous Electoral Participation Program. Irrespective of people's views on the referendum itself, the matter in the question, I think our country would be very well served to ensure that there is maximum participation by all Australians.

**CHAIR:** We all agree. Senator Hume.

**Senator DEAN SMITH:** I hope I get an opportunity again, Mr Rogers.

**Senator HUME:** Can the commission explain how tax deductibility operates for the purposes of donations that are made to individuals or parties. Specifically, does the donation need to be made to a candidate or can it be made to their associated entity or vehicle?

**Mr Rogers:** Donations are made to associated entities, so that is absolutely the case. I will ask my chief legal officer to step forward. But in terms of the operation of the tax act, can I urge that those questions are asked of the ATO—

**Senator HUME:** I will but I assume you also—

**Mr Rogers:** But certainly, donations are made to third parties' associated entities all the time. In fact, yesterday we published a whole range of material to do with that very thing.

**Mr Johnson:** Nothing to add to what the commissioner has said. Questions about tax deductibility are for the tax office. We don't look at that.

**Senator HUME:** But you would advise the tax office as to what it is that the Electoral Act would imply?

**Mr Johnson:** No, we just take and report donations made.

**Senator HUME:** Can deductibility be applied to a payment made to a significant third party or entity that isn't associated with a candidate?

**Mr Rogers:** We wouldn't opine on that. I'm sorry, I'm not trying to be unhelpful. It's absolutely a question for the ATO rather than for the AEC.

**Senator HUME:** Let me ask you about those significant third parties under the Electoral Act. Does the commission take any proactive action in trying to contact organisations to inform them that they need to register as a significant third party? What is it that triggers that?

**Mr Rogers:** We look at a whole range of different sources, including media reporting, other activities. I know this won't surprise you, but there's no shortage of people phoning us to inform us of activities of various entities. We use all of that information as we come up with whether or not we think there is an obligation. We will proactively then contact an entity and say, 'We think you may have an obligation.' I'm happy for Ms Reid to correct me on that.

**Ms Reid:** As the commissioner said, we do take a proactive approach to identifying parties. As you're aware, there were changes to the legislation late last year to expand those definitions. We were very active in using all the sources the commissioner mentioned: writing standard letters to those entities, following up with contacts and keeping a log and a record. And a number of those entities subsequently registered prior to the election.

**Senator HUME:** That's since December 2021; you actually pre-empted my next question. Is there a list of new organisations, as of this month now, that have registered as significant third parties?

**Ms Reid:** The transparency register maintains a list of all registered entities.

**Senator HUME:** That's it? There are no others? Okay.

**Ms Reid:** It's current as at today.

**Senator HUME:** That's on your website?

**Mr Rogers:** That's correct. And it is searchable as well, so people can go and look.

**Senator HUME:** I should have searched it before I got here, then! But maybe you'll be able to answer this question: what's the current status of Warringah Independent Limited?

**Ms Reid:** Warringah Independent Limited is registered as an associated entity.

**Senator HUME:** They are still registered? Okay. Has the commission received any correspondence from Warringah Independent Limited in relation to its status?

**Ms Reid:** I'm not aware of any.

**Mr Rogers:** I don't think any of us are aware of any correspondence with that entity.

**Senator HUME:** Is the commission aware of any other organisations similar to Warringah Independent Limited that fall into the category of organisations who should be registered but aren't?

**Mr Rogers:** As we said before, we're continually scanning the environment to see whether or not there are entities that may need to register. As you would be aware, from time to time that changes. I couldn't give you an answer right now about whether we're aware of or looking at a particular entity, but we are continually working on that, and, indeed, individuals continue to approach the AEC with information, and we then examine that accordingly.

**Senator HUME:** There are a number of organisations that have a similar contact to Warringah Independent Limited, aren't there? And you haven't pursued those organisations?

**Mr Rogers:** Before the election—again, Ms Reid might correct me—we approached a large number of organisations about our thoughts about their obligations. And, as Ms Reid I think indicated just before, a number of those then registered as significant third parties as a result of proactive contact from the AEC.

**Senator HUME:** I know that the financial controller for Climate 200, for Kim For Canberra, for Kooyong Independent and for Smart Voting is the same person. I'm sure that's come to your attention as well. Is it unusual for significant third parties to all have the same person involved?

**Mr Rogers:** Perhaps I would answer by saying it is not against the Electoral Act.

**Senator HUME:** Does it pique the interest of the commission?

**Mr Rogers:** We look at a whole range of sources, and I think we've dealt with Warringah Independent. I think it's been a subject of discussion at this committee previously. Again, I'm not sure there's been any breach of the act there, but we continue to monitor the issue. I'm happy for either of the staff to correct me if I'm wrong.

**Ms Reid:** No, that's right.

**Senator HUME:** Is there concern from the commission's perspective that there's coordination between these organisations?

**Mr Rogers:** Again, if there were, that is not in itself a breach of the Electoral Act. There's no issue there.

**Senator HUME:** I want to ask about section 326 of the Electoral Act and about how the commission treats that section of the act. Do you have any legal advice on how you should go about treating a case that might be raised under section 326? I assume you know what I'm talking about.

**Mr Rogers:** I don't have the act in front of me. I'm pretty good, but—

**Senator HUME:** I would have thought you'd be pretty good! That was a bit of a test. It's the section on bribery.

**Mr Johnson:** It's just a short answer. On 326 and electoral bribery, it's a criminal offence.

**Senator HUME:** It is a criminal offence.

**Mr Johnson:** We work with and we get advice from the CDPP, particularly about the interpretation and scope of that. We talk to them during elections about different matters.

**Senator HUME:** Have you got previous cases that the commission relies upon when you're considering matters relating to section 326?

**Mr Johnson:** There's very little case law and precedence.

**Senator HUME:** For the sake of the committee—you don't have to have it on you—could you provide, perhaps on notice, the names of those cases so that we could then refer back to them?

**Mr Johnson:** I can say that there have been no prosecutions under the Commonwealth Electoral Act. You'd have to look at other jurisdictions.

**Senator HUME:** So there is no precedent?

**Mr Johnson:** No.

**Senator HUME:** If that's the case, I'm going to have to just give you a couple of hypotheticals, I'm afraid. Would the commission consider a candidate providing cash, for instance, to voters at a polling booth to fall under 326?

**Mr Rogers:** We have a longstanding rule that we don't opine on individual cases without looking at the entire context and information, because, as you know, the case law surrounding the Electoral Act is significant and we need to look at each individual case. But I'm more than happy to do that. If you've got an individual case that you'd like us to examine, I'm happy to do it and happy to do it expeditiously.

**Senator HUME:** So you can't do hypothetical advice, for instance, when handing out free goods or services at a polling booth?

**Mr Rogers:** We very, very rarely do that for a whole range of reasons. Each case is entirely different, and we'd need to see the entire thing.

**Senator HUME:** This may be a question for you, Mr Johnson. Could you perhaps give me an understanding of the difference between the activities relating to the commitment of public moneys or public action that are exempt from 326? I can say, 'I'm going to build a bridge if we win this election' and that's obviously a public action. Does a commitment of private moneys, publicly disclosed or not, fall under the exemption?

**Mr Rogers:** It's a tricky offence, because there's not only the act of giving the money or the incentive but there's the elector then having to receive it on the understanding that that's to encourage the way that they vote. This is why it gets down to a case by case. Really, we'd have to see something factual to investigate more carefully and work with the Commonwealth Director of Public Prosecutions.

**CHAIR:** I'll give the call to Senator Thorpe.

**Senator HUME:** I have literally one more question, which is regarding whether the AEC was consulted before there was an announcement by the Prime Minister to consider allowing New Zealand citizens to vote in our elections. Did the AEC provide the Prime Minister any advice on that? And are there any potential implications of that announcement? Is there constitutional change required? What are the effects of state elections? What could happen to the electoral roll? Is that something that you have been advising the Prime Minister on, either before he made that announcement or since he made that announcement?

**Mr Rogers:** Senator, as you know, senators and members, including those in government, make a whole range of announcements on a very regular basis.

**Senator HUME:** That's a pretty big one, though, providing another country to vote in our elections.

**Mr Rogers:** We're not always consulted, and, of course, we would not talk about any interaction between us and the minister or the Prime Minister, but we provide advice on a general basis to governments of all hues all the time about the operation of the Electoral Act. The bit about the implications for state elections and other things I'd have to have a look at in detail. As I understand, it was an announcement, not legislation, and until legislation was introduced, it's a hypothetical for us.

**CHAIR:** Senator Thorpe, you've got the call.

**Senator HUME:** Would constitutional change be required?

**Senator THORPE:** Thank you very much, Chair.

**Senator HUME:** Sorry, can I just clear up—

**CHAIR:** Senator Hume, you're taking time off your colleagues who are also waiting for the call.

**Senator HUME:** Could I just get an answer from the AEC. Would constitutional change be required if we get New Zealand citizens to vote in our elections?

**Mr Rogers:** I can't give you a direct answer because constitutional advice has to come from the Attorney-General's Department.

**Senator HUME:** Okay.

**CHAIR:** Senator Thorpe.

**Senator THORPE:** Imagine if that was me interrupting.

**Senator HUME:** I've experienced it plenty of times.

**Senator THORPE:** Yes, different rules. Thank you, AEC, for presenting today. My questions are in regard to First Nations voter enrolments and participation. On 15 June, two Aboriginal men, Matthew Ryan and Ross Mandi, filed a complaint to the Australian Human Rights Commission against the AEC alleging that the AEC has effectively suppressed the Aboriginal vote in remote areas in the Northern Territory. Have you made a response to this complaint or spoken to these men to discuss ways forward?

**Mr Rogers:** That was 15 June last year, I think, rather than this year, from memory, just for the record.

**Senator THORPE:** Thank you.

**Mr Rogers:** That matter went to the Human Rights Commission. Actually, we didn't appear, because the case was withdrawn and put in suspended animation at the request of the complainants. Just before the chief legal officer discusses that, it's my understanding that, sadly, one of the complainants has since passed away. I think there were three individuals that lodged the complaint to start with. We did go down the path of reading that complaint in detail. We sought legal advice. We engaged with the Human Rights Commission. My understanding—unless I've been corrected—is that that matter currently sits with the Human Rights Commission and the complainants to reactivate, rather than the AEC.

**Mr Johnson:** That's right.

**Senator THORPE:** Have you reached out to these men at all, as the AEC, to try to look at ways forward? Or have you spoken to the community about ways forward?

**Mr Rogers:** Technically, as part of that case with the Human Rights Commission, we did reach out because we read their complaint and answered that complaint in detail as part of our submission to the Human Rights Commission. But we are talking to Indigenous communities on a very regular basis. It's part of what we do. We have an Indigenous Electoral Participation Program. We currently have partnerships with something like 80 Indigenous organisations around Australia that are trusted by Indigenous Australians. We are continually talking to—and listening to—Indigenous communities about the way they would like those services delivered. So, the answer to that is yes.

**Senator THORPE:** In terms of these particular elders who put in a complaint to talk about issues and solutions, has the AEC looked at the solution component of this complaint? If so, are you willing to take that into consideration, given that they are elders of the community? We're all respectful of elders and we can't discount this by saying, 'I'm speaking to the rest of the community.' We've still got these elders who've put in a legitimate concern with some very good solutions going forward. What can the AEC do in that regard?

**Mr Rogers:** That's exactly what we are doing. As I've said, we're talking to elders all over Australia. We've dealt with those complaints. We put in a submission to the Human Rights Commission that dealt with those complaints. We're dealing with elders and communities all over Australia—not just those elders but other elders



as well. I have to say, we're very proud of the work that our staff have done in increasing levels of Indigenous engagement in Australia.

In the last 12 months there has been the largest single increase in the estimated Indigenous roll in Australia's history, and there are more Indigenous Australians currently on the roll than there have ever been in Australia's history. More dramatically, since 2017—forgive my clumsy wording here—but the number of estimated unenrolled Indigenous Australians has fallen by 18 per cent. During the same period, the growth in the estimated Indigenous roll has far outstripped the growth rate of the non-Indigenous roll. Since 2017 the estimated Indigenous roll has gone from about 75 per cent up to 81.7 per cent. Partially as a result of our work with Indigenous communities, we've applied a whole range of different measures right now which we're evaluating, and I suspect that before the end of the year there'll be another jump in the estimated Indigenous roll as well.

**Senator THORPE:** We have those figures. And that was the year I entered politics! It does make a difference when you have black people represented in these places. I've been an AEC worker on Lake Tyers Mission, where Aboriginal people did not want to enrol to vote 30 years ago. So I understand the growth. You've trialled hosting polling booths at a First Nations community organisation.

**Mr Rogers:** In Western Sydney, yes.

**Senator THORPE:** Obviously, that has increased engagement, being amongst the community. Will you be looking at doing this in other locations?

**Mr Rogers:** Yes, absolutely. It was an excellent experience, but I want to be clear: it didn't exclude non-Indigenous Australians from voting there as well. Anyone could vote at that polling place, which is an important point to make. But it was a great experience and, if anyone's interested, that particular community organisation have produced an excellent video—which I think is fantastic and worth a look—about what people thought about going into a polling place that Indigenous Australians found was culturally safe. It's really moving to see.

**Senator THORPE:** It's culturally safe for everybody. If only the country would understand that. My next question is in regard to First Nations participation and the Voice referendum. What will be the relationship between the community engagement group of the First Nations Voice to Parliament process and the AEC staff working on this?

**Mr Rogers:** I mentioned before that we're part of an interdepartmental committee that's working on the planning for the referendum. We're working with a whole range of stakeholders, including the NIAA and others. And we're doing as much as we can to make sure that we are closely connected with communities, Indigenous groups and the planning process itself. Dr Gleeson might like to add something to that.

**Dr Gleeson:** We're due to present to that engagement group towards the end of the year to discuss the very questions you were just asking around efforts to improve Indigenous enrolment and engagement outcomes. While NIAA are the key lead on the primary engagement, as a key stakeholder in that we'll be available to engage as required.

**Senator THORPE:** I'm not sure if this was answered earlier, but are you able to give a breakdown of the \$16.1 million that's allocated towards the Voice referendum?

**Mr Rogers:** We've taken that on notice, so no dramas.

**Senator THORPE:** Great. In terms of community consultation, is there a time frame on that?

**Mr Rogers:** I might start off. Our engagement with the community is ongoing. Like I mentioned before, the 80 partnerships we're doing, extant right now—

**Senator THORPE:** In terms of the referendum.

**Mr Rogers:** We will, as the referendum becomes clearer, obviously do more detailed engagement with local communities as well—also using those partnership models that have proved so effective for us, and we continue to do that. We'll do that, certainly, as the referendum gets closer.

**CHAIR:** Two more minutes, Senator Thorpe.

**Senator THORPE:** Will the budget measure of \$16 million for First Nations participation mean that funding for the Indigenous Electoral Participation Program will be fully restored?

**Mr Rogers:** That has already been fully restored through a previous budget decision—not the last budget; the budget before. This is additional money, as I understand it. The chief financial officer might just nod if I'm correct, rather than coming up. Yes, I'm correct with that. That money was already restored. So that cut that you're referring to occurred, I think, in 2017 and was restored in not the last budget but the one before.

**Senator THORPE:** Lastly, how much time will the AEC staff be spending in remote communities? We've also had feedback that it's fly-in fly-out—stay for an hour, and mob don't know that you're coming and they've missed out on ample opportunities. Is there an indication of how much time staff will be available to communities?

**Mr Rogers:** It's a really good question because, before 2013, that's effectively the model that we had in place, where a car from the AEC would drive into the community—I think in a fairly patronising way—hand out frisbees and stuff, and then drive off. There was no evidence that that worked. And in fact, if it did work, the roll wouldn't have been in the state that it was in. We determined to do some different things. That included the partnership model we're currently talking about and, also, developing community field officers, community engagement officers, which we leave in the community because they're from the community. The community are more likely to want to engage with them, rather than us coming to the community. Those partnership models are critical. It's not so much about how much time we spend in the community but about our exposure to the community through those issues, and we're fully focused on that.

Let me also say we would all be happy if there was zero difference between the estimated Indigenous roll and the non-Indigenous roll. Our aim is to do that. The success over particularly the last five years has been little short of stellar because of the fact that we're involved in those partnership models, actually creating a link into the community rather than us just driving into the community and then leaving.

**Senator THORPE:** Great.

**Mr Rogers:** We are, however, also engaging with some Northern Territory government agencies at the moment. I'll get it wrong, but it's Births, Deaths and Marriages, and DriveSafe NT. When they're doing their tours around the Northern Territory, we're also going with them so that, when they go to a community, the community member can sort out a number of issues on the spot, with people that know what they're doing. It's a win-win for everybody.

**Senator THORPE:** Great. Thank you so much. No further questions.

**CHAIR:** Is it possible to organise a briefing for senators and members, particularly on those remote enrolment issues?

**Mr Rogers:** I am happy to do that. There is no one solution either. Many, many people have ideas and I think we've been remarkably successful in dealing with this issue. As Senator Smith said before, regardless of the topic of a referendum, it's great if all eligible Australians can participate. We are very keen on continuing to grow all elements of the roll.

**Senator McGRATH:** I want to clarify something from the public hearing last week. When I asked about the questions on notice that Senator Payne put to you, you had a quizzical look on your face because you thought they had been responded to; is that the case?

**Mr Rogers:** They have actually been submitted.

**Senator McGRATH:** Coalition members of JSCEM have not been provided with those answers.

**Mr Rogers:** My records show that they were provided on 17 October.

**Senator McGRATH:** You have provided them to the secretariat of JSCEM. That has put us at a disadvantage when it comes to following up on some of those questions, especially Senator Payne's concerns about what happened in Gilmore. As a matter of courtesy, I let you know that we will ask you to come back to JSCEM for an additional public hearing once we have been given those answers. I don't understand why the committee won't release them to us. I am sure I will be advised in due course, because it does seem quite strange to say the least.

**Mr Rogers:** In case I am putting the secretariat in a bad light and I'm incorrect, I'm working off what I'm looking at in front of me. I am presuming that the information in front of me is correct, which is that we would have provided by the response date of 17 October. I am happy for someone to correct me.

**Senator McGRATH:** I am sure you're compliant there from the look on your face last week. We will need to follow-up on that. How many people are enrolled to vote?

**Mr Rogers:** Today?

**Senator McGRATH:** At the time of the election.

**Mr Rogers:** As at Saturday, 21 May, there were 17.2 million on the electoral roll.

**Senator McGRATH:** How many people voted during the federal election?

**Mr Rogers:** 15,461,379.

**Senator McGRATH:** There is a gap there of a million and a half—my maths is appalling—maybe more. What is the penalty for not voting?

**Mr Rogers:** \$20, unless you dispute that and it goes to court. Our chief legal officer can help.

**Mr Johnson:** It's \$20 if you can't give a valid and sufficient reason as to why you weren't able to vote.

**Senator McGRATH:** Have letters been sent to the 1.8 million Australians who didn't vote asking why they didn't vote?

**Mr Rogers:** That's correct.

**Senator McGRATH:** How many pieces of correspondence were sent out?

**Mr Rogers:** We've sent 1,268,907 notices to apparent non-voters. The due date for people to respond was September. Then a second notice was sent to 821,577 apparent non-voters who didn't respond within the prescribed time; many do respond within the prescribed time. That process is ongoing. That takes a while to work through after the election. Many people pay on the first letter, more people then pay on the second letter, and then we work through what we do with the remainder. That includes taking some of those individuals to court. I don't think we've started that process yet.

**Mr Johnson:** Section 245 of the Electoral Act sets out the process that we follow with the one-two notice and then the issuing of warnings, saying that it's at the Electoral Commissioner's discretion to prosecute those people who haven't given valid, sufficient reason or paid the \$20 fine. In that case, usually, some more people then do pay the fine, and we then work out who to prosecute. But because it's a summary offence, we have to commence those prosecutions within 12 months of polling day.

**Senator McGRATH:** In relation to the roughly 400,000 people who did reply between the September return date and the date you sent out the second notice, are you able to break down how many of those paid the fine?

**Mr Rogers:** Yes, we can.

**Senator McGRATH:** You might want to take it on notice. Do you categorise the justifications—I should stress, I'm someone who believes in voluntary voting, so I don't want anyone being fined—for why people are unable to vote?

**Mr Rogers:** Yes, we do.

**Senator McGRATH:** I don't recall discussing this after the 2019 election. What are the main couple of reasons people give?

**CHAIR:** This is your last question, Senator McGrath.

**Mr Rogers:** There are a whole range of things. I can't give you a main reason, but it's everything from, 'I was sick; I wasn't there,' through to religious claims. Also, being overseas is obviously an accepted reason for not being able to vote, and there are a whole range of other factors, like, 'I was working'—

**Senator DEAN SMITH:** What are some of the more colourful ones? You obviously know there are some colourful ones just by the reaction!

**Mr Rogers:** People have a broad range of reasons for not voting in the Australian election.

**Senator McGRATH:** How many complaints have you received about the social media activities of the AEC?

**Mr Rogers:** I'd have to take that on notice. But what I would say is that, if you're looking for a ratio of complaints to thanks and praise, it would be completely overwhelmed by the vast, vast majority of Australians who are thankful that the AEC took action to inform the community about the process of voting and to defend Australia's democratic process—and I mean that vastly outweighed complaint.

**Senator McGRATH:** I do have further questions, but hopefully when you come back in front of the committee, we'll follow it up there.

**Mr Rogers:** We'll look forward to that.

**Senator McGRATH:** I'm sure. Thank you.

**CHAIR:** Senator Roberts.

**Senator ROBERTS:** Thank you all for attending today. During the last elections, Mr Rogers, the Australian Electoral Commission released data showing how many votes had been cast in each prepoll voting centre each day. This data was then widely reported by the media. Can you please tell me how that data was arrived at? Was it through names marked off a roll or through ballot papers handed out?

**Dr Gleeson:** To be clear, you're asking about the results that are shown on the AEC's virtual tally room for each polling place—how those numbers are arrived at?

**Senator ROBERTS:** During prepoll, yes.

**Dr Gleeson:** Those figures are derived after the first count is done. The person in charge of the count phones the figures through to an operator or enters them into an AEC system, and they are automatically transferred through to the virtual tally room, which is displayed on the AEC's website.

**CHAIR:** Senator Roberts, are you asking about during polling and prepoll?

**Senator ROBERTS:** During prepoll.

**CHAIR:** So it's when we're told how many people have voted to date.

**Dr Gleeson:** Apologies, Senator. The figures during polling come from electronic certified lists. In a prepoll voting centre, electors are marked off the roll using an electronic list—

**Senator ROBERTS:** Mostly electronic.

**Dr Gleeson:** not a paper list, and that information is transferred directly to the AEC systems and provided in close-to-real time.

**Senator ROBERTS:** How accurate, then, is the figure you published during that prepolling?

**Dr Gleeson:** The figure is accurate for the number of electors marked off, but there is a reconciliation process that occurs at the end to ensure that there are no inadvertent or accidental marks—like if someone maybe marked off the roll incorrectly.

**Senator ROBERTS:** On the 'Downloads and statistics' page on your website for 2022, there is a file named 'SA1 vote statistics'. It's produced apparently after the election to show how many people were marked off an electoral roll which you calculate by scanning the marks on the voter rolls. This is the official figure for votes cast and, correct me if I'm wrong, it is a very accurate figure?

**Mr Rogers:** There are two separate issues at play here, Senator. You're talking about prepoll. I'm pretty sure every prepoll centre used an electronic certified list, not a paper list. The paper lists are used in a large number of polling places on the day, not in prepoll, so—

**Senator ROBERTS:** But how many people were marked off? The file 'SA-1 vote statistics', produced after the election, shows how many people were marked off an electoral roll.

**Dr Gleeson:** That file includes the mark-off from paper certified lists as well. Those are scanned in during the weeks after polling day and that is then merged with the electronic certified list data to give us the final number of electors who voted and were marked off.

**Senator ROBERTS:** Let me understand this more, then. Also on the download pages there are the votes cast at prepoll, which we spoke about at the opening. The two datasets—the prepoll votes cast and the prepoll votes counted—don't have to line up, because the votes cast also include absentee and declaration votes et cetera that are recorded separately. Can you give me an accounting of the 2.5 million prepoll votes? Five million were for the booth in which they were cast, and 560,000 were absentee or for other electorates and so on. It seems to me this is a lot of votes that move around columns without explaining the accounting. We want to know what's going on.

**Mr Rogers:** Let's take that on notice. I do point out that—particularly in prepoll—Australians have a habit of voting all over Australia. It's one of the marks of the Australian electoral system that during prepoll voting, Australians are largely able to vote anywhere in Australia, and that quite often accounts for those figures.

**Senator ROBERTS:** Did you audit the voter rolls you scanned to produce the SA-1 file for signs of marks being rubbed out to cover up votes being lost?

**Mr Rogers:** Well, hang on. Yes, we do—

**Senator ROBERTS:** Thank you.

**Mr Rogers:** Senator, I'm answering. We do a quality assurance process for that, but, if I heard the latter part of your question, which was 'to cover up votes being lost', I reject that out of hand. If that was what I heard—was that part of your question?

**Senator ROBERTS:** I'm not implying that view, but is that possible?

**Mr Rogers:** No. We do a full accounting of that process, and we do a quality assurance process.

**Senator ROBERTS:** Did you audit to ensure every ballot box seal was accounted for?

**Mr Rogers:** That is an inherent part of the electoral process.

**Senator ROBERTS:** So—yes?

**Mr Rogers:** That is an inherent part of the electoral process.

**Senator ROBERTS:** My party office has been in contact with the Australian Electoral Commission regarding the Cowper electorate, and I circulated that data for everyone. At the Port Macquarie West Cowper prepoll voting centre our One Nation candidate, Fay, originally received 0 votes out of 5,245 votes cast. After she phoned the local Australian Electoral Commission, Fay was advised the Australian Electoral Commission had found two votes, and two is now her official tally. Mr Rogers, in whose universe can a candidate phone the AEC and ask for more votes and get them? Have we been doing this wrongly?

**Mr Rogers:** Let me put aside the pejorative comment that you've made there and focus on the question. I might get Dr Gleeson to talk through this specific issue that occurred in that polling place and I might also, by way of context, Senator, point out that we are using a manual system involving 17 million electors, 60 million ballot papers and 8,000 polling places and votes from overseas as well. Because it's manual, occasionally, there are anomalies that are then rectified—a very small number—when they're pointed out. In this case, there was nothing sinister or systemic, but you might just talk about that, Dr Gleeson.

**Dr Gleeson:** On the question about votes moving, it's important to note that votes are originally counted on polling night to provide an indicative result that's put on the AEC website, and then a fresh scrutiny is undertaken in the week after polling day to be that very careful second check.

**Senator ROBERTS:** A proper count.

**Dr Gleeson:** It is not unusual for votes to move as part of that, and then again during the distribution of preferences. I understand, with reference to the Cowper count, that we have responded to your colleague and that that matter has been dealt with. I'm happy to provide further detail if needed.

**Senator ROBERTS:** It opened quite a few eyes when we realised that in the polling day booth she got nine per cent or so and in the prepoll booth, which was basically next door to the polling day booth, she got not one vote for two weeks until she called up and got two more. That seems very, very strange from that electorate, especially when the Senate vote was roughly the same as the polling day booth count.

**Dr Gleeson:** It's important to note, though—and we mentioned this in the response to the letter—that catchment for a prepoll voting centre is typically much larger, potentially the whole division. Whereas for a polling place on polling day there's a much smaller geographical area of voters who come to that place. It's not unusual for us to see those sorts of differences in candidate vote numbers.

**Senator ROBERTS:** My understanding is that Faye, the candidate, was also told that, owing to the use of regional prepoll voting centres, which is what you're saying, 400 One Nation votes at Port Macquarie West—were calculated around 400 per cent using the same polling day booth numbers—were missing, based on polling day results at the booth next door. They were recorded against prepoll in Kempsey, which is, of course, an entirely different town. How accurate is the voting data reported by the Australian Electoral Commission when votes in our regional centres are shown against another town?

**CHAIR:** That's your last question.

**Dr Gleeson:** As we indicated in the response to the letter, in the Cowper prepoll voting centre counts, two counts were amalgamated because they were undertaken in the same building in our counting centre in Port Macquarie. While this is not ideal, the figures show that there was a balance of votes and that all ballot papers were accounted for and reconciled with the number of ballot papers issued.

**Mr Rogers:** And included in the count.

**Dr Gleeson:** Correct.

**Senator ROBERTS:** This is my last question. Minister—

**CHAIR:** There are two senators waiting to use the last eight minutes, and you've had 12. Put it on notice very quickly.

**Senator ROBERTS:** Minister, the JSCEM inquiry into the last election has received literally thousands of submissions—I think it's more than 6,000. Most are not being published or being published redacted. Minister, will you expand the JSCEM inquiry into the 2022 election to include all the submissions you have received, including my information today?

**CHAIR:** I'm sure the minister can take that on notice.

**Senator ANTIC:** I have a couple of questions in relation to the Electoral Integrity Assurance Taskforce. I think, in a Senate committee, there was a question asked relating to foreign interference in Australian elections by Senator Jacqui Lambie. The answer to that question was provided: 'The South Australian electoral commission has requested support from the taskforce ahead of the state's local government elections, which are on currently. The taskforce has agreed to contribute support to the South Australian electoral commission.' I have a couple of

questions about that. Did the Electoral Commission of South Australia request that support, and what was the nature of the support requested, as provided to state electoral commissions for local government elections? Did they identify any risk of foreign interference in the election, which is currently underway?

**Mr Rogers:** I'm a bit loath to go into details about the specific request with foreign interference, but I can tell you that the Electoral Integrity Assurance Taskforce provides support to all states and territories upon request for their elections. It's become almost an automatic part of the support of all elections around Australia, which I think is good. The failure of one election is the failure of all, and any support we can provide is a good thing. It's not unusual for us, the task force, to provide support to both state and local government elections when requested, and that's a generic part of that.

**Senator ANTIC:** The election in question was conducted by the mass mail-out of ballots to all registered voters, and South Australian voters can register if they've been a resident in the area for only four weeks, I think, which is pretty incredible. The Adelaide *Advertiser* reported recently that the Electoral Commission of South Australia is investigating mass voter fraud in the Adelaide City Council elections. Details investigated include the organised collection of ballots, particularly of international students. The article published a photo showing someone who appeared to be an international student holding a bundle of voter packs. Is the AEC or the task force engaged in assisting with that investigation?

**Mr Rogers:** I couldn't comment on that because I'm not aware of what the task force is looking at. There's deliberately an air gap between me and the task force, which provides advice to the relevant commissioner for action. That may or may not be part of what you're looking at.

**Senator ANTIC:** Is the AEC aware of any allegations, through the task force or otherwise, of students being coerced to enrol in local government elections by volunteers for a particular candidate, Mr Jing Li, who was quoted in the report by volunteers that he camped outside the foyer looking for the opportunity to speak to international students and to get them enrolled before the close of rolls?

**Mr Rogers:** I'm not aware those allegations.

**Senator ANTIC:** Is the AEC aware of any allegations during the election where students were instructed to provide their ballots to volunteers or vote-harvesting mules at a prescribed time so they could be opened, filled in and cast in support of the Mr Li?

**Mr Rogers:** I'm broadly aware of some reporting but not to that level of specificity.

**Senator ANTIC:** I understand Mr Li is a Chinese foreign national. I have him pictured here in this at the head of a table at a Chinese government dinner with the Chinese consul general. I understand that many of the students who were involved in this have been too scared to give evidence. What assurance can the AEC provide that those who give evidence to any investigation of foreign interference will be afforded protection by the Commonwealth government and the security agencies?

**Mr Rogers:** That's well beyond my remit.

**Senator PATERSON:** I have some questions about the US based election technology company Konnech and reports that Eugene Yu, the CEO, has been arrested in violation of its agreement. It has been storing data in China. You are aware of those reports?

**Mr Rogers:** Yes.

**Senator PATERSON:** Are you aware that the Queensland electoral commission has an active contract with the company?

**Mr Rogers:** I'm broadly aware. I am already nervous talking about another electoral commission but, yes, I'm broadly aware of those issues.

**Senator PATERSON:** The AEC does not have any contracts with Konnech?

**Mr Rogers:** Zero contracts with the company.

**Senator PATERSON:** That's welcomed. What's the AEC's job in maintaining the Queensland electoral roll? Do you have a role there?

**Mr Rogers:** We work collaboratively with all the commissions. We closed the roll for Queensland's electorate events and we provided the data behind that, as we do with every other commission with some minor exceptions. Yes, we have a role in providing that data.

**Senator PATERSON:** Are you concerned that Konnech might have access to the Queensland electoral roll as part of that contract?

**Mr Rogers:** Without going into detail, we are in ongoing conversations with the Queensland electoral commission. I am very satisfied there is no data at risk. Also, out of interest, I think the data that Konnech were alleged to have provided in the US—and forgive me if I'm wrong with this—wasn't elector data; rather data about polling workers, as I understand it.

**Senator PATERSON:** You are correct; that is exactly what is alleged in the United States. In Australia, the Konnech website says, 'Konnech Australia's Brisbane based team of programmers, data analysts and coders are working closely with the Electoral Commission of Queensland to ensure the efficient and effective running of elections'—

**Mr Rogers:** Sorry, to cut you off. I think that the Konnech piece of that is their election management system and not the roll system. There is an absolute gap between those two systems. There is no linkage between those two. I am very comfortable that the electoral roll and the data on the roll are protected.

**Senator PATERSON:** So you have taken steps to assure yourself that the company does not have access to the electoral roll in Queensland?

**Mr Rogers:** To the extent I'm able to, as part of our ongoing discussions with the ECQ.

**Senator PATERSON:** As part of those discussions, has the Electoral Commission of Queensland indicated to you that they are going to end their contract with the company as a result of this?

**Mr Rogers:** That's a matter for ECQ rather than us.

**Senator PATERSON:** Thank you. I'll place any other questions on notice.

**Senator DAVID POCOCK:** I want to follow-up on the doctored superman corflutes from the ACT campaign. A complaint was made and the AEC upheld the complaint. They found them to be misleading and in breach of the Electoral Act. Will the AEC prosecute Advance Australia?

**Mr Rogers:** I know there's been a lot of media about that issue. One thing I would put on the record is that the Electoral Act doesn't regulate the content of the messages. People get very upset about this and I'm not necessarily talking about this particular issue; I'm using it as a metaphor for a range of other issues.

**CHAIR:** Will you prosecute is the question?

**Mr Rogers:** I wish I could give you a simple answer to that question. That matter is closed.

**Mr Johnson:** We can't prosecute a criminal case. It will be referred to the AFP who investigate further and make recommendations to the Commonwealth Director of Public Prosecutions.

**CHAIR:** And you haven't made those recommendations?

**Mr Johnson:** We haven't.

**Senator SHOEBRIDGE:** Have you referred material to the AFP? We have a joint interest in this.

**Mr Johnson:** Yes, we have referred it.

**Senator SHOEBRIDGE:** Is it your understanding that they're—

**Mr Johnson:** They're investigating.

**Senator DAVID POCOCK:** Is there a time frame?

**Mr Johnson:** I can't speak for the AFP.

**Senator DAVID POCOCK:** What date was that referred?

**Mr Johnson:** Can we take it on notice?

**Senator DAVID POCOCK:** You don't have that on you?

**Mr Johnson:** No.

**Senator DAVID POCOCK:** Just finally, the Advance Australia robocall was disguised as a *Canberra Times* survey. The AEC has said that this call didn't include an electoral matter. My understanding is that, in the investigation, the only party you spoke to was Advance Australia, no-one who'd made a complaint. Is that correct? Will you re-look at this case?

**Mr Rogers:** There are two phone calls at play here. One was what Advance Australia claim they sent to a list of subscribers—

**Senator DAVID POCOCK:** I've heard that. Does the AEC just say, 'Okay, cool, that's over'? Because that seems like what's happened.

**Mr Rogers:** That was the evidence we received during the election. I hate answering these questions in one minute because they are an incredibly complex series of events involving a large range of parties and a complex legal issue.

**Senator DAVID POCOCK:** But it seems that, in investigating, you've just spoken to one party. Am I correct?

**Mr Rogers:** However, the context around this—again, I know people are annoyed about the message—is that, as I understand it, these messages had a form of authorisation in any case, so, at best case, it's a technical breach. This occurred in the days leading up to the election where our team are dealing with thousands of complaints. We dealt with that issue at the time by seeking some additional information. Now, if that information's wrong, as I mentioned to the joint standing committee the other day, we'll examine that again. In fact, we're looking at that right now, based on that issue of whether or not it did go to a subscriber list. We are examining that and we'll see what comes from this result.

**Senator DAVID POCOCK:** The thing I'm interested in is the process. If there is an allegation, do you simply go to the organisation that's accused of it, and they say, 'Oh, it was just our subscriber list,' and that's case closed?

**Senator SHOEBRIDGE:** 'Wasn't me, gov.'

**Mr Rogers:** No. In this specific case, as I said, for example, at least some of that occurred the day before and the day of the election. Our ability to conduct a detailed investigation into what was effectively a technical breach is about zero. We did the best we could at that point in time and also relied on the advice of that particular organisation—whatever it is—Advance Australia. We then said we would look at that after the event. We've also sought legal advice on some of those matters after the event and have looked at it further. So there's a whole process, but each case is individually looked at.

**Senator DAVID POCOCK:** My concern is we know how many voters are undecided. Coming down to election day, that's when people are swayed. To read the last little bit of this message, which didn't have an authorisation, 'I'm sorry I missed you this time, but please remember when you head to the polls, anything other than a vote for Zed Seselja and the Liberals in the Senate is a vote for a weak Green government. It's a risk we just can't take in these dangerous times. I hope to catch you next time. Goodnight.' I just don't accept that a good process is to then go to Advance Australia and say, 'What about this?' They say, 'It's a subscriber list.' And you say, 'Case closed.'

**Mr Rogers:** I understand your complaint and you won't be surprised that we get a vast number of issues that occur just before the election. I said at the joint standing committee the other day, regulation is a poor substitute for adult behaviour on behalf of any—

**Senator DAVID POCOCK:** I understand that. I'm trying to get—

**Mr Rogers:** I'm answering the question, and I get it. But as I understand it, both of those messages—one was the survey, and whatever the other one said—had a form of authorisation, in any case.

**Senator DAVID POCOCK:** There is zero authorisation.

**CHAIR:** It's not a subscriber service, though.

**Mr Rogers:** That part is what we're currently looking at.

**Senator DAVID POCOCK:** Mr Rogers, my question is not necessarily on this case but the process. Do you have a process for dealing with complaints?

**Mr Rogers:** Absolutely. Each case is taken on its merits. We look at each individual case. But—

**Senator DAVID POCOCK:** In that, is it contact the people who the complaint is made against?

**Mr Rogers:** Each case is different, depending—

**Senator DAVID POCOCK:** So, there's no process that oversees it all?

**CHAIR:** Senator Pocock, I'm going to give the call now—

**Senator DAVID POCOCK:** I'm really interested to try to understand this process.

**CHAIR:** I know Senator Shoebridge will be unpacking some of the same issues. I want to be fair and make sure he also gets a moment on this.

**Senator SHOEBRIDGE:** I'm comfortable to get an answer to Senator Pocock's last question.

**Mr Rogers:** Of the thousands of cases that we deal with, there is a process. But each case is different, because there are a different number of parties and issues at play. We take a different approach, as you would understand, Senator, to each individual case. It takes time for these things to work through. As Mr Johnson indicated, after the election we also sought external legal advice on some of these issues. I can't give you any more than that: that we



take it all seriously, we apply a process, but each individual case requires an individual approach. That's exactly what we do.

**Senator SHOEBRIDGE:** Commissioner, I might then ask, if you could—on notice—provide whatever policies or directives you have in place that guide that process, so that we can see for ourselves how that process works?

**Mr Rogers:** Sure.

**Senator SHOEBRIDGE:** Could I take you to a different tack? You would have been aware of reports that have particularly come out of the United States and Brazil recently regarding electoral integrity—potential stolen elections—through the role of social media platforms. Do you have concerns about similar risks in Australia and how those kinds of relentless attacks might affect the integrity of our electoral system?

**Mr Rogers:** I do have opinions on this. I don't wish to further inflame the debate, but I'm happy to opine for a minute or two. I know time is important. The AEC doesn't own elections. I've said this previously. They're owned by all Australian citizens. Everybody's got a role to play here: candidates, MPs, senators, citizens, the media. And it's deeply distressing to us where we see behaviour that's been copied from overseas elections—and I'm not talking about a particular overseas country—being smeared across the Australian election. And I have to say, some quite frankly bizarre conspiracy theories have already appeared in Australia. Let me give you a couple if I might. There's a bonkers one about Dominion voting machines. It's insane. We don't use voting machines in Australia. But that hasn't stopped this bizarre, crazy, tin-foil-hat-wearing conspiracy theory being smeared across Australia's electoral system. I think it's a disgrace. Where we see these things occurring, it does worry me. We've got one of the best, most transparent electoral systems in the world. And it's up to all of us to defend that.

**Senator SHOEBRIDGE:** The particular concern here is that these social media platforms fuel that conspiracy. It's clickbait for them. They've got algorithms that drive people down conspiracy rabbit holes and actually fuel that. Are you seeing that?

**Mr Rogers:** We are seeing an unfortunate level of commentary with a very small number of people; it's normally a sort of closed group of people who believe a whole range of things. I wouldn't want to opine more broadly on the role of the social media platforms; it's a little outside my remit. But before the last election, for the record, we worked closely with those social media companies to make sure that we had a protocol in place whereby, where we saw that things that we thought needed to be removed because they breached the Electoral Act, they did so. And we continue to do that. It's one of the reasons we developed, before the election, a reputation management strategy to try and manage the reputation of Australia's electoral system.

**Senator SHOEBRIDGE:** But this is getting worse, not better. We now see the owner of one of the largest social media platforms, Elon Musk, sharing conspiracy theories on the platform and just in the last 24 hours actively endorsing one political party. How do you see those kinds of actions impacting on our electoral system?

**Mr Rogers:** We continue to monitor the environment and adjust our policies accordingly—and not just us, by the way; our involvement with social media companies more broadly has been a topic of discussion at the Electoral Council of Australia and New Zealand, which is all the electoral commissions. We continue to monitor it. And it's why we changed our approach to reaching out to electors at the last event, to try and make sure that we've got correct information about the electoral process on those social media platforms.

**CHAIR:** I'll now close the questioning. I thank everyone for their participation in the Finance and Public Administration estimates. I'd like to thank everyone who's appeared, and very much thank Hansard and broadcasting for their assistance. We will resume on Friday 11 November with the National Indigenous Australians Agency, other Indigenous agencies, and the Department of Health. I thank everyone for not noticing the time over the last 10 minutes and declare this meeting closed. Thank you.

**Committee adjourned at 13:09**