

VERIFIED VERSION

PUBLIC ACCOUNTS AND ESTIMATES COMMITTEE

Inquiry into Budget Estimates 2017–18

Melbourne — 12 May 2017

Members

Mr Danny Pearson — Chair

Mr David Morris — Deputy Chair

Mr Steve Dimopoulos

Mr Danny O'Brien

Ms Fiona Patten

Ms Sue Pennicuik

Ms Harriet Shing

Mr Tim Smith

Ms Vicki Ward

Witnesses

Mr Colin Brooks, Speaker of the Legislative Assembly,

Mr Bruce Atkinson, President of the Legislative Council,

Mr Ray Purdey, Clerk of the Legislative Assembly,

Mr Andrew Young, Clerk of the Legislative Council, and

Mr Peter Lochert, Secretary, Department of Parliamentary Services.

The CHAIR — I declare open the public hearings for the Public Accounts and Estimates Committee inquiry into the 2017–18 budget estimates. All mobile telephones should now be turned to silent.

All evidence is taken by the committee under the provisions of the Parliamentary Committees Act, attracts parliamentary privilege and is protected from judicial review. Comments made outside the hearing, including on social media, are not afforded such privilege. Witnesses will not be sworn but are requested to answer all questions succinctly, accurately and truthfully. Witnesses found to be giving false or misleading evidence may be in contempt of Parliament and subject to penalty. All evidence given today is being recorded by Hansard, and you will be provided with proof versions of the transcript for verification as soon as available. Verified transcripts, presentations and handouts will be placed on the committee's website as soon as possible.

All written communication to witnesses must be provided via officers of the PAEC secretariat. Members of the public gallery cannot participate in the committee's proceedings in any way and cannot photograph, audiorecord or videorecord any part of these proceedings. Members of the media must remain focused only on the persons speaking. Any filming and recording must cease immediately at the completion of the hearing.

I invite the witnesses to make a very brief opening statement of no more than 5 minutes. This will be followed by questions from the committee.

Visual presentation.

Mr ATKINSON — Good afternoon, Mr Chairman, and members of the committee. We are delighted to have the opportunity to come again and present some of the information on the running of the Parliament. You have quite a bit of documentation, including the questionnaire that was completed, and also an overview document that advises you of quite a number of things in respect of the running of the Parliament. I do not propose to go through that document because as you have indicated we have only got 5 minutes effectively to present. But essentially the things that I would draw your attention to are certainly the fact that this budget encompasses five different areas. Albeit that the Parliamentary Budget Office has not yet been established within the Parliament, we in fact were able to transfer, with the agreement of the Treasurer, some of the funding from that allocation in this current year towards security works in electorate offices. But we do anticipate the Parliamentary Budget Office will be established in the forthcoming financial year.

I would indicate that there has been a significant focus obviously on member services, particularly in terms of budget, organisational development and security support. We are consistently looking for further opportunities to upgrade services, particularly in the area of Hansard and video reporting of speeches, or the availability of speeches and so forth that members can use in an electronic form. We are looking at what our capabilities are in terms of IT as we go forward, both with new products and also particularly looking at opportunities for greater efficiencies within the organisation.

We, as you are aware, have an Audit Committee that advises the Speaker and me, and we have gone through a number of issues this year, some of which we do not believe are within the scope of the operations of what we expect of the Audit Committee. But certainly what was significant in terms of the work we have done this year is that we did advise the government on our views of some of the workplace expenses and indeed have recommended the establishment of a remuneration tribunal to look at allowances and so forth going forward. The government certainly picked that up and in fact has made announcements about further matters in that regard.

We continue to battle some cost pressures with obviously a budget allocation that moves along in fairly modest fashion, but with many of our cost areas actually exceeding that budget allocation, particularly with things like electorate office rentals, the precinct costs here, IT costs and certainly security costs and so forth. What is significant is that the Treasurer this year has again exempted us from the GED, which would be \$3.1 million if it had been applied. That would have been a significant impost on the Parliament given the cost pressures that we are already dealing with, which do represent a diminution of our budget in many respects. That allowance on the GED has only been applied for one year, but of course it is our understanding that really the Treasurer is working particularly on the basis that he cannot make commitments into the future. From a separation of the Parliament and the executive point of view, pleading the case that the Parliament is quite different to departments, we believe that the GED should not apply at all to the Parliament, but we do appreciate the Treasurer's approach to that.

We were not able to get funding for the Legislative Council committees this year as part of our bid for further funding. But the Treasurer again has agreed, as he did last year, that he would be favourable to us arranging a transfer within our departments, taking money from the joint committees and applying some \$600 000 — that is the nominal figure at this stage — to the Legislative Council committees.

Our major project obviously that members are aware of is the office construction. It is certainly under budget at this point, and it is effectively pretty much on time. I think we had about two weeks slippage because of weather conditions and some ground conditions that we had to address early on. But essentially it will at this stage, based on what work has been done, meet our schedule for an opening in December of this year.

We also obviously have focused very much on security, and I might let the Speaker just say a few words on security and then to allow questions.

The CHAIR — Briefly.

Mr BROOKS — Very briefly, thank you, Chair. The President is right. One of the key things that members have raised with me in the short time that I have had this job is their concern around security and to ensure that not just they themselves but importantly the members of the public who visit this building and the electorate offices and of course their staff are able to work in a safe, secure environment. Members will have noticed over the last few years a significant upgrade in the security here in the precinct and probably more of late at electorate offices. The slide that is on the screen at the moment shows some of the items that have been seized at the screening points here in the parliamentary precinct. It is quite alarmingly when you look at the nature of those items. It sets out the number of incidents at electorate offices and at Parliament House. When you consider that there has been around 100 000 or just under 100 000 visits here to the Parliament over a year, that is a lot of people coming through the building, so it is worth bearing that in mind.

The security upgrades, as I say, apply not just here at the precinct. Members will have been aware of the upgrade at the rear gate screening points, the vestibule which is now securable when there is an incident, improvements to the perimeter fencing, the current works on the perimeter fence at the back of the building, at the back of the property near St Peter's, but also at electorate offices — There has been a security assessment undergoing at all electoral offices. I think we have completed nearly all of the electorate offices in terms of security assessments. Then there has been the development of a security training awareness package for electorate office and staff, as well as the implementation of more security at the front entrance of electorate offices, to put it vaguely enough. So there has been an increased effort to ensure that electorate officers, staff here in the precinct, visitors and members of Parliament are working in a safe and secure environment.

The CHAIR — I might direct this question either to the President or Mr Lochert. Just in relation to the building out the back, I understand there might have been some soil contamination that has been disturbed, I suppose, as part of that work. Are you able to advise the committee on the nature of the contamination?

Mr ATKINSON — There were some heavy metals and there was certainly asbestos related with that project overall. The contamination was detected as part of the site analysis and was dealt with ahead of any construction works, and we obviously engaged the appropriate consultants and were confident that once we had removed that contamination in fact there was no further problem with the site.

The CHAIR — I assume most of that would have been at the topsoil, would it not? It would have been very much that sort of a top — —

Mr ATKINSON — Yes. Essentially, that area or part of that area that we are building on used to be a road. As you might remember, Bourke Street used to go right through and actually went straight through Queen's Hall. So there were contaminated materials associated even with the original road and some of the usage in and around that road. They were addressed, as I said. That factor and also our work to ensure that we could heat the building using thermal techniques from underneath were part of the reason for that two-week delay that we currently have on the project, some of which may be made up in terms of the works because, as you can see, it is coming out of the ground very fast. But, yes, everybody is satisfied that the contamination issues were dealt with.

The CHAIR — When you did the work, was there anything, I suppose, left of a historic nature from the road that was discovered? I know that when, for example, the DHHS building was built, Heritage Victoria did a

site analysis and uncovered a whole treasure trove of artefacts. Was there anything in this instance, or had it been pretty much all — —

Mr ATKINSON — Nothing of great significance. As part of the process for that building, we actually did have an Aboriginal heritage analysis, and we also allowed some — what do you call those people?

Mr LOCHERT — Archaeologists.

Mr ATKINSON — Archaeologists — I should know that because archaeology is one of my hobbies. But we had archaeologists, and we gave them access to the site for a period as well. And they did find some bits and pieces, but sadly there was nothing really. We did not find the mace, for instance.

Ms SHING — At the outset, I think it is important to note the contribution that goes on to make sure that this Parliament operates often in very difficult circumstances around late sittings, often providing Hansard and other services in regional hearings and going through a huge volume of work as far as the number of inquiries and investigations are concerned for, in particular, standing committees. I note Ms Pennicuik, Ms Patten and I, as upper house members on this committee, are part of a very intensive workload across the Legislative Council standing committees. On page 6 of your presentation you referred to that work, as well as talking about the number of Hansard hours that are incorporated.

I note, President, that you referred to the capacity to reallocate money from the Assembly through to the Council. But I would like to get a position or any comments from, in particular, or perhaps from Mr Young, on the workload associated with the Legislative Council standing committees given the growth in the number of inquiries, the complexity of those inquiries, the number of submissions received and the way in which that has impacted upon the operational workloads of the 7.6 staff that have been allocated — and as I referred to on page 6 of your presentation.

Mr ATKINSON — Certainly. Overall the Parliament's establishment staff of full-time equivalent staff has been essentially stable across all departments. In the Legislative Council that has been an outcome achieved by extraordinary goodwill from some of our staff in terms of the workloads that they have had in supporting the committees, as you rightly said Ms Shing. We have undertaken a significant number of inquiries — 14 inquiries in fact, seven reports tabled, dealt with 5639 submissions and 195 public hearings. Processing submissions and preparing for hearings is obviously a very significant workload, and you are absolutely right. I acknowledge on behalf of the staff the praise that you suggested in the preface to your question for the work that they have done.

The reallocation of funds would come from parliamentary committees, not from the Assembly. The joint standing committees are actually underspent by a significant sum at this time — over \$1 million. Although, obviously when it comes to reconciliation at the end of the year and taking into account things such as superannuation, leave and so forth, we will get closer to the budget that was allocated for those committees for the year. But there is certainly an opportunity again going forward, we believe, to transfer those funds. The conversation between the Assembly and the Council in terms of the actual sum is yet to be had, but essentially in the discussions with the Treasurer we have talked about a similar sum to last year, which would be 600 000.

Certainly in workload terms we continue to rely on the goodwill of staff. I am mindful also of the workload for members of Parliament, because it is very significant and I have at times counselled my house, the Legislative Council, and Council members that they should be careful about adding further inquiries without completing some of the ones we have got, because really the ability of both the members to actually participate in all those inquiries to a quality standard that they would want and for our staff to actually resource those committees is obviously under pressure.

Ms SHING — And from Mr Young, perhaps any feedback in relation to the additional workload that the inquiry process has placed on staff, whether it is Hansard staff or secretariat staff. Taking the evidence is one thing; compiling a report or a number of reports that may draw upon expert evidence following an extensive inquiry process is another. Mr Young, have you got any particular views or observations about that for the purposes of the forward estimates period and in resourcing terms in particular?

Mr YOUNG — Thanks for the question. There is no question that the amount of inquiries, which currently stands at 12 active inquiries across three Council committees, if it were done by joint committees, it would probably be staffed by anywhere from 15 to 20 staff. And we have unfortunately only been able to provide

around seven or eight staff. Only three of those staff are actually funded, so we have had to obviously reprioritise obviously elsewhere in the department to provide the other staff just to keep their heads above water.

Whilst I am very, very appreciative of the preparedness of the former Speaker to work with Mr President to enable a transfer of funds from joint committees, the problem with that process is that it is a year-by-year thing, so you have got no guarantee of funds. You get funds for a few months; you cannot obviously do any planning on a staffing basis. And I think it is fair to say that the house of review function is here to stay and we know what our resourcing requirements are for the long term. Unfortunately those requests have not been met as yet. We will continue to ask. We asked for around \$800 000. We did not get that money. Obviously any funds coming from joint committees will assist a little bit in the short term. But the most one can do with that is provide perhaps short, fix-term employment — —

Ms SHING — So that is a stopgap measure rather than an enduring solution.

Mr YOUNG — It is nothing more than a stopgap measure. That is correct.

Mr ATKINSON — I think the other thing is just transparency — just a very quick comment. I think it is also transparency. I think that where money has been spent it really ought to be identified in our appropriations as ‘this is what this money is actually for’, rather than to have a process of transfers subsequently.

Mr T. SMITH — Welcome, Presiding Officers. What have been the costs of the investigations arising from the rorting of the second residence allowance by the former Speaker and the Deputy Speaker, and what has been the cost of the PwC investigation and report?

Mr ATKINSON — The total cost at this stage that would relate to the examination of matters referred by the Legislative Council to the Audit Committee and the Audit Committee discharging those responsibilities through the engagement of PwC — the total cost would at this stage be around a little under \$120 000.

Mr T. SMITH — What other investigation costs have been incurred during that process?

Mr ATKINSON — No, that is the cost.

Mr T. SMITH — That is the total cost? Thank you very much, Mr President. How much has been budgeted for in the 2017–18 budget for the additional costs of the new regime for allowances recently announced by the Premier, on 24 April?

Mr ATKINSON — Which allowances are they?

Mr T. SMITH — This is the new MP’s allowances.

Mr ATKINSON — At this stage we do not have advice on what the quantum of those allowances might be. Some of the satisfaction of any changes in those allowances is subject to allocations that the Treasurer makes from the Treasurer’s advance, so at this stage the sum total is not understood. The establishment of a remuneration tribunal will be a matter for the government rather than the Parliament. Obviously we will go through a process of establishing what that quantum will be for work-related expenses going forward. The one area that we certainly have some additional cost pressure is that the Treasurer providing the additional effective half-time staff member for each electorate office will actually incur up to \$1 million for us in terms of resourcing those staff and actually being able to accommodate them in our offices.

Mr D. O’BRIEN — It is a half staff member?

Mr ATKINSON — It will be half a position to each office.

Mr D. O’BRIEN — Can I just clarify too, you said that the independent remuneration tribunal will be a matter for DPC. Does that mean there will be no involvement with Parliament at all?

Mr ATKINSON — The Parliament will have no responsibility for the remuneration tribunal and certainly will have no funding responsibility for it, and it is my understanding from the discussions that the Speaker and I have had with the Special Minister of State that in fact the remuneration tribunal will be established as an independent body, a fully independent body, consistent with similar agencies in other states and indeed in the

federal jurisdiction. It will presumably have, particularly in the first year, a fairly significant mandate to consult certainly with officers of the Parliament and no doubt with various members of Parliament and their parties in respect of concerns about what the level, if you like, of remuneration and more importantly some of those work-related expenses going forward.

Mr T. SMITH — Thank you very much, Mr President. Has the Parliament actually received full payment of the amount rorted by the former Speaker — of the amount the former Speaker undertook to repay?

Ms SHING — Sorry, point of order.

The CHAIR — Point of order, Ms Shing?

Ms SHING — Sorry, President, just before you go on. I am not sure how this is in fact relevant to the budget and forward estimates process.

Mr D. O'BRIEN — The President referred to that in his opening presentation, Ms Shing.

Ms SHING — So?

Mr T. SMITH — A pretty obvious question.

Mr D. O'BRIEN — Did you call a point of order on the President?

Ms SHING — No, the point of order stands in relation to the point I am making about the forward estimates process and now you asking about whether repayments have been received. That has no bearing on the forward estimates process or the 17–18 budget that we are here to discuss.

Mr T. SMITH — It would, Ms Shing, because the former Deputy Speaker, who I am getting to next, has agreed to pay back his moneys over the forward estimates.

Mr D. O'BRIEN — Correct.

Mr ATKINSON — It is not for me to rule on the point of order in this forum.

Ms SHING — That is right.

The CHAIR — No, that is fine.

Mr T. SMITH — I know you are itching to.

Ms SHING — Just for once, Mr President.

Mr ATKINSON — I am hobbled.

Mr T. SMITH — The question stands.

The CHAIR — If the President can answer in the context of the forward estimates, that is fine.

Mr ATKINSON — I would indicate that in fact the former Speaker settled the amount in its entirety.

Mr T. SMITH — You have received the money?

Mr ATKINSON — Yes.

Mr MORRIS — Without a penalty.

Mr ATKINSON — He actually settled it very quickly.

Mr BROOKS — That was outlined in the PwC report that was tabled.

Mr T. SMITH — And the member for Melton?

Mr ATKINSON — The member for Melton has entered into an arrangement — it is now a documented arrangement, and I would have thought that would have started with the pay period this week — to actually repay most of the part that was identified by PwC as being liable for repayment. That has been agreed to as a regular deduction and a lump-sum payment towards the end.

Mr T. SMITH — So why is he not having to pay back the full 174 000?

Mr ATKINSON — It was the view of PwC, and I think the view that I came to, that in fact the arrangement that the Deputy Speaker had in Wendouree was legitimate in the context of the rules of the Parliament. Now whether or not it passed any political test is quite another matter, but in terms of him actually residing at a place of residence in Ballarat, that was substantiated. The concern was about subsequent arrangements.

Mr T. SMITH — Who negotiated the repayment plan with the member for Melton?

Mr ATKINSON — He sought advice from the Clerk of the Parliaments, and that information was conveyed through to Organisational Development.

Mr T. SMITH — And it is a formal, written agreement?

Mr ATKINSON — It is an authorised deduction.

Mr D. O'BRIEN — Can I just ask, just for clarification, you said, President, that the repayments begin this pay period, and I think the Clerk nodded.

Mr ATKINSON — I would believe so.

Mr PURDEY — Yes.

Mr ATKINSON — That is correct.

Mr D. O'BRIEN — Just to confirm that. This was actually announced a few weeks ago, why has it taken until now?

Mr ATKINSON — As I understand — I am advised — that this is the first pay period following the announcement.

Mr T. SMITH — So when did the negotiations with the member for Melton begin?

Ms SHING — Again, you have just talked about a repayment period that commences before the forward estimates period.

Mr D. O'BRIEN — The question is answered, Ms Shing, so you cannot jump in now.

Mr MORRIS — On a point of order, Chair, this is not just about the forward estimates; this is about the budget papers and the budget process, and a cursory glance at the budget papers indicates that the years 2016–17 — the current financial year — are part of the discussion.

Mr ATKINSON — Just to assist the committee, it has been within the last three weeks.

Mr D. O'BRIEN — It has been what, sorry?

Mr ATKINSON — Within the last three weeks.

Mr T. SMITH — Negotiations began three weeks ago?

Mr ATKINSON — I am not on an exact date, but within the past three weeks, yes.

Mr T. SMITH — How much is budgeted to be repaid by the member for Melton in 2017–18?

Mr ATKINSON — The figure reported in the press was accurate and, as I understand it, it was around 98 000.

Mr T. SMITH — So what guarantees of security, if any, does the Parliament have to be able to recover the money if the member for Melton fails to repay the 16 000 lump sum he is reported — —

Ms WARD — It is a direct deduction from his wage.

Mr T. SMITH — No, the 16 000 lump sum he is reported to have undertaken to repay at the end of this parliamentary term.

Mr ATKINSON — As I understand, the government is looking at legislation which would enable the Presiding Officers to actually follow up debts to the Parliament, and that legislation, I understand, could be in place by the end of this year; if not, certainly within 2018. We understand from our discussions with the Special Minister of State that there will be an ability to enforce the repayment of debts to the Parliament, which has been a bit of an issue for us in the past on things like car accidents and dining room accounts. Not massive amounts of money, but nonetheless they have concerned the Speakers and I going back.

Mr T. SMITH — Have you or any parliamentary staff had any discussions with Victoria Police about this reporting?

Mr ATKINSON — Victoria Police have contacted the Parliament and asked about the availability of information in respect of the work that was done by the Audit Committee. I have not had any discussions at all with Victoria Police or the Ombudsman or any other external parties. Staff contact with them has been limited to Mr Lochert, as I understand, and essentially — —

Mr PEARSON — Thirty seconds.

Mr ATKINSON — Pardon?

Mr PEARSON — Thirty seconds.

Ms SHING — It is just a time reminder.

Mr D. O'BRIEN — We are getting a wind-up.

Mr T. SMITH — Have you handed over all the documents that have been required of you by the police?

Mr ATKINSON — I think there is some continuing discussion about some of those documents. As I said, the Audit Committee is actually convened to advise the Speaker and I — it is not actually established under any — —

The CHAIR — Ms Patten until 4.20 p.m.

Ms PATTEN — I thank you all for all the work that you have been doing. As a relatively new member of Parliament, I have been amazed by the support that parliamentary services has been able to offer, which leads me to my disappointment at looking at the budget. I am certainly disappointed that yet again the Legislative Council, which effectively is the house of review and is acting like that, is not funded to do that. I just wanted to question why in the 16–17 budget we received 19.2 million for the Legislative Council and that has gone down to 18.9 million for this budget. Also for the investigatory committees, there has been a slight reduction. It was a \$7.8 million budget and that has been reduced to 7.3. So is there any way to explain why we are — —

Mr LOCHERT — In the budget papers the reversal of the GED is not yet reflected, so what would happen is that the \$3.1 million reversal of the GED will come back in. In relation to joint investigatory committees, there was an amount of money in the last financial year — there was a one-off for the PAEC to do the audit of the Auditor-General. So those figures as they stand in the budget papers now will change when there is a reversal of the GED.

Mr ATKINSON — Essentially our budget is pretty much the same as it was last year, in the final outcome.

Ms PATTEN — Right. It just looks a lot less on paper.

Mr ATKINSON — Yes. But what does concern us is that with some of the cost pressures affecting that budget, even for the Legislative Council as a separate department to the overall picture, we are probably facing

sort of a 2.5 per cent pinch in our costings, because of wages and so forth. So the result is that we are actually a little under what we were last year, and that is just on the inflation factor, if you like.

Ms PATTEN — Just moving on a little bit. Looking at the increased interest in our Parliament online, the increased downloads, the increased access to our website and the increased attempts to hack it, we as parliamentarians now — the audiovisual that Hansard provides and the online video we are still prohibited from using. Has there been any discussion about changing that? I sort of question why we are still prohibited from using it, because we spend a lot on it.

Mr ATKINSON — Yes. There are some aspects in terms of our standing orders are lagging and we need to be looking through that in our Procedure Committee to ensure that the framework is there to protect members in regard to the distribution of material. But certainly there have also previously been costs associated with it and technology issues associated with actually providing that service. It has been very much in discussion both with the clerks and certainly with the director of Parliamentary Services and we are working towards trying to make that more available in the future.

Mr BROOKS — I will just say that from the Assembly's point of view it is a matter that has been raised in the Standing Orders Committee. It is currently sort of in abeyance. It has not been dealt with, but it was something that was left for further consultation with members.

Ms WARD — Afternoon, everyone, thank you for coming along. Gentlemen, first of all, I would like to thank you for the action that you have taken since our last PAEC to ensure that tampons and pads are in female toilets for the first time in the Parliament's history. Thank you very much. I hope that there are procedures in place to make sure that they are replenished.

Regarding the security initiatives at electorate offices, which you referred to in your presentation, I understand that you have got a few things rolling out. One of my questions is around electorate offices that are perhaps not situated in the best place that they could be and therefore are more attractive to some people who may be unhappy for a whole variety of reasons or may have complicated issues. I understand the budget constraints that you all work within. Is there thinking within the security initiatives that you are making — around the intercoms and so on that you are putting in — about office location and whether they are actually located in the best places that do help keep MPs, and importantly their staff, safe?

Mr ATKINSON — We have significant problems in trying to locate offices in optimum locations. The prohibition to us doing what we would want to do and what members, I am sure, would like us to be able to achieve in terms of exposure and so forth is obviously a cost constraint but also there are other aspects that we take into account in criteria for offices. They certainly include disabled access. They have always included security but we are now more mindful of security than ever before. In terms of looking at office projects and lease renewals and so forth, security matters are one of the key considerations that we are now looking at, as to whether or not we should be relocating a member, whether or not there are better premises available that afford greater security to the staff, the members and visitors to those offices.

As part of the security exercise that we have undertaken that the Speaker touched on, we have actually now got some former police officers as part of our security team here in the Parliament. So there are people with expertise and understanding of some of the threats that potentially exist, particularly in a political environment. They have been going out and have conducted, as the Speaker said, reviews of all of the offices; I think we have got nine to go. Basically those reviews have taken into account a process of upgrading locks and locking systems and of video surveillance that allows us to cut in if the alarm bell is pressed and see exactly what is going on and hurry up police to get there or take other action, provide advice to staff and so forth.

Also as part of that we are looking at the behaviours of our staff and encouraging them to make sure that they test the alarms, that they are more mindful of visitors to the office, that they keep a record of people who are coming to the office and that they check on people who might be loitering in and around their office or their car parking provision.

We are very much looking also at those offices that we see as most vulnerable. They are top of the list already in terms of works and in some cases, depending on the situation of that office, it might even include things like bollards or such like to prevent ramming as much as the internal office things. Obviously in some cases some of

the actions that we might take might well need consultation with local government as well, but we are very mindful of those security demands.

Mr BROOKS — Just to add if I can, Chair, to the comments the President has made. The number of relocations that have been achieved up until March this year of members' offices is six, two refurbishments, and then there are effectively four relocations which are in progress. So of that 10 we need to bear in mind there are another 28 applications, where members have made application to move, so the demand is certainly there from members to relocate to what they feel are more appropriate locations, whether that is driven by disability access or safety issues or in fact just trying to find a more central location in the electorate.

Ms WARD — Are these applications put forward by the MPs or by Parliamentary Services?

Mr ATKINSON — Sorry?

Ms WARD — Are these applications put forward by MPs or also by Parliamentary Services?

Mr ATKINSON — Both.

Ms WARD — Is there consultation with MPs to see whether they actually want to move?

Mr ATKINSON — Yes. Some of the properties that we occupy, obviously the landlord does not want to continue the lease. Some of the properties are just not adequate for our current circumstances, particularly the disability access or security or suchlike, but also members are requesting in some cases to relocate their offices because they do not see that they are in the best or optimum location, and we do take that into account as well.

Ms WARD — Regarding the 0.5 EO that you mentioned earlier — and you talked about a million dollars being used in assistance or in implementing those extra, additional staff members — will that include computer services, networking and so on? Will there be extra computers?

Mr ATKINSON — That is where we see the additional costs potentially being incurred.

Ms WARD — Being again mindful of the safety of staff, and I understand that is Parliamentary Services's preferred model — that there will always be two staff in an EO to ensure safety — a 0.5 certainly helps address that. Do you see amongst Parliamentary Services an advocacy for extending that 0.5 to a 1?

Mr ATKINSON — We do not have the funding to do that unfortunately. As members would be aware, we have actually increased coverage of holiday and sick leave periods to ensure that again we can try to maintain as much as possible in the offices two people at a time, so that has been the additional funding commitment that we have made with the support of the government, but no, we just do not have the resource to actually increase that half a person to a full person.

Mr DIMOPOULOS — My question as to the President or Speaker, so whoever wants to take it. Obviously your presentation talks about appropriations where the parliamentary budget goes. In relation to the element of that that goes to the second residence allowance, my understanding is — I may be hazy, so if you could explain this — the member for Benambra refused to provide details for the PwC report or sufficient information for the PwC report. All I remember was that the report was written without that information, then he provided it under pressure. So two questions in relation to that: was the PwC report then amended? Was the information he provided redacted — even the later information he provided — and does he owe any money?

Mr ATKINSON — No. The member for Benambra was entitled to claim on that allowance. There was no question around his entitlement to claim that allowance. The issue with the member was that he was concerned about privacy considerations and asserted those privacy concerns. He did provide material but there was information in it that was redacted and therefore it did not satisfy the full examination, but there was never a question about his entitlement. Indeed he subsequently did provide a significant volume of material to establish his —

Mr DIMOPOULOS — Thank you, President. I suppose I want to just clarify is do you feel that the PwC the report was compromised?

Mr ATKINSON — No.

Ms SHING — Can I just ask in relation to privacy issues, given that a number of regional members have provided extensive information that was not in fact redacted and did include very, very personal information, that it will be respected in the spirit in which it was provided — namely, in good faith — and not be provided to any third parties without a particular MP's consent?

Mr ATKINSON — Absolutely. It will not be provided at all. In fact in some cases the material that was used to substantiate the claim for the allowance was returned to a member and not retained at all by PwC.

Ms SHING — And where it was provided electronically, has that information been deleted or will it otherwise be securely held?

Mr ATKINSON — My understanding would be that would be the case.

Ms SHING — If that could be confirmed, that would be good. Thank you, gentlemen.

Mr ATKINSON — We were very mindful and in fact gave assurances to members that that information was being provided on the basis that it would not go anywhere else, that it had this sole purpose of establishing that position and we had no need to retain that information.

Mr D. O'BRIEN — Just going back to the questions before about the member for Melton. I am just interested in the precedent that was sought for the negotiation of a payment plan, and certainly I have had people on the street ask me this. If I do something wrong, if I get a speeding fine, I do not get the choice to negotiate a repayment plan. What was the basis that a repayment plan with a lump sum at the end was negotiated?

Mr ATKINSON — It was hands off as far as the Speaker and I were concerned, so perhaps the Clerk of the Parliaments?

Mr PURDEY — I got a telephone call from the member saying that he wanted to repay the money and he was going to repay it over the life of this Parliament. He wanted to make arrangements to do so, so based on that conversation arrangements were made.

Mr D. O'BRIEN — Was that as a result of the recommendation of the PwC report? I mean, was there any other — —

Mr PURDEY — It was a call out of the blue from the member himself.

Mr D. O'BRIEN — Was there any attempt to say, 'If you're repaying the money, you don't get to repay it over 18 months'?

Mr ATKINSON — One of the problems for the Parliament is that we do not have an enforcement mechanism. As I indicated, the Presiding Officers have got no power to actually insist on the repayment of a debt to the Parliament. So the offer of the member to actually repay the money was appreciated.

Mr D. O'BRIEN — Well, I am sure it was when he got to set out his own terms effectively.

Mr ATKINSON — As I indicated, the Presiding Officers did not have an opportunity to determine the basis upon which that repayment could be made. We obviously ought to insist on a particular repayment schedule. At this point we simply do not have that power.

Mr D. O'BRIEN — Did anyone from the government contact anyone from Parliament with respect to the repayment arrangements?

Mr ATKINSON — I had no discussions with any members of the government in respect of the repayment —

Mr BROOKS — Nor did I.

Mr ATKINSON — And the Speaker came in very late in the piece and in fact exempted himself from some of the decision-making that was associated with it because he had not been aware of the earlier deliberations of

the Audit Committee, and as I understand it the Clerk of the Parliaments was not approached by any other government member in respect of that particular matter.

Mr D. O'BRIEN — Could I just ask for the record for the Clerk to confirm that?

Mr PURDEY — That is correct.

Mr D. O'BRIEN — Thank you. President, just before in response to Mr Smith's question about cooperation with police you said there are some documents that are still — I am not sure of the term you used — subject to dispute as to whether you will hand them over. Can you elaborate further on that?

Mr ATKINSON — Whenever there are matters involving external bodies, which might include the police or might include the Ombudsman or other parties, perhaps even related to court matters, the Parliament needs to give consideration to whether or not certain documents that are requested might be covered by privilege and might be matters that should not be disclosed by the Parliament because of their nature and the fact that they do have privilege implications. The PwC reports are obviously now published documents, and they are available to the police. I personally think that in the first instance, if they are to undertake an investigation, it might be more appropriate for them to approach the people that they wish to obtain evidence from and to understand their position to perhaps talk to them in the first instance.

Mr D. O'BRIEN — If there are documents or issues of privilege, can the Parliament seek a member's — in this case the member for Melton's — approval to release documents?

Mr ATKINSON — That is possible, I should imagine. I mean, the documents that are related to this would only be the sort of documents that other members actually contributed as part of that same examination, and that includes things like drivers licences or rate bills or rental bills or energy bills and so forth — just basically documents that substantiated a place of residence.

Mr D. O'BRIEN — Just finally — and this may be one for the Clerk — when did the member for Melton stop claiming the second residence allowance? I cannot recall whether that was in the PwC report or not.

Mr PURDEY — I think it was in the report. I cannot recall the date, but I can look it up and to provide that information.

Mr D. O'BRIEN — Could I have that taken on notice, please?

Mr T. SMITH — Has the Parliament made provision in its 2017–18 budget for further legal costs in defending the electorate officer rorts investigation?

Mr ATKINSON — No.

Mr T. SMITH — Not at all?

Mr ATKINSON — No.

Mr T. SMITH — Have parliamentary staff been investigated by the Ombudsman in relation to the electorate officer rort investigation?

Mr ATKINSON — I do not know. Can I indicate, Mr Smith, no, to the extent that there is no way that I would know what the Ombudsman investigation entails. I have not had any discussions with the Ombudsman about the matters that she might be examining, and I think it would be inappropriate in fact if I did have such involvement. And I know the Speaker has not. So where the Ombudsman might decide to go and who she might decide to talk to is really within her province, not within ours.

Mr T. SMITH — What has been the cost of defending the government's failed attempts to block the electorate officer rorts inquiry through the courts?

Mr YOUNG — I can answer that question. The costs were spread across two financial years. In 2015–16, excluding GST, the cost to the Council was \$184 952. The cost in the current financial year, excluding GST, was \$146 865.

Mr T. SMITH — So that is legal costs or — —

Mr YOUNG — That is the costs of lawyers and QCs.

Mr ATKINSON — It would be true to say, though, that in regard to the appeal the government actually did reimburse the Parliament on the appeal costs.

Mr D. O'BRIEN — Just the appeal costs?

Mr T. SMITH — Which appeal? There were a couple.

Mr ATKINSON — The Supreme Court appeal.

Mr YOUNG — There was an offer in place, but we may not need to utilise it just given the transfer of funds from joint committees and the fact that we have not used them all. So it may not come to bear in that way. But there were three separate proceedings: two in the Supreme Court and one appeal to the High Court, which of course has concluded. So those costs represent the total costs across all three proceedings.

Mr D. O'BRIEN — Just to clarify, was there money reimbursed by the government, or is what you are saying that it is still — —

Mr ATKINSON — Basically there was an offer to reimburse us if we overran on our budget.

Mr YOUNG — But we have not.

Mr D. O'BRIEN — You have not? Can I just confirm the figures — \$184 952 in 15–16 and \$146 865 in 16–17?

Mr YOUNG — Correct. That is excluding GST.

Mr T. SMITH — And the government offered a repayment for the Supreme Court appeal?

Mr ATKINSON — The appeal stage of — —

Mr T. SMITH — But they did not offer to reimburse the High Court?

Mr ATKINSON — I think that offer would have been on the table for both of those — —

Mr YOUNG — The costs were significantly less for the High Court because there were only written submissions; it never went to actual hearings. So the vast majority of the costs I just outlined related to the first two Supreme Court proceedings.

Ms PENNICUIK — Thank you to the Presiding Officers, the clerks, the secretary and the other staff for attending today. I would like to take the opportunity, as I always do, to thank you all for all the work you do and your dedication and commitment and the hard work that is done by all of your departments and all the staff who work within them. As Ms Patten said, it is largely unseen and unappreciated, I think, by the general public in particular, who do not understand or realise the amount of hard work that goes into supporting the work of MPs and their electorate office staff.

I just wanted to briefly touch on the committees issue, just to say that it is nine years since the first motion to set up the Legislative Council standing committees. Prior to that I think it is fair to say that there was not much of a culture of upper house committees and the upper house being a house of review. As you said, President, we are moving towards that now, but we are still stuck with the inflexible structure of the way the committees work.

I just wanted to point to your presentation, page 6, where I think one of the stand-out figures there is the number of submissions. Even though the number of inquiries is almost the same, the number of submissions to the Legislative Council standing committees is 5639 and the number of submissions to the joint investigative committees is 825. I think part of that is because of the nature of the inquiries that are done in the Legislative Council, which are more wideranging, public interest inquiries. The sort of work that is done by the joint committees, while there are some of those inquiries, a lot of it is predictable year after year as to what they will actually be doing. For instance, this committee knows what it is doing pretty well year after year. This is more

of a comment than a question, but I think that it is about time that the way the committees are structured and the committees are funded moves into the modern world of upper houses being houses of review, like they are pretty well in other parliaments.

So thank you for all your work. My real question was about the new offices. They are looking good. I ran into Mr Lochert on the balcony the other day looking over them with the explanations about how it is going to be. I was really impressed with the heat exchange. You could see the pipes sticking out of the ground and how all that is going to work. That is great. It is good that it is going to be an energy-passive building.

But I just wanted to know how much of the allocation for that new building is for furniture and fittings, and I particularly wanted to draw your attention to the timber furniture and fittings that were on display in the demonstrations. They were made from Victorian mountain ash, which is sourced from the forests of the Victorian Central Highlands and is not certified by the Forest Stewardship Council. I am wondering whether there was any thought given to making sure that the timber that is used throughout the building is actually certified by the Forest Stewardship Council.

Mr ATKINSON — As I understand it, it is. Mr Lochert, do you want to comment on that?

Mr LOCHERT — Yes, certainly.

Mr ATKINSON — We had a number of criteria. Obviously there are budget considerations to start with, but we have focused very much on sourcing as much as we can for this building from Australia and, wherever possible, from Victoria. We have certainly looked at establishing the building as a 5-star green building, with water capture and, as you said, the thermal power and so forth. We have been keen to have certified materials used in the construction process. In regard to the furniture — —

Mr LOCHERT — In regard to the timber, in order to apply for the green star we must have certified timber. All the solid timber, the timber veneers and Victorian mountain ash are sourced from a company that is called Australian Sustainable Hardwoods.

Ms SHING — We have not heard of them before, Mr Lochert.

Mr D. O'BRIEN — Get in quick because they will be gone soon under this government.

Ms PENNICUIK — Therein might lie the issue.

Mr LOCHERT — They are certified. They actually do come under the Australian forests certification scheme, which is recognised under the NABERS green star certification process. Now I did not get an answer early enough about the — because I have a letter from Ms Dunn, another member, about how that compares to the Forest Stewardship Council. So we need to have a look at the compatibility between those two certifications, but the intent is very much that all the timber in the building is certified.

Mr ATKINSON — And we would be pleased to provide that further information.

Ms PENNICUIK — Thank you, President. I would appreciate further information being provided because it is a very important issue, I think, in terms of going forward. Also, I have a background in occupational health and safety, and I wonder whether you are looking at the other occupational health and safety and environmental properties of other fittings and materials. I think of things like carpets that have polybromide flame retardants in them, which can also be a problem in buildings in terms of the health and safety of the occupants of those buildings, and whether you are doing assessments of the other materials that are going to be used as to whether you have occupational health and safety risks or other environmental risks.

Mr ATKINSON — We have certainly been advised by architects, and there has been considerable work done on that. We have also actually exposed the materials that are to be used in the offices to members of Parliament so that they could look at the sorts of configurations and the materials. I am not sure whether that particular issue was raised during that consultation process but, again, we will have a look at that further.

Mr LOCHERT — It has actually. We looked at the new samples. I think the colours were not very well received in the demonstration, so the architects have gone back to the colour palette. We have come back, and definitely paints, finishes, all of the materials and coverings — —

Ms PENNICUIK — I appreciate that, Mr Lochert.

The CHAIR — Order! I would like to thank the witnesses for their attendance: the Speaker of the Legislative Assembly, Mr Brooks; the President of the Legislative Council, Mr Atkinson; Mr Young, Mr Purdey and Mr Lochert. The committee will follow up on the one question taken on notice in writing. The response, answering the question in full, should be provided in writing within 10 working days of the committee's request.

Committee adjourned.