

**Supplementary Budget Estimates 2003-04**  
**Questions on Notice Index**  
**Finance and Administration Portfolio**

QoN No.	Agency/Program	Senator	Reference	QUESTION	Comments
F1	DOFA	Sherry	87 4/11/03	<p>Senator SHERRY—In both the case of the SHAR and the lost members register, does it have an impact on the accrual or cash surplus?</p> <p>Mr Kerwin—No, it does not.</p> <p>Senator SHERRY—Is that because you are holding cash in the case of SHAR, but there is an offsetting liability?</p> <p>Mr Kerwin—When the money moves from the special account into the consolidated revenue fund, how it is regarded—whether it is regarded as what is called a transaction or whether it is regarded as something other than that—would determine whether it has an effect on the underlying cash or fiscal balance. I do not know the answer as to how it is regarded.</p> <p>Senator SHERRY—Could you take that on notice?</p> <p>Mr Kerwin—I am certainly happy to do that.</p>	Answered 12/1/04
F2	DOFA	Faulkner	89 4/11/03	<p>Senator FAULKNER—Are you able to tell me the dates of these advices?</p> <p>Ms Mason—We do not have that detail here but we will certainly check quickly and, if possible, we will give you an answer during this session.</p> <p>Senator FAULKNER—What I am asking for is the date and a broad explanation. We have heard what Mr Gavin said but there are three separate advices being sought here. I would like a more complete description but I am not seeking the advices; I am just seeking an understanding of what the advice was sought on, which of course is a proper matter for a committee like this.</p> <p>Ms Mason—Certainly, Senator, we will get you those answers. In general terms, when we are preparing regulations, it is normal practice for us to seek legal advice to make sure that they are correctly made. But we will get you the details you seek in terms of dates and broad descriptions.</p>	Answered 12/1/04

QoN No.	Agency/Program	Senator	Reference	QUESTION	Comments
F3	DOFA	Faulkner	96 4/11/03	<p>Senator FAULKNER—I have heard some petty things since I have been on this committee, but that takes the cake. Moving to another issue, can the department indicate how many ministers have made applications under part 3 of the parliamentary entitlement regulations since January 2002 for the payment of their legal costs?</p> <p>Mr S. Taylor—I do not have that information. We could certainly get the information as soon as we can but I do not have it to hand.</p> <p>Senator FAULKNER—Are you able to say how many of those applications have been approved?</p> <p>Mr S. Taylor—Once again, I could not. Effectively the role of the department is the payment in relation to the provision of that assistance. I suppose it is at the end of the chain in that sense.</p> <p>Senator FAULKNER—Are you able to say how much this has cost?</p> <p>Mr S. Taylor—Once again, we would have to try to get—</p> <p>Senator FAULKNER—Can you take all those matters on notice for me, please.</p> <p>Mr S. Taylor—We certainly could.</p>	Answered 12/1/04
F4	AEC	Brandis	103 4/11/03	<p>Senator BRANDIS—Are you able to assist us in telling us, beyond those public sector unions, what other persons or entities are associated with the Fair Go Alliance?</p> <p>Ms Mitchell—Not at this stage in time. That is part of the matter that we are looking into.</p> <p>Senator BRANDIS—When you say ‘not at this time’ in answer to my question: ‘Are you able to assist us?’ do you mean that you are not prepared to assist us at this moment because there is a pending investigation or that you are not able to assist us because you do not know?</p> <p>Ms Mitchell—I actually do not know the answer to the question off the top of my head. If I went back and looked at the file and the information was at the tip of my tongue, I would say that it is our norm not to talk about the details of the information that we are gathering when we are considering a matter until after we have actually come to a conclusion on the matter.</p> <p>Senator BRANDIS—The reason for that convention, which I think is a good convention, I assume is because disclosure could prejudice the commission’s inquiries.</p> <p>Ms Mitchell—Yes.</p> <p>Senator BRANDIS—But surely the disclosure merely of the names of persons or entities that you have established form part of the alliance could not be prejudicial.</p> <p>Ms Mitchell—I would have to think about whether we thought that that would be the case. But, at this stage in time, as far as I am aware we actually do not have a complete list. I think it would be best to leave answering that sort of question until we have a complete list.</p> <p>Senator BRANDIS—Let me suggest this course, Ms Mitchell: can you take on notice my question and, when you consider the answer to the question, you might at that time no doubt address yourself to the question of whether or not as a matter of convention you assert that the information sought by the question should not be disclosed; and if you decide to invoke that convention in your written response, can you provide the reasons why you have taken that course?</p> <p>Ms Mitchell—Yes.</p>	Answered 20/1/04

QoN No.	Agency/Program	Senator	Reference	QUESTION	Comments
F5	AEC	Brandis	104 4/11/03	<p>Senator BRANDIS—From those donor disclosure returns or other information, are you able to tell us which unions have provided money to the Fair Go Alliance which was then passed on to the New South Wales branch of the Australian Labor Party?</p> <p>Ms Mitchell—I do not have a copy of the returns with me this evening.</p> <p>Senator BRANDIS—Would you take that on notice, please?</p> <p>Ms Mitchell—I can, yes.</p>	Answered 20/1/04
F6	AEC	Brandis	105 4/11/03	<p>Senator BRANDIS—In which return are the donors disclosed and in which return are the donors not disclosed?</p> <p>Ms Mitchell—That is part of what the picture in my head will not make clear. I cannot answer that question.</p> <p>Senator BRANDIS—It is a pretty straightforward question; it is either one or the other.</p> <p>Ms Mitchell—I think it was the 1998 election, Senator, but I would not want to misinform you.</p> <p>Senator BRANDIS—The 1998 election was the election in which the donors were disclosed or undisclosed?</p> <p>Ms Mitchell—They were disclosed. I would like to confirm that later.</p> <p>Senator BRANDIS—You think that is the case but please take this on notice and check it for me.</p> <p>Ms Mitchell—Yes.</p>	Answered 20/1/04
F7	AEC	Brandis	106-7 4/11/03	<p>Senator BRANDIS—The obligation was not met in terms of the act but you could say, if you wanted to be charitable to the Fair Go Alliance, that it was met very, very shockingly belatedly—but ultimately met. How much money did the 1998 disclosure report that the Fair Go Alliance gave to the New South Wales branch of the Labor Party?</p> <p>Ms Mitchell—I do not think I have that.</p> <p>Senator BRANDIS—Can you tell us roughly, please?</p> <p>Ms Mitchell—No, I cannot tell you roughly.</p> <p>Senator BRANDIS—Roughly?</p> <p>Ms Mitchell—No, I would need to look at a copy of the returns.</p> <p>Senator BRANDIS—Do you have an officer handy who might be able to tell us that between now and 11 o'clock?</p> <p>Ms Mitchell—No, sorry. I would have to go back to the office myself.</p> <p>...</p> <p>Senator BRANDIS—All right. But you are taking that on notice for both the 1998 return and the 2001 return?</p> <p>Ms Mitchell—Yes.</p>	Answered 20/1/04

QoN No.	Agency/Program	Senator	Reference	QUESTION	Comments
F8	AEC	Brandis	109 4/11/03	<p>Senator BRANDIS—Can I put it to you that the two unions which have disclosed their donations to the Fair Go Alliance in respect of one of these returns were the Public Service Association of New South Wales and the Community Public Sector Union SPSF group. Did either of those organisations make disclosure declarations to the AEC in respect of either the 1998 or the 2001 election?</p> <p>Ms Mitchell—That is information that I do not actually have with me at the moment.</p> <p>Senator BRANDIS—Will you take that on notice for me?</p> <p>Ms Mitchell—Yes.</p>	Answered 20/1/04
F9	AEC	Brandis	110 4/11/03	<p>Senator BRANDIS—Are you able to tell us when the Fair Go Alliance was set up? You have told us that it first lodged a return for the 1998 election. When was it created?</p> <p>Ms Mitchell—It is not information that I have in the data that I have with me this evening.</p> <p>Senator BRANDIS—Can you take that on notice please?</p> <p>Ms Mitchell—Yes.</p>	Answered 20/1/04
F10	AEC	Brandis	110 4/11/03	<p>Senator BRANDIS—You would be aware that the Fair Go Alliance has lodged a third-party return of donations made for the 1998 federal election which details donations to the value of \$7,000. Why is there no record on the disclosure return of where that \$7,000 came from, only details of which Labor Party candidates received that money?</p> <p>Ms Mitchell—That is part of what we have to consider.</p> <p>Senator BRANDIS—You will take that on notice?</p> <p>Ms Mitchell—Yes. It may be because the component amounts are below the disclosure threshold.</p>	Answered 20/1/04
F11	AEC	Brandis	111-12 4/11/03	<p>Senator BRANDIS—When was the amended return filed?</p> <p>Ms Mitchell—On 4 September.</p> <p>Senator BRANDIS—Was that filed in response to a request from the AEC or was it filed spontaneously?</p> <p>Ms Mitchell—My recollection was that it was spontaneous.</p> <p>Senator BRANDIS—You will check that for me, won't you?</p> <p>Ms Mitchell—Yes, I will.</p>	Answered 20/1/04

QoN No.	Agency/Program	Senator	Reference	QUESTION	Comments
F12	AEC	Murray	113-14 4/11/03	<p>Senator MURRAY—I have a short question before, I suspect, Senator Faulkner is going to have some long questions. It follows on in part from Senator Brandis’s questioning. The Rivkin affair has brought to the fore the question of the beneficial owners and the difficulties regulators and others have when they are concealed. As the AEC knows, I have previously taken an interest in the matter of beneficial owners not being disclosed behind trusts, clubs, foundations, companies and so on. I have a general question to Mr Dacey or Ms Mitchell. When you investigate matters such as the one we are talking about—but you would have investigated others—have there ever been occasions when you have asked to know who the beneficial owners are of an entity and that has been denied to you? Is it a problem you have come across, or has it not touched your shores yet?</p> <p>Ms Mitchell—Not that I am aware of, Senator, but I have only been in the funding and disclosure section for 2½ years. We can perhaps ask my predecessor if it has been an issue in his knowledge.</p> <p>Mr Dacey—I am certainly not aware either, Senator, to my knowledge.</p> <p>Senator MURRAY—I would be happy if you would take it on notice. I have in my mind a particular set of donations which I understand have come in from Scandinavia, from a foundation there, and I cannot see how anyone would know who the beneficial owners of those are. They have been disclosed to the AEC. The question really is: have you asked the question ever and been denied the knowledge that you want?</p> <p>Mr Dacey—I am not aware, Senator, but we will get back to you on that.</p> <p>Senator MURRAY—Thank you.</p>	Answered 20/1/04
F13	AEC	Faulkner	115 4/11/03	<p>Senator FAULKNER—Can you provide to the committee, Mr Dacey, a comparison of this reporting period with the previous reporting period? Have you got a document there that actually provides what the AEC would consider a valid comparison? I think what you are saying to the committee is that the figures in the annual report require more explanation.</p> <p>Mr Dacey—They do. We do not have that comparative apples to apples figure with us, but it is something we can work on for the committee. If I could just reiterate what Ms Davis said. Perhaps I should point out that there are two sorts of senior executives in the AEC. There are those senior executive statutory office holders—such as the commissioner, myself and the seven Australian electoral officers—whose remuneration is set by the Remuneration Tribunal as principal executive officers. Then there are the SES equivalents employed under the Commonwealth Electoral Act. As Ms Davis said, in 2002-03 the Electoral Commissioner’s salary increase was fixed by the Remuneration Tribunal. For the other PEOs the Remuneration Tribunal set a maximum of a five per cent salary increase. In line with that the commissioner made a determination that no other senior executives would exceed that. As Ms Davis said, not one of the senior executive equivalents or principal executive officers received a pay rise in excess of five per cent.</p> <p>Senator FAULKNER—What was the average per capita executive remuneration between the two most recent reporting periods?</p> <p>Mr Dacey—We would have to take that on notice.</p>	Answered 20/1/04

QoN No.	Agency/Program	Senator	Reference	QUESTION	Comments
F14	AEC	Faulkner	116-17 4/11/03	<p>Senator FAULKNER—I am not asking for any detail about individuals here. I am just looking at the pattern. Can you tell the committee how many executives got a 10 per cent bonus?</p> <p>Ms Davis—I am not in a position to be able to tell you that.</p> <p>Senator FAULKNER—Is that not known to officers at the table?</p> <p>Ms Davis—No, it is not.</p> <p>Senator FAULKNER—Could you please take that on notice.</p> <p>Mr Dacey—It is known to the Electoral Commissioner in terms of individual bonuses, and obviously to staff who need to make that salary transaction.</p> <p>Senator FAULKNER—I am not asking for names. I am just asking for the number of AEC executives who got the 10 per cent bonus. I am assuming, Mr Dacey—and I think it is a fair assumption given previous evidence to this committee—that no-one got more than a 10 per cent bonus. Just to make sure the record is complete, would you mind reaffirming that. Could you take those two issues on notice for me, please?</p> <p>Mr Dacey—Yes.</p> <p>Senator FAULKNER—If you are able to indicate in tabulation form the pattern of performance bonus by percentage and numbers of senior executive, I would appreciate it. Obviously, I would like you to put the senior executive's name beside that, but I am not going to ask you to do that. I am interested here in the pattern. I am interested in the pattern in what is a tight budgetary situation, which I think we all acknowledge, and in the light of previous evidence that has been given and the information now that is available to us in the annual report. I might leave that there in the interests of trying to move through this as quickly as possible. Would you be happy to provide that information in that form?</p> <p>Mr Dacey—In that form, yes.</p>	Answered 20/1/04
F15	AEC	Faulkner	118 4/11/03	<p>Senator FAULKNER—Can you confirm whether you have written to Mr Tony Abbott MP to seek information?</p> <p>Mr Dacey—The AEC would rather not comment on the particulars of the investigation.</p> <p>Senator FAULKNER—Mr Abbott is a principal in relation to this, isn't he?</p> <p>Ms Mitchell—I still think that that is going into a level of detail in relation to our activities that we prefer not to go into because of the potential to prejudice our activities.</p> <p>Senator FAULKNER—As Mr Becker is not here, could I ask you to take that on notice and ask Mr Becker, when he is back on duty—I am not sure when that will be, but whenever—whether he would be willing to respond to that question?</p> <p>Mr Dacey—Certainly.</p>	Answered 20/1/04
F16	AEC	Faulkner	NA	Written question(s) attached	Answered 20/1/04

<b>QoN No.</b>	<b>Agency/Program</b>	<b>Senator</b>	<b>Reference</b>	<b>QUESTION</b>	<b>Comments</b>
<b>F17 (see comments)</b>	<b>DOFA</b>	Murray	NA	Written question(s) attached	<b>Transferred to Treasury and Economics Leg Committee on 26/11/03</b>
<b>F18</b>	<b>DOFA</b>	Murray	NA	Written question(s) attached	<b>Answered 12/1/04</b>
<b>F19</b>	<b>DOFA</b>	Forshaw	NA	Written question(s) attached	<b>Answered 12/1/04 16/1/04</b>
<b>F20</b>	<b>DOFA</b>	Forshaw	NA	Written question(s) attached	<b>Answered 12/1/04 5/2/04</b>
<b>F21</b>	<b>DOFA</b>	Forshaw	NA	Written question(s) attached	<b>Answered 16/1/04 20/1/04 5/2/04</b>
<b>F22</b>	<b>DOFA</b>	Forshaw	NA	Written question(s) attached	<b>Answered 12/1/04 5/2/04</b>
<b>F23</b>	<b>DOFA</b>	Forshaw	NA	Written question(s) attached	<b>Answered 12/1/04 5/2/04 12/2/04</b>
<b>F24</b>	<b>DOFA</b>	Forshaw	NA	Written question(s) attached	<b>Answered 16/1/04</b>
<b>F25 (see comments)</b>	<b>DOFA</b>	Forshaw	NA	Written question(s) attached	<b>Parts (f) to (g) transferred to Defence and the FADT Leg Committee on 26/11/03 Answered 12/1/04 16/1/04</b>
<b>F26</b>	<b>DOFA</b>	Forshaw	NA	Written question(s) attached	<b>Answered 12/1/04</b>

<b>QoN No.</b>	<b>Agency/Program</b>	<b>Senator</b>	<b>Reference</b>	<b>QUESTION</b>	<b>Comments</b>
<b>F27</b>	<b>DOFA</b>	Forshaw	NA	Written question(s) attached	<b>Answered 12/1/04 16/1/04</b>
<b>F28</b>	<b>DOFA</b>	Forshaw	NA	Written question(s) attached	<b>Answered 12/1/04 5/1/04 12/2/04</b>
<b>F29</b>	<b>DOFA</b>	Forshaw	NA	Written question(s) attached	<b>Answered 12/1/04 16/1/04</b>
<b>F30</b>	<b>DOFA</b>	Forshaw	NA	Written question(s) attached	<b>Answered 12/1/04 5/2/04</b>
<b>F31</b>	<b>DOFA</b>	Forshaw	NA	Written question(s) attached	<b>Answered 12/1/04 5/2/04 12/2/04</b>
<b>F32 (see comments)</b>	<b>DOFA</b>	Forshaw	NA	Written question(s) attached	<b>Transferred to Treasury and Economics Leg Committee on 26/11/03</b>
<b>F33 (see comments)</b>	<b>DOFA</b>	Forshaw	NA	Written question(s) attached	<b>Last part of this question transferred to Treasury and Economics Leg Committee on 26/11/03 Answered 12/1/04 5/2/04</b>
<b>F34</b>	<b>DOFA</b>	Forshaw	NA	Written question(s) attached	<b>Answered 12/1/04 5/2/04</b>
<b>F35</b>	<b>DOFA</b>	Carr	NA	Written question(s) attached	<b>Answered 15/1/04</b>
<b>F36</b>	<b>AEC</b>	Carr	NA	Written question(s) attached	<b>Answered 20/1/04</b>

<b>QoN No.</b>	<b>Agency/Program</b>	<b>Senator</b>	<b>Reference</b>	<b>QUESTION</b>	<b>Comments</b>
<b>F37</b>	<b>Comsuper CSS PSS</b>	Carr	NA	Written question(s) attached	<b>Outstanding</b>
<b>F38</b>	<b>DOFA (MOPS)</b>	Carr	NA	Written question(s) attached	<b>Answered 12/1/04</b>
<b>F39</b>	<b>DOFA (Medibank Private)</b>	Carr	NA	Written question(s) attached	<b>Answered 16/1/04</b>
<b>F40</b>	<b>AEC</b>	Carr	NA	Written question(s) attached	<b>Answered 20/1/04</b>

**F16**

**Senator Faulkner to ask the Special Minister of State:**

**AEC**

Noting the newspaper articles in the Age (15/8/02 “McGauran family behind DLP’s bid to fend off extinction”) and the Australian Financial Review (30/8/02 “DLP sighted on Mulholland Drive”) and also AEC answers to questions at Senate Estimates in November 2002 that the provision of free or discounted legal services was a “gift” under the Act:

1. Has the arrangement between the McGaurans and the DLP for the provision and/or payment of Jonathon Beach QC’s legal services been declared in disclosure returns by any of those people or the DLP?
2. What steps has the AEC taken to ensure compliance with the disclosure requirements of the Act by the DLP, Senator Julian McGauran, Peter McGauran MP and Jonathon Beach QC?

## **F17 (transferred to Treasury and Economics Committee on 26/11/03)**

**Senator Andrew Murray**

**Subject: DOFA Questions on notice**

### **Debt repayment**

On 30 June 2002, the Government securities debt was \$63.8bn (page 33, Table 24 AAS31 2001-02 Statement of Financial Position in the Final Budget Outcome). Please confirm

On 30 June 2003, the Government securities debt was \$57.953bn (page 39, Table 25 AAS 31 2002-03 Statement of Financial Position in the Final Budget Outcome). Please confirm

So during the year, the Government repaid about \$5.8bn in Government securities.

On Table 25 of the AAS 31 statement of financial position, there is very little difference in the 'total debt' items between the 2002-03 estimate at the time of the 2003-04 budget and the 2002-03 final outcome.

What does the Department do when additional revenues such as the extra \$2bn from company tax receipts. Would this be used to repay debt?

What calculations allowed Mr Costello and Mr Howard to make the statement that the \$7.5bn was used to pay off debt?

## **F18**

**Senator Andrew Murray**

**Subject: DOFA Questions on notice**

### **Infrastructure**

On Table 25 of AAS 31 Statement of Financial Position, the 'Infrastructure' column shows a major difference between the estimate at budget time and the final outcome. The difference is around \$5billion. What is this?

**Senator Forshaw**

**SUPPLEMENTARY SENATE ESTIMATES – QUESTIONS ON NOTICE**

**DEPARTMENT OF FINANCE & ADMINISTRATION**

**F19**

**Accuracy of estimates and Parameter Variations in the Final Budget Outcome**

How does the Department explain variations between estimates and actuals of the order reported in the 2002-03 Final Budget Outcome?

What action has been taken to improve the accuracy of the estimates which feed into the budget aggregates?

The big discrepancy between the estimate and actual underlying cash balance has much to do with the estimates for revenue and outlays varying by \$4.5 billion.

Once again this variation is far beyond the 0.5 per cent variation allowed in estimate and actual spending and the 1 per cent variation allowed between estimates and actual revenues.

How does the Department explain this level of variation?

Has the Department undertaken an audit of the estimates process in the light of these variations?

**F20**

**Budget Estimates Framework Review**

When did this review commence and when was it completed?

What structure did this review take?

What level were the officers that participated in the review?

Who was involved in this process? Were other agencies/departments involved and if so which agencies?

Why were these particular agencies selected for inclusion in the process?

Was the Department of Defence involved in this review? If yes, how were they involved? If not, why?

What was the cost of conducting this review?

What were the objectives of the review?

How has the review addressed these objectives?

What were the review's specific findings and recommendations? Can the Department provide the committee with a copy of the review's report?

How is the issue of timing being addressed? How will this change current reporting deadlines?

How much will the implementation of the recommendations of the review cost and where will this money be spent?

How much of this money will be spend updating AIMS?

What is the rationale for 'enhancing' AIMS? Is it true that the system has 'crashed' in the days just prior to the delivery of the Budget?

Will this be spent upgrading software or replacing the existing system?

Will this require hardware to be replaced or upgraded?

Will these services be conducted in-house or outsourced? If so, will there be a tender and what are the details – timing, costs, scope - of this tender?

Will the new system be operational for the 2004 Budget?

## **F21**

### **OECD PUMA conference (20-21 February 2003) papers and harmonisation**

In a response to a question on notice from the 28-29 May 2003 estimates (Question F13, Hansard p.F&PA 301), Finance provided a copy of the Bulletin of the Financial Reporting Council.

What progress has the Department made to harmonise Australian Accounting Standards and the GFS?

What is the view of the Commonwealth, States and Territories regarding 'convergence'? What steps are being taken by the Commonwealth to move toward convergence?

Can the Department explain what will be the timing for International GAAP Convergence? What is the department doing to meet this timing?

Did the Budget Estimates Framework Review canvass the issue of harmonisation?

If so, what were the findings and recommendations of the review with regards to harmonisation?

What would be the practical outcomes should harmonisation proceed? How will this process affect the way budget papers are delivered?

Will this have a significant impact on budget aggregates?

How will this process impact upon the measurement of budget balances ie. cash versus fiscal versus headline? Will harmonisation mean that there will be only one measure of the budget balance?

## **F22**

### **Business Operations**

Is it now a mandatory requirement to prepare a full set of financial statements for agencies designated as business operations? When did this become a mandatory requirement?

How are these business operations identified as reporting entities?

How does an agency become designated as a business operation?

Which agencies designated as business operations have not been following the legal requirement to report separately as well as continuing to be included in the agencies financial statements?

Can you provide a list of business operations and indicate which ones have met this requirement and which ones haven't?

Is the Aboriginal Benefit Account designated as a Business Operation?

## **F23**

### **Forex Risk Management**

The 'Forex Risk Management' Circular No. 2002/01 Finance indicated that departments would not be allowed to externally hedge unless a case by case exemption is obtained.

Can the Department indicate which agencies have applied for an exemption?

Can the Department quantify the exposure that these agencies are externally managing?

Also, can the Department identify which agencies have a general exemption?

How are these 'general exemption' agencies monitored? Does the Department have a role in monitoring this group of agencies, the level of their external hedge and its management?

What is the value of this grouping's external hedge?

## **F24**

### **ASSET SALES**

#### **Divestment of the Australian Technology Group**

What progress has been made on the ATG divestment process?

How much did the acquisition of minority interests in ATG cost the Commonwealth? When did this acquisition occur, and how was this process managed? Where is this amount included in the budget?

How is divestment of ATG being undertaken? Is the process being managed by the Department or has it been outsourced? What are the costs of divestment?

What was the cost of the scoping study?

## **F25 parts transferred to Defence and the FADT Committee on 26/11/03**

### **Australian Submarine Corporation**

What is the status of the ASC sale?

What are the reasons for the government delaying the sale of the ASC? Are these issues likely to be resolved in the next 12 to 18 months?

Have outstanding issues, related to intellectual property and design authority, (highlighted by Senator Hill on 19 December 2001) been progressed? Can the Department provide further explanation of what these issues involve?

Was a scoping study for the ASC commenced? If so what was the cost?

If the sale has been postponed, will another scoping study be required?

How much did the tender process for the submarine refit contract awarded to the ASC cost? When did this tender process commence and how long did this process take?

How many companies expressed interest in the tender and/or submitted a tender? Were they local or overseas companies?

The refit contract was announced 2 years after the government's commitment that all full cycle dockings would be undertaken by ASC. Why has this process taken so long?

## **F26**

### **Medibank Private**

What is the reason for not pursuing the sale of Medibank Private at this time?

Is Finance responsible for the implementation of Medibank Private's Business Improvement Plan, announced by the Minister for Finance and Senator Patterson in June 2003?

What new responsibilities has the Department gained by assuming the role of sole shareholder of Medibank Private?

What operational (or other) changes will this plan require and how will these be monitored? Who will be responsible for monitoring these changes?

If the government decides to sell Medibank, will it have to conduct another scoping study? If so what is the cost involved? How much did the scoping study cost?

Can the Department provide some detail on the findings and recommendations of the scoping study?

## **F27**

### **Defence Housing Authority**

When did the scoping study of the DHA commence and when was it completed?

Can the Department provide some detail on the findings and recommendations of the scoping study?

What were the operational efficiencies recommended by the scoping study?

Which of these recommendations have been implemented/are being implemented?

What proportion of the DHA property could be reduced/sold off without compromising the operational needs of defence force personnel?

Is the Department of Defence or defence personnel involved in this process?

What is the current value of the DHA portfolio?

Can the department provide a list of DHA properties and their location?

## **F28**

### **Pricing Reviews**

The Department's 2001-02 Annual Report states that the Department conducted only 3 pricing reviews out of specified target of 14 pricing reviews in 2001-02.

Why weren't these targets met?

Can the Department advise whether these pricing reviews were conducted in the following year?

Which agencies were scheduled for these pricing reviews?

In the absence of these pricing reviews, how was the delivery of outputs by the targeted agencies measured?

Which agencies are still waiting for pricing reviews to be undertaken?

Are the ACCC and/or the Department of Defence listed for future pricing reviews?

In the light of results recently reported in the Annual Report of the Department of Defence and the auditor general's qualified endorsement of the report, could pricing reviews have improved these outcomes?

In the absence of pricing reviews, what other action has been taken to ensure that the Department of Defence and other Departments are pricing their outputs accurately?

Has Finance considered using their 'veto' powers over departmental estimates to improve the quality of financial information being reported by departments, and specifically, the Department of Defence or the ATO?

## **F29**

### **Departmental Travel on Airlines other than Qantas**

Can the Department report the level at which government department's air travel is undertaken using Virgin Blue and Regional Express – currently, in the last 6 and 12 months?

Are departments meeting the requirement to travel on smaller airlines?

Are departments reporting to the Department of Finance or the Secretary of PM&C on their progress in meeting this requirement?

Which departments have reported?

## **F30**

### **Trends in resourcing across outcomes – revaluation of unfunded super liability**

On p.32 of the Department's Portfolio Budget Statement, a Chart showing trends in appropriations for Outcome 1 shows a decline of 49 per cent in total administered appropriations, from \$9,375,954 in 2002-03 to \$4,763,507 in 2003-04. The footnote beside this item explains that this movement is primarily due to an actuarial revaluation of the unfunded superannuation liability.

Can the Department explain why this revaluation occurred and on what basis was the item revalued?

Who conducted the revaluation and when was this commenced and completed?

## **F31 parts transferred to Treasury and the Economics Committee 9/12/03**

### **MONTHLY FINANCIAL STATEMENTS**

Following the release of the Monthly Financial Statements for July and August, is the Department able to clarify the following details regarding variations in fiscal outcomes:

- Page 2 of the statement states that the underlying cash balance at the end of August 2003 is due to a number of individual factors including 'more individuals being entitled to and claiming the baby bonus, and individuals lodging their Family Tax Benefits earlier in the year'.
  - How does the Department reconcile this explanation with other sources of information which show that the number of families making claims on the baby bonus is significantly less than estimated by the Treasury?
  - For example, the Bonus was estimated to impact on more than 900,000 families by the fifth year. However, information received through the Senate Estimates process, and the government's own

revised budget information, shows the number of claims in the first year to be only 154,000, in comparison with the Treasurer's estimated take up rate of 245,000.

- Can the Department provide the specific details which quantify the impact that the baby bonus has had on these monthly financial statements?
  - Is the Department able to provide revised estimates for the Baby Bonus for 2004-05 and 2005-06?
  - Page 2 says that another reason for the variation is higher cash used for operations due to Defence suppliers for 'significant software licence payments in July and August.'
    - Can the Department explain whether this payment was an unanticipated payment, or whether it was a case of a payment being much higher than budgeted or anticipated?
    - Can the Department provide details of the software in question? Ie. what is it used for, when was it installed, was the process managed by defence or outsourced?
    - Is the Department able to quantify the purchase in dollar terms?
  - Page 2 also states that non taxation receipts from dividends also had an impact. Can the Department confirm that this dividend was that amount being held off from the 2003-04 Budget announcement, as reported in an article by Morgan Mellish 'Coffers overflowing, tax cut in the air' from the Australian Financial Review 22/9/2003.
    - What is the value of this dividend, and what is the breakdown of bank sources for this dividend? Eg. What portion was interest earned on the term deposit, etc.
    - Can the Department provide a break down of the dividend portion of the 'interest and dividend' line in the Statement of Financial Performance? (page 5). Furthermore can the Department provide a breakdown of the dividend portion, ie. What value is the RBA dividend?
    - Does this correspond with the dividend in the statement of cash flows? (p.7)
  - Can the Department provide further information regarding the 'foreign exchange losses' line in the Statement of Financial Performance?
    - How does this performance relate to the Finance circular on Forex management? Ie. does this reflect exemptions to external hedging, or is it comparable to past years when this policy did not apply?
- How does the Department explain that two years into the financial year that actual forex losses for the year already exceed the estimate for the full year by \$29 million?

## **F32 (transferred to Treasury and Economics Committee on 26/11/03)**

### **Page 6 – Statement of Financial Position**

Can the Department confirm at what current levels the CGS (Commonwealth Government Securities Market) is at?

Is this level consistent with the government's stated objective of maintaining the CGS market?

Can the Department confirm that the government has committed to maintaining term deposits over the cycle at \$25 billion?

Following the PM and Treasurer's statements about the use of the FBO surplus to pay off debt, can the Department provide any details as to how this was achieved?

Was the additional surplus announced in the FBO used to reduce the level of CGS to the government's preferred level?

Alternatively was this surplus placed in the term deposit held at the RBA? If so, what is the interest rate on this term deposit?

## **F33 parts transferred to Treasury and Economics Committee on 26/11/03**

### **Telstra Sale**

Can the Department clarify what the government's objective is in selling off Telstra?

Would the Department say that paying off debt is the most important objective?

If it is not the most important objective, would the government be prepared to have the sale negatively impact on the budget so that the other objectives can be achieved?

If it is the most important objective, why don't the budget estimates reflect this?

A response to a QON received on 17 October 2003 states that "the budget does not make general assumptions regarding the forward estimates that do not specify the exact allocation of the proceeds to ensure that the budget is not significantly affected by future decisions about that allocation."

If it is Government policy to spend any Telstra sale proceeds on reducing debt or funding Commonwealth liabilities what liabilities could be targeted? Could this include the government's unfunded superannuation liability?

Using the current budget estimates, how would spending on regional infrastructure, as suggested by the Nationals, impact upon the budget should a sale of Telstra proceed?

## **F34**

### **Baby Bonus estimates**

With reference to an answer provided to questions taken on notice at the June estimates relating to the cost of the Baby Bonus over the entire forward estimates period out to 2006-7, can the department, as the key central agency involved in the compilation of the budget, explain why revised forward estimates of the baby Bonus have not been provided in the Treasury PBS?

Would you acknowledge that it has been common practise for Senate Committees to receive information on program costings, even when the information has not been specifically published?

Did Treasury or the ATO provide this information to the Department of Finance?

Have the forward estimates beyond 2003-04 been adjusted? Have the estimates been adjusted downwards?

Can you advise whether the Baby Bonus costing was submitted to Finance for verification during the 2001 election campaign? If so, can you explain why the estimates have carried so significantly from the actual outcomes?

Given the Department's own performance targets with regard to the accuracy of expense estimates, is the Department seeking to address the accuracy of these estimates?

Has the Department considered using its 'veto' powers over departmental estimates to ensure the accuracy and legitimacy of Treasury/ATO Baby Bonus estimates?

Has the Department of Finance been involved in any costings of the Pru Goward maternity leave model? Have these costing referred to or used the costings undertaken by NATSEM? What is your assessment of the accuracy of the NATSEM model and the model proposed by Pru Goward?

Does Finance oversee the costing of tax and/or no-tax revenue measures?

## F35, 36 & 37

### Senator Kim Carr

#### Questions on notice to all departments

Work-life balance issues have been identified as important for the public service. The March 2003 Management Advisory Committee report Organisational Renewal discussed workforce planning issues, stating:

As the labour market tightens into the future, there will be increased pressure on attracting the skills required and maintaining competitive remuneration packages which support effective recruitment at the base grade and lateral levels.

Employment conditions and the capacity for work/life balance will be an important element of such packages, and may offer APS agencies a competitive edge ...

Increased flexibility in working patterns and arrangements will be an important part of the response to the demographic changes, recognising the life stage dynamics influencing workforce participation.

The APS has been a leader in providing family friendly work practices (e.g. part-time work, flexible working hours, home based work, purchased leave) and needs to continue in this role through flexible conditions and supportive management approaches as part of its attraction and retention strategy.

In light of the MAC report, the following questions are asked of each department:

- 1) What has been the department's response to the MAC report to date?
- 2) Which issues identified in the MAC report have been identified as priority areas for the department?
- 3) What family friendly or work-life balance initiatives:
  - a) exist in the department;
  - b) are available to staff through the certified agreement; or
  - c) are contained in the certified agreement, but the granting of them in individual cases is discretionary on the part of the organisation.
- 4) What family friendly or work-life balance initiatives has the department introduced in, or since, the implementation of the department's most recent certified agreement?
- 5) With respect to certified agreement-based family friendly or work-life balance provisions:
  - a) What number and proportion of departmental staff are making use of such provisions in areas including:
    - i) purchased leave (also known as 48/52 schemes);
    - ii) negotiated part-time work arrangements;
    - iii) parental leave;
    - iv) use of information, advice or counselling services made available by the department;
    - v) departmental provision of facilities (such as family care facilities); and
    - vi) home based work.

**Senate Estimates**

**Supplementary Budget Estimates**

**November 2003**

**Senator Kim Carr**

**Questions on Notice**

**AGENCY:** DEST, DEWR, AEC, MOPS,  
ATSIS/ATSIC, FACS, DVA, Dept Health, Medibank Private, HIC, ATO & ABC.

**TOPIC:** Non-ongoing employees

Questions

1. How many employees are employed as a non-ongoing employee in each year of the previous 6 years?
2. What percentage of total agency employees are non-ongoing employees for each of these years?
3. How many of these have been employed for more than 1 year as a non-ongoing employee?
4. How many of these have been employed for more than 2 years as a non-ongoing employee?
5. How many of these have been employed for more than 3 year as a non-ongoing employee?
6. How many employees were employed on fixed-term contracts, in each year of the previous 6 years?
7. What percentage of the total number of employees is this for each of these years?
8. What was the percentage of total employees for contract employees, for each year of the previous 6 years?
9. How many employees were employed on fixed term contracts at each classification level, for each year of the past six years?
10. How many employees on a fixed term contract, for each year of the past six years, have been employed more than once on a fixed term contract? Please provide details of position classification in each instance.