

**Senate Rural and Regional Affairs and Transport Legislation Committee**

**ANSWERS TO QUESTIONS ON NOTICE**

Budget Estimates May 2006

**Transport and Regional Services**

**Question:** CORP 01

**Division/Agency:** Corporate Services

**Topic:** Mr Taylor's Absence

**Hansard Page:** 5 (22/05/06)

**Senator O'Brien asked:**

**Senator O'BRIEN**—When was the last time the Secretary failed to attend a Budget Estimates Hearing?

**Mr Mrdak**—I am not aware of that. I will take the question on notice. My understanding is that he has attended every Hearing in the time he has been in this Portfolio.

**Answer:**

The Secretary has attended all previous Budget Estimates Hearings since commencement of his appointment to the Australian Government in January 2000 with the exception of Hearing of the Department of Agriculture, Fisheries and Forestry on 26 May 2003. Mr Taylor was involved in a meeting with the Director-General, New Zealand Ministry of Agriculture, Fisheries and Forestry.

Senate Rural and Regional Affairs and Transport Legislation Committee

ANSWERS TO QUESTIONS ON NOTICE

Budget Estimates May 2006

Transport and Regional Services

**Question:** CORP 02

**Division/Agency:** Corporate Services

**Topic:** Mr Taylor's Remuneration

**Hansard Page:** 5 (22/05/06)

**Senator O'Brien asked:**

**Senator O'BRIEN**—At our last Hearing, Mr Chandler provided details of the amounts claimed by Mr Taylor with respect to his special accommodation and travel entitlements. How much of the reunion travel allowance did Mr Taylor claim this financial year?

**Mr Chandler**—I will need to go back to the figures and confirm that.

**Answer:**

In accordance with Section 61 of the *Public Service Act 1999*, the Secretary is entitled to reunion travel. The detailed breakdown of reunion travel for the years 2005 and 2006 (to date) are as follows:

	<b>17 Jan 205 to 16 Jan 2006</b>	<b>17 Jan 2006 to 22 May 2006</b>
Airfares	5,028.50	1,014.00
Taxi Fares	668.40	188.70
<b>TOTAL</b>	<b>5,696.90</b>	<b>1,202.70</b>

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**Transport and Regional Services**

**Question:** CORP 03

**Division/Agency:** Corporate Services

**Topic:** Mr Taylor's Remuneration

**Hansard Page:** 5 (22 May 2006)

**Senator O'Brien asked:**

**Senator O'Brien**—Alright. How much of the so-called temporary accommodation allowance did Mr Taylor receive this financial year? Are these allowances taxable?

**Mr Chandler**—I would just need to check the taxation status in relation to those before I give you an answer.

**Answer:**

During the course of the 2005-06 financial year, Mr Taylor has been paid \$340 per week in relation to the costs of his temporary accommodation in Canberra from the date of his appointment as Secretary of the Department of Transport and Regional Services until such time as he:-

- a) ceases to maintain a residence in his home locality; or
- b) buys a residential property in the locality of the Australian Capital Territory.

The payments are made in accordance with clause 7.13 of the *Consolidation of Secretaries Remuneration and other Conditions* made by the Prime Minister under section 61 of the *Public Service Act 1999*. To date, Mr Michael Taylor continues to maintain a home in Melbourne and lease temporary accommodation in Canberra.

While the allowance is a taxable fringe benefit under section 30 of the *Fringe Benefits Tax Assessment Act 1986*, the taxable value can be reduced by that component of the allowance that is a reasonable compensation for the cost of temporary accommodation and for increased expenditure on food. On the basis of the costs incurred by Mr Taylor, the Department's taxation adviser has advised that no Fringe Benefits Tax is payable on this allowance.

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**Transport and Regional Services**

**Question:** CORP 04

**Division/Agency:** Corporate Services

**Topic:** Mr Taylor's Remuneration

**Hansard Page:** 5 (22/05/06)

**Senator O'Brien asked:**

**Senator O'BRIEN**—Is Mr Taylor still the only officer in this Department to enjoy allowances of this kind?

**Mr Mrdak**—As Mr Taylor outlined, his remuneration package was put in place some time ago, when he first joined the Commonwealth. To my knowledge, there are no other equivalent arrangements in place across the Department. I will check that, but I am not aware of equivalent arrangements for any other officer. These matters were negotiated at the time of his appointment to the position of Secretary with the Commonwealth.

**Answer:**

Yes.

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**Transport and Regional Services**

**Question:** CORP 05

**Division/Agency:** Corporate Services (Executive)

**Topic:** Mr Taylor's Remuneration

**Hansard Pages:** 5-6 (22/05/06)

**Senator O'Brien asked:**

**Senator O'BRIEN**—Could the Department provide on notice to the Committee some details of the costs associated with Mr Taylor's employment, excluding those related to the allowances we have just discussed. I am interested in details of Mr Taylor's domestic travel, international travel, travel allowances and hospitality allowances.

**Mr Mrdak**—For this financial year?

**Senator O'BRIEN**—Yes.

**Mr Mrdak**—We will take that on notice and come back to you

**Answer:**

With respect to **domestic travel** for official purposes, the cost of flights from 1 July 2005 to 30 June 2006 is approximately \$48,000 and the travel allowance paid, which covers accommodation, meals, hospitality and incidentals, is approximately \$8,000. The travel allowance is paid in accordance with the Remuneration Tribunal Determination (2005/13) – *Official Travel by Office Holders and Members of Parliament*, effective from 28 August 2005.

With respect to **international travel** for official purposes, the cost of flights from 1 July 2005 to 30 June 2006 is approximately \$61,000. The cost of accommodation, meals and incidentals is approximately \$15,000. This is paid in accordance with Schedule 1 of the Tax Determination TD 2005/32, *Income Tax: What are the Reasonable Travel and Meal Allowance Expense Amounts for 2005-06*.

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**ANSWERS TO QUESTIONS ON NOTICE**

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**Transport and Regional Services**

**Question:** CORP 06

**Division/Agency:** Corporate Services

**Topic:** Late Answers to Questions on Notice

**Hansard Page:** 7 (22/05/06)

**Senator O'Brien asked:**

**Senator O'BRIEN**—Can you identify the questions the answers to which had not been forwarded to the Minister's office by 6 April?

**Mr Chandler**—I will need to confirm the numbers for those questions. I will get back to you during the morning.

**Answer:**

The answer to the Senator's question above was provided by Mr Chandler at the hearing as recorded on page 32 of the *Hansard* of 22 May 2006. Excerpts of Mr Chandler's answer follows:

**Mr Chandler**—I need to correct the earlier advice on the outstanding questions. When I referred to four having been to the Minister after 6 April, what I focused on were questions which were going to the Minister for the second time and, indeed, that was the case with those which went to the Minister in the week before. I am advised that, of the 50 questions which we had not lodged by 6 April, all but one were with the Minister up to a week before 6 April.

**Senator O'BRIEN**—So they were with the Minister in time for them to have been supplied by the appropriate time?

**Mr Chandler**—Many questions are subject to subsequent review. I understand that, of those 50 questions, 30 were subject to subsequent review. So they went back to the Department and returned to the Minister at some point.

**Senator O'BRIEN**—So did they come back to the Department after the deadline or before it?

**Mr Chandler**—It would have been the case that most would have come back before it, but some would have come back after.

**Senator O'BRIEN**—Thank you for that. I now want to proceed to Portfolio Strategic Policy and Projects.

In addition to the above, the 50 responses in question are AUSL 06-07, IOTS 01, TLG 36-42, TLG 246-247, TLG 249-250, CASA 01-05, CASA 13-30 and CASA 38-50.

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Budget Estimates May 2006

**Transport and Regional Services**

**Question:** CORP 07

**Division/Agency:** Corporate Services

**Topic:** Employee Expenses – Office of Transport Security

**Hansard Page:** 11 (22/05/06)

**Senator O'Brien asked:**

**Mr Ash**—I am the Chief Financial Officer. The equivalent number for the transport security outcome is \$65.5 million for the year 2005-06.

**Senator O'BRIEN**—How much of that is actual staff costs?

**Mr Ash**—I do not have that particular breakdown with me. I would have to get that.

**Answer:**

The direct employee expenses for the Office of Transport Security are estimated to be \$25.7 million in 2005-06.

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**Transport and Regional Services**

**Question:** CORP 08

**Division/Agency:** Corporate Services

**Topic:** Travel Contract with American Express

**Hansard Page:** 15 (22/05/06)

**Senator O'Brien asked:**

**Senator O'BRIEN**—What is the value of the contract so far this year?

**Mr Chandler**—To American Express? I would have to calculate what that figure is. I do not have the transaction fees compared to commissions, but I can certainly provide that to you.

**Answer:**

As at 31 May 2006, the net cost inclusive of GST was \$182,461.34.



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Budget Estimates May 2006

**Transport and Regional Services**

**Question:** CORP 09

**Division/Agency:** Corporate Services

**Topic:** Travel Contract with American Express

**Hansard Page:** 15 (22/05/06)

**Senator O'Brien asked:**

Was the previous arrangement a transactional arrangement or a payment to the agent for doing whatever number of transactions was required?

**Answer:**

The arrangement prior to American Express was based on a rebate with Ansett Australia.

The preliminary arrangement with American Express was also rebate.

The Department changed to a transaction fee basis with American Express on 1 February 2004.

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**Transport and Regional Services**

**Question:** CORP 10

**Division/Agency:** Corporate Services

**Topic:** Additional Funding

**Hansard Page:** 21-22 (22/05/06)

**Senator O'Brien asked:**

**Mr Ash**—The \$28 million refers to Bill No. 5. If you look at Bill No. 6, and again we will have to go back to the Additional Estimates, you will see that there is a variance of about \$307 million between those tables, on the Bill No. 6 side. It largely relates to the re-classification of appropriation for grants to local governments from specific purpose payments, which was what occurred in the 2005-06 appropriations, to other administered expenses. That was a movement of about \$316 million. That \$316 million is an appropriation still available under Bills Nos 2, 4 and 6. So you have to take that off, which gets you back to the \$1,759,989 shown on table 1.3. There are a couple of other small items to do with the movement of funds, where appropriations are still available, which occurred at additional estimates, and there is some reallocation between SPPs and other administered expenses.

**Senator O'BRIEN**—Do you have a chart that sets this out?

**Mr Ash**—Yes, I can provide you with one. It is quite complicated.

**Answer:**

The **attached** tables provide a reconciliation of the relevant 2005-06 appropriations for Outcome 1.

**[CORP 10 attachment]**

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**ANSWERS TO QUESTIONS ON NOTICE**

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**Transport and Regional Services**

**Question:** CORP 11

**Division/Agency:** Corporate Services

**Topic:** Fleet Procurement and Use Policy – Safety Requirements

**Hansard Page:** 28 (22/05/06)

**Senator O'BRIEN asked:**

I certainly would agree. I am interested that the Department of Transport, which includes within its folds important issues such as road safety, would not have a specific safety policy about the vehicles that it allows to be chosen from its funds for its employees. Mr Mrdak, you are saying it does not have any such policy?

**Mr Mrdak**—Not in relation to that ANCAP rating.

**Senator O'BRIEN**—Or any other? I asked you specifically whether there was a policy and you have directed me to the Department of Finance fleet guidance and related material.

**Mr Mrdak**—That is right. If there is anything further to add, I will come back to you.

**Answer:**

DOTARS do not have anything further to add to the response that was provided at the Senate Estimates Hearing.

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**ANSWERS TO QUESTIONS ON NOTICE**

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**Transport and Regional Services**

**Question:** CORP 12, 13 and 14

**Division/Agency:** Corporate Services

**Topic:** Expenditure on Legal Services

**Hansard Page:** Written Questions

**Senator Ludwig asked:**

- (12) What sum did the Department or agency spend during 2005-2006 on external legal services (including private firms, the Australian Government Solicitor and any others)?
- (13) What sum did the Department or agency spend on internal legal services?
- (14) What is the Department or agency's projected expenditure on legal services for 2006-2007?

**Answer:**

- (12) The Department's external legal services expenses were \$2,429,683 (exclusive of GST) in 2005-2006 up to and including 31 March 2006. A further \$74,013 (inclusive of GST) was expensed from administered expense appropriations.
- (13) The Department's direct internal legal expenses were \$912,220 (exclusive of GST) in 2005-2006 up to and including 31 March 2006.
- (14) The budget allocation for legal services for 2006-07 is still to be determined in the Department's annual business planning process.

**Senate Rural and Regional Affairs and Transport Legislation Committee**

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**Transport and Regional Services**

**Question:** CORP 15

**Division/Agency:** Corporate Services

**Topic:** Purchase of Executive Coaching and/or Other Leadership Training Services

**Hansard Page:** Written Question

**Senator Ludwig asked:**

The following questions relate to the **purchase of executive coaching and/or other leadership training services** by the Department/Agency, broken down for each of the last **four** financial years.

Where available, please provide:

1. Total spending on these services.
2. The number of employees offered these services and their salary level.
3. The number of employees who have utilised these services and their salary level.
4. The names of all service providers engaged.
5. For each service purchased from a provider listed in the answer to the previous question, please provide:
  - a. The name and nature of the service purchased.
  - b. Whether the service is one-on-one or group-based.
  - c. The number of employees who received the service.
  - d. The total number of hours involved for all employees.
  - e. The total amount spent on the service.
  - f. A description of the fees charged (e.g. per hour, complete package).
  - g. Where a service was provided at any location other than the Department or Agency's own premises please provide:
    - i. The location used
    - ii. The number of employees who took part on each occasion
    - iii. The total number of hours involved for all employees who took part.

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**Answer:**

- DOTARS has not purchased any executive coaching services during the last four financial years.
- During the last four financial years DOTARS has undertaken one internal leadership development initiative for all staff, *Leading in DOTARS*. The *Leading in DOTARS* program was conducted from June 2001 to June 2003 (Column A).
- The Department participates in a number of leadership development programs co-ordinated by the Australian Public Service Commission (Columns B to D)

<b>Question</b>	<b>A: Leading in DOTARS</b>	<b>B: CDAC</b>	<b>C: LAFIA</b>	<b>D: ANZSOG</b>
<b>1. Total spending on these services.</b>	\$902,998.89 (GST Inc)	Data not readily available. It would require considerable resources to obtain a reliable figure to enable a response to this question. The current participation rate is \$11,825.00 (GST Inc) per person.	Data not readily available. It would require considerable resources to obtain a reliable figure to enable a response to this question. The current participation rate is \$23,100.00 (GST Inc)	Data not readily available. It would require considerable resources to obtain a reliable figure to enable a response to this question. The current per person participation rate is \$34,508.00 (GST Inc) for the Masters program and \$23,100.00 (GST Inc) for the Fellows program.
<b>2. The number of employees offered these services and their salary level.</b>	The program was offered to all DOTARS staff	The program is routinely offered to Executive Level 2 staff	The program is routinely offered to Senior Executive Level staff	The program is routinely offered to Senior Executive and Executive Level staff
<b>3. The number of employees who have utilised these services and their salary level.</b>	867 DOTARS employees participated in <i>Leading in DOTARS</i>	Ten	Four	Six
<b>4. The names of all service providers engaged.</b>	Upton Martin Consulting	Australian Public Service Commission	Australian Public Service Commission	Australia and New Zealand School of Government
<b>5 (a) The name and nature of the service purchased.</b>	<i>Leading in DOTARS</i> was a leadership development training program delivered as face-to-face workshops	Career Development Assessment Centre	Leading Australia's Future in Asia. The program includes face-to-face workshops and an overseas study tour.	Australia and New Zealand School of Government Executive Masters and Executive Fellows Programs
<b>5 (b) Whether the service is one-on-one or group-based.</b>	Group based	One-on-One	Group-based	Group based

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<b>Question</b>	<b>A: Leading in DOTARS</b>	<b>B: CDAC</b>	<b>C: LAFIA</b>	<b>D: ANZSOG</b>
<b>5 (c) The numbers of employees who received the service.</b>	867	Ten	Four	Six
<b>5 (d) The total number of hours involved for all employees</b>	Data not readily available. It would require considerable resources to obtain a reliable figure to enable a response to this question	36 hours per participant	3 days face-to-face workshop and 2 full weeks on the study tour	The Masters qualification is undertaken over two years part-time. The Fellows program is a three week intensive workshop.
<b>5 (e) The total amount spent on the service.</b>	\$902,998.89 (GST Inc)	Data not readily available. It would require considerable resources to obtain a reliable figure to enable a response to this question.	Data not readily available. It would require considerable resources to obtain a reliable figure to enable a response to this question.	Data not readily available. It would require considerable resources to obtain a reliable figure to enable a response to this question.
<b>5 (f) A description of the fees charged (e.g. per hour, complete package).</b>	Fees were charged on a per program basis which varied according to the number of participants	Per participant, per program	Per participant, per program	Per participant, per qualification
<b>(g) (i) The location used</b>	Goolabri Country Resort, Sutton and Elizabeth McKay Memorial Aquatic Centre, Canberra	Tuggeranong Homestead, Canberra	Australian Public Service Commission premises and overseas locations	Various Australian university campuses as determined by ANZSOG
<b>(g) (ii) The number of employees who took part on each occasion</b>	Approximately 22 per program	One	One	One
<b>(g) (iii) The total number of hours involved for all employees who took part</b>	Approximately 26 hours per participant	Approximately 36 hours per participant	18 days	The Masters qualification is undertaken over two years part-time. The Fellows program is a three week intensive workshop.

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**Question:** CORP 16

**Division/Agency:** Corporate Services

**Topic:** Market Research and Advertising

**Hansard Page:** Written Question

**Senator O'Brien asked:**

I understand that in 2004-05 \$3.9 million was spent on market research and advertising, an increase of 20 per cent from 2003-04. What is the basis of this increase?

**Answer:**

The increase in expenditure for market research and advertising from 2003-04 can be attributed to three major information programs undertaken in 2005 within the Department. The activities were in relation to the Maritime Transport and Offshore Facilities Security Act (MTOFSA), Transport Security and Green Vehicle Guide.



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**Transport and Regional Services**

**Question:** CORP 17

**Division/Agency:** Corporate Services

**Topic:** Late Answers to Questions on Notice

**Hansard Page:** 32 (22/05/06)

**Senator O'Brien asked:**

**Senator O'BRIEN**—So did they come back to the Department **after** the deadline or **before** it?

**Mr Chandler**—It would have been the case that most would have come back before it, but some would have come back after.

**Answer:**

With further reference to CORP 06 response, all the 50 late responses (AUSL 06-07, IOTS 01, TLG 36-42, TLG 246-247, TLG 249-250, CASA 01-05, CASA 13-30 and CASA 38-50) were with the Minister up to a week before 6<sup>th</sup> April. All were returned by the Ministers' office to the Department after the 6<sup>th</sup> April 2006 Committee deadline.

A number of these responses required revisions before they were able to be lodged.