

Prime Minister and Cabinet Portfolio

3.1 The Committee took evidence from the department and agencies of the Prime Minister and Cabinet portfolio on Monday, 14 February 2005.

Department of the Prime Minister and Cabinet

3.2 As noted earlier in the report, the government's directive prohibiting answers relating to matters before the Cole commission dominated the examination of PM&C. At the start the minister representing the Prime Minister, Senator Minchin, declared:

I should inform the committee that the government has directed that officials appearing before Senate legislation committees should not answer questions directed to them on matters before the commission of inquiry being conducted by the Hon. Terrence Cole into certain Australian companies in relation to the oil for food program.¹

3.3 The minister went on to indicate that the prohibition might be lifted when the commission was finished. The rationale for the prohibition appeared to be a government view that 'parallel public questioning' of officials by committees would be unhelpful for the commission's examination of the matters before it. The minister stated:

While examination of officials by the committees might be appropriate in the future, the government considers that Mr Cole should be able to proceed with his inquiry and present his findings without parallel public questioning that would not assist consideration of complex issues.²

3.4 The directive was the subject of lengthy and at times robust debate between the minister and Committee members.

3.5 The minister did permit officials to answer a number of questions to do with departmental and interdepartmental 'processes' relating to the commission. These 'process questions' concerned matters such as staff monitoring the commission's proceedings, internal file searches, the provision of documents on request to the commission, contact between PM&C and other department's on these issues and so on.

3.6 Discussion on the directive dominated proceedings to the extent that it left little time to examine other issues. Issues that members of the Committee and other senators in attendance raised included:

- PM&C's role on the Iraq Task Force;

1 *Committee Hansard*, 13 February 2006, F&PA 24.

2 *Committee Hansard*, 13 February 2006, F&PA 24.

- Whether new or revised Freedom of Information guidelines had been issued recently within the department; and
- Indigenous policy and the monitoring of trials done under the Council of Australian Governments

3.7 The Committee was concerned that departmental officers were not in a position to answer straightforward questions relating to the Iraq Task Force. As this matter has been a recurring theme at the Committee's estimates hearings since Australia deployed combat forces to Iraq in 2003, it was reasonable for the Committee to expect officials to be prepared to answer questions on the department's involvement with the task force.

3.8 The Committee's concern about this oversight was heightened when officers indicated that high staff turnover in the relevant division had left the department with limited corporate knowledge of the Task Force. The impact of high turnover rates on the department's general corporate knowledge maybe an issue the Committee returns to in future estimates rounds.

Office of National Assessments

3.9 The Committee examination of ONA resumed its ongoing scrutiny of the agency's growth as recommended by the 2004 Flood report into Australia's intelligence agencies, as well as measures to promote contestability in its intelligence assessments process. The Committee also returned to issues relating to ONA's work on the conflict in Iraq.

3.10 Other issues examined included whether ONA provides advice to the government. Mr Varghese made it clear that ONA, since its inception and like comparable foreign intelligence bureaux, produces analytical assessments and 'would not get into the business of policy advising'. In Mr Varghese's words, 'ONA does not cross the line between assessment and policy advice'.³

3.11 As with the Committee's examination of PM&C, the minister permitted answers to 'process' questions but not to questions on matters of substance in relation to the Cole commission. It emerged that ONA had not been asked to check its files as part of the government's response to the commission's subpoena for all relevant government documents. Mr Varghese informed the Committee that he had of his own accord initiated an internal check of ONA's records. Mr Varghese indicated that ONA had collated a number of documents but none had yet been provided to any external body.

3 *Committee Hansard*, 13 February 2006, F&PA 120.

Office of the Commonwealth Ombudsman

3.12 Examination of the Ombudsman's office concentrated on its reporting relating to immigration detention centres. The Ombudsman, Professor McMillan, told the Committee that about 10 per cent of all complaints the office receives relate to immigration matters but that these represent close to 25 per cent of the office's work. He also referred to the expanded oversight role that the office now has for matters to do with detention centres and immigration compliance.

3.13 Professor McMillan took on notice a request to provide the Committee with the office's quarterly reports to the department on issues that have arisen during Ombudsman investigations.

3.14 Professor McMillan was also asked about the Freedom of Information Act. He said that a report on FOI administration and processes would be released shortly. He noted that the report did not address the question of departmental claims for exemption under the act.

Australian National Audit Office

3.15 The examination of the ANAO followed the Committee's usual practice with members raising issues related to reports of the ANAO or parliamentary committees. On this occasion the issues included:

- Audits of the Defence Materiel Organisation and major defence capital acquisition projects;
- Continuing ANAO qualified audits of Department of Defence financial statements and remediation programs to address weaknesses in Defence's financial management and reporting;
- ANAO report No. 28 of 2005-06 on management of net appropriation agreements;
- Pressure from the heavy Defence audit load on the ANAO's budget and resources; and
- ANAO report No. 25 of 2005-06 on ASIC's implementation of financial services licences.

