

Finance and Administration Portfolio

4.1 The Committee took evidence from the Department of Finance and Administration, Department of Human Services and agencies of the Finance and Administration portfolio on Tuesday, 14 February 2006.

Department of Finance and Administration

4.2 The Committee's examination of the department devoted a significant amount of time to scrutinising the complex arrangements for the establishment and operation of the Future Fund. Questioning focused on the vetting of proposed members of the board, public statements of the designated chair of the fund, the proceeds of the Telstra 3 sale that will go to the fund and the effect of the fund on the Commonwealth's other superannuation liabilities.

4.3 Other issues raised by the Committee and other senators included:

- Forward estimated expenses and final outcomes for DOFA;
- The source of the title, and duties of, 'guardians' under the *Commonwealth Authorities and Companies Act 1997*;
- The department's performance pay system;
- ANAO report No. 28 of 2005-06 on management of net appropriation agreements and the scope for improving enforcement to prevent future breaches;
- Departmental resources during the federal election caretaker period for costings of government and opposition policy announcements;
- Staff turnover, particularly in the budget group;
- Impact of the full sale of Telstra on staff with Commonwealth superannuation;
- Treatment of same-sex couples under the Public Sector Superannuation (PSS) and Commonwealth Sector Superannuation (CSS) schemes;
- Prosecution of people attempting to defraud the CSS;
- The reallocation of the Office of Evaluation and Audit to the department and its role in relation to the Aboriginal and Torres Strait Islander Land Fund;
- Arrangements with banks for the sale of Telstra;
- The proposed sale of the Snowy Mountains Corporation;
- Allocation of MOPS staff;
- The role of the Government Members Secretariat in relation to Opposition members
- Allocation of laptop computers to MOPS staff during the 2004 federal election; and

- Engagement of a consultant to brief MOPS staff of the impact of the Workchoices Act.

4.4 With respect to the Future Fund, there was some interest in seeking the appearance of its designated chair before the Committee during the examination of DOFA. The department advised that while not yet officially appointed as chair Mr Murray was engaged as a consultant to the department. Standing order 26 provides for questions at estimates hearings to be put to 'ministers and officers'. While there have been cases where departmental contractors or consultants have been deemed to be in effect 'officers', in this instance the Committee understood that Mr Murray's current status did not qualify him to appear in that capacity.

Australian Electoral Commission

4.5 The Committee questioned the commission on a number of issues related to the Electoral and Referendum Amendment (Electoral Integrity and Other Measures) Bill 2005. (The bill was referred prior to the additional estimates round to the Committee for inquiry and report.)

4.6 As usual, the Committee also pursued with the commission its interest in matters under investigation. This included disciplinary proceedings against two AEC officers for breaches of the Public Service Act code of conduct during the 2004 federal election.

4.7 Other issues raised by the Committee and other senators included:

- Recent deregistration of certain party branches;
- Whether the recently established Independent Candidate Advisory Network was a political party or associated entity under the Electoral Act; and
- Measures to address issues relating to some of the how-to-vote cards used in the Richmond division during the 2004 federal election.

Department of Human Services and agencies

4.8 The Committee examined the department together with the Child Support Agency, CRS Australia, Centrelink and Medicare Australia.

4.9 Concerns relating to the department's answers to questions on notice surfaced on several occasions during the hearing, as they have done during previous hearings with the department. The Committee and the department discussed options for improving the way questions on notice are handled. The Secretary of the department, Ms Patricia Scott, indicated that an arrangement to enable early warning from the department of questions that were posing difficulties in answering (because the data was not available, for instance, or collating it would incur inordinate expense) would help matters. Ms Scott suggested that questions of this nature could be drawn to the relevant senator's attention, with a view to refining the question if possible.

4.10 The Committee considers there is some merit in this approach, although it would see it as operating only rarely under exceptional circumstances. The Committee would be alarmed if the department were to raise concerns about questions on notice regularly.

4.11 The department's approach of referring senators to its annual report as a way of answering questions on notice also drew concern. Ms Scott said that the department felt that this was an economical use of public resources. However, the Committee's view is that due to their brevity annual reports are often of limited use in exploring issues in detail. The department should make the effort, in all instances, to answer questions as fully as possible. As the Committee observed in its recent assessment of the DHS annual report, if the department is going to rely on the annual report to answer questions on notice then the department needs to make the commensurate effort to ensure its annual report meets the Parliament's accountability and transparency requirements.¹

4.12 Other issues raised by members of the Committee and other senators in attendance included:

- Delays in implementing the Parkinson report's recommendations on child support;
- Centrelink's administration of the job seeker classification index;
- Additional funding for comprehensive work capacity assessments;
- Disability access measures incorporated in the request for tender process with service providers;
- Fee structure for service providers under the request for tender process;
- Staff recruitment;
- Expenditure on e-health and development of the Medicare smart card;
- Applications for carers allowance;
- Trends with people with autism and Asberger's syndrome receiving the disability support pension;
- Rent assistance for tenants of the Aboriginal Housing Service;
- Childcare data sharing between Centrelink and the Australian Taxation Office;
- Management of the compliance regime and Centrelink discussions with non government organisations on tendering out elements of the service;
- Centrelink's implementation of ANAO recommendations related to customer feedback; and

1 Senate Finance and Public Administration Legislation Committee, *Annual reports (No.1 of 2006)*, March 2006, p. 8.

- Data gaps on Aboriginal client appeals to Centrelink.

Acknowledgements

4.13 The Committee expresses its appreciation of the service provided by the secretariat, broadcasting and transcription services provided by the Department of Parliamentary Services and the service provided by the Black Rod's Office and Committee Room attendants in preparing the rooms and providing refreshments for members and witnesses during the hearing.

4.14 The Committee also wishes to thank all ministers and departmental and agency officers for their assistance.

Next hearings—Budget estimates 2005-06

4.15 By resolution of the Senate, the Committee is scheduled to consider the budget estimates for the 2005-06 financial year from Monday 23 May through Friday 27 May 2005.

4.16 While the Committee endeavours to follow the usual convention relating to the order of appearance of witnesses, it reminds ministers, departments and agencies that they need to be prepared to be available on the above days.

Senator Brett Mason

Chair