

VERIFIED VERSION

PUBLIC ACCOUNTS AND ESTIMATES COMMITTEE

Inquiry into budget estimates 2012–13

Melbourne — 7 May 2012

Members

Mr N. Angus

Mr P. Davis

Ms J. Hennessy

Mr D. Morris

Mr D. O'Brien

Mr M. Pakula

Mr R. Scott

Chair: Mr P. Davis

Deputy Chair: Mr M. Pakula

Staff

Executive Officer: Ms V. Cheong

Witnesses

Mr K. Smith, MP, Speaker of the Legislative Assembly,

Mr B. Atkinson, MLC, President of the Legislative Council,

Mr R. Purdey, Clerk of the Legislative Assembly,

Mr W. Tunnecliffe, Clerk of the Legislative Council, and

Mr P. Lochert, Secretary, Department of Parliamentary Services.

**Necessary corrections to be notified to
executive officer of committee**

The CHAIR — We will make a start. I declare open the Public Accounts and Estimates Committee hearing on the 2012–13 budget estimates for the portfolio of the parliamentary departments. On behalf of the committee I welcome the Honourable Ken Smith, MP, Speaker of the Legislative Assembly; the Honourable Bruce Atkinson, MLC, President of the Legislative Council; Mr Peter Lochert, Secretary of the Department of Parliamentary Services; Mr Ray Purdey, Clerk of the Legislative Assembly; and Mr Wayne Tunnecliffe, Clerk of the Legislative Council. Members of Parliament, departmental officers, members of the public and the media are also welcome.

In accordance with the guidelines for public hearings, I remind members of the public gallery that they cannot participate in any way in the committee's proceedings. Only officers of the PAEC secretariat are to approach PAEC members. Departmental officers as requested by the presiding officers can approach the table during the hearing to provide information to the presiding officers, by leave of myself as chairman. Written communication to witnesses can only be provided via officers of the PAEC secretariat. Members of the media are also requested to observe the guidelines for filming or recording proceedings in the Legislative Council Committee Room, and no more than two TV cameras are allowed at any one time in the allocated spaces. May I remind TV camera operators to remain focused only on the persons speaking and that panning of the public gallery, committee members and witnesses is strictly prohibited. As previously advised to witnesses here today, I am pleased to announce that these hearings are being webcast live on the Parliament's website.

All evidence taken by this committee is taken under the provisions of the Parliamentary Committees Act, attracts parliamentary privilege and is protected from judicial review. However, any comments made outside the precincts of the hearing are not protected by parliamentary privilege. This committee has determined that there is no need for evidence to be sworn; however, witnesses are reminded that all questions must be answered in full and with accuracy and truthfulness. Any persons 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. Witnesses will be provided with proof versions of the transcript to be verified and returned within two working days of this hearing. Unverified transcripts and PowerPoint presentations will be placed on the committee's website immediately following receipt, to be replaced by verified transcripts within five days of receipt.

Following a presentation by the presiding officers, committee members will ask questions relating to the inquiry. Generally the procedure followed will be that relating to questions in the Legislative Assembly, with our own modifications.

I ask that all mobile telephones be turned off.

I now call on the presiding officers to give a brief presentation of no more than 10 minutes on the more complex financial and performance information that relates to the budget estimates for the parliamentary departments portfolio.

Overheads shown.

Mr ATKINSON — Thank you, Mr Chairman. Good morning, members of the committee. We, as presiding officers, have responsibility for four appropriation groups in the Parliament: the Department of the Legislative Council, the Department of the Legislative Assembly, the parliamentary investigatory committees and the Department of Parliamentary Services.

I would say at the outset that in the current year, through prudent financial management, those four areas have all remained within budget areas, and in fact in a couple of areas are underspent. The parliamentary investigatory committees, for instance, will be underspent at the end of the year, the Legislative Council will come out with a slight surplus, the Legislative Assembly will also have a surplus, and at this stage we also look like having a surplus in parliamentary services, despite some significant constraints in terms of the operation of those departments, and certainly those constraints are going to go forward into next year with government budgetary cuts.

The second slide, the one up there at the moment, indicates those cuts and points out that the annual appropriations to the Parliament in the current year were \$92.2 million but in the 12–13 budget will go down to \$86.5 million. There are some changes in the budget in terms of capital that is provided, and indeed going

forward in 12–13 the only capital that has actually been provided to the Parliament is capital for the front steps at this stage, and we will need to go back to the Premier and particularly the Treasurer — the Department of Treasury and Finance — to seek further funds for some additional capital works, particularly the stoneworks, which we reported on last year and which at this stage are unfunded in appropriations going forward.

Members of PAEC would be aware that there are some special appropriations. Those special appropriations are, if you like, enshrined amounts to ensure the Parliament's departments — the Council and the Assembly — are able to conduct their affairs. I think those special appropriations are in many ways a recognition of the fact that the Parliament is not a department of government — it does not provide services to the government as such — but indeed it is an independent body that certainly relies on the government for funding but also needs to have some independence in that funding, and special appropriations recognise that. The total appropriations are there on that page.

Within this current year we have undertaken quite a number of projects, including the completion of stage 5 of the stonework restoration; scoping, engineering and document preparation for the front steps waterproofing — and members would be aware of the problem that we have with the front steps leakage; the Parliament House fire detection system has been upgraded — and that has been a significant project in terms of the integrity of the building and to ensure that we do not have any major mishaps with fire. There has been implementation of a risk management framework; laser printer replacement; and network and telephony infrastructure upgrades in electorate offices have been undertaken throughout the year, along with core network infrastructure upgrades. We have had Hansard and Horizon server and database upgrades; the broadcast of some parliamentary committee hearings; the implementation of Parliament's strategic plan has continued; there have been a couple of conferences, and indeed a Parliament House open day. We have implemented the new Council committee system; tabled documents are accessible on the website; the *Making the Law* DVD has been reproduced with a current cast of characters; and tours of Parliament have obviously continued. There has been every effort in fact to make sure that the Parliament is accessible and encourages participation by the people of Victoria.

In terms of BERC funding outcomes for 2012–13, a submission for new joint committees for the two government initiatives of the IBAC and the freedom of information oversight committees were made but not approved, so we do not have funding for those two committees at this stage. A submission for the Council standing committee system, which was \$758 000, has also not been approved, so at this stage we do not have funding for the Legislative Council committees either.

Parliament put in a business case in accordance with the procedures, as you are aware, for budget capital funding for the parliamentary precinct program. That was \$62 million over five years, with around \$9.5 million required for 2012–13. That was principally for the front steps and for the continuation of the stonework. At this stage we have had approved only the \$3.63 million that I mentioned before, and that is from Parliament's own funds. At this stage it is notionally put towards the steps project, but we are very concerned to continue the stonework project because if that does not continue, there are some other cost implications, which no doubt we might explore in the question period.

The output funding cuts required by the Parliament are indicated here. As you would be aware, the government has sought from all departments cuts in their funding levels. It has requested the same from the Parliament, and the Parliament, whilst indicating to this committee and more broadly that the Parliament does need to have some independence and is not in a true sense a government department, recognises that in these difficult times it is important that Parliament also plays its part in terms of achieving savings where it might, whilst obviously not undermining the operations of the Parliament and its ability to meet the needs of members.

These cuts are obviously going to create a number of problems for us. The key challenges or cost pressures in the year ahead will be to implement those cost cuts straight out and to obviously fund parliamentary officer EBAs, which are currently under negotiation and are linked at this stage to the public service negotiations, as members would be aware. Electorate officer EBAs come up next year. We have to fund the regional sitting costs, which are around \$400 000 and no additional funds have been provided for that activity. We have to meet unfunded increase in electorate office rent, which is about \$120 000 this year. In fact in the last five years we have had to meet 520 000 — so 420 000 in previous years and over another 100 000 this year — in terms of rent costs that have a gap between what the Department of Treasury and Finance has provided to the Parliament for electorate office rents and what the actual market rent increase has been, so there is a shortfall there that we have been meeting over five years.

We have to resource the new standing committees. Also members would be aware that there is a significant inquiry being given to one of those committees which we believe will also be fairly resource intensive. So at the moment we do not have additional funding for that but we are writing to the Premier; the letter has been drafted to the Premier seeking his expectations in terms of the funding of some of the committee activity. We also need to resource the new joint investigatory committees, IBAC and the FOI one. The waterproofing of the front steps is a critical project in our view, as indeed is the continuation of the stonework. Relocations of electorate offices are a continuing problem to us in terms of meeting what are the market demands for rent and what are the members' expectations, and of course in the current year there is also an overlay in terms of where we have the potential for redistribution. There are some industrial relations risks.

I am not sure, I think I am probably going pretty close to that 10 minutes, Mr Chairman, but can I just indicate that the parliamentary precinct program over the next five years, which was part of that \$63 million business case, was to cover things like waterproofing and internal function of Parliament House, including the front steps, the stonework restoration and waterproofing of the roof; essential services upgrade, including electrical, lighting, mechanical heating and ventilation, security, hydraulics and plumbing; improvement of OHS compliance, including accessibility, level 5 fire escapes and circulation and upgrade two of the lifts to current standards. One of the things we are very concerned about is that if somebody had a heart attack or something on the second floor or even on the first floor, we cannot get a stretcher into any of the lifts, so they would basically have to be manhandled out of the building, which obviously in those circumstances would be a real problem.

We are also looking to improve our compliance with the Disability Discrimination Act. We have been working on the relocation of a lot of our backroom functions and storage to 55 St Andrews Place, rationalising accommodation and circulation to meet the current needs of members. We have also upgraded public access, the guardhouse and muster room as part of our security responsibilities.

Mr Chairman, that provides a fairly good overview, I think, of the budget process as we see it. We are happy to take questions.

I think one of the points of information that I would just like to make to the committee is in respect of our ability to fund some capital works, because as you are aware — and I think we probably spoke in similar terms last year — Parliament House is an iconic building and a very important building. A lot of the work that we are doing is to try and ensure that it is not deteriorating further because it has been neglected over a lot of years, and of course water in particular does a lot of damage to the integrity of the building if it is not addressed, so we have been doing that. Our ability to do that is obviously constrained by the funds available on one hand but also by the skills, if you like, to do the work, and that is particularly applicable to the stonework where we have craftsmen who have to work on the project and certain equipment that is required for that project. We have also got new technology, if you like, in terms of the equipment that would be used on the front steps, which has not been used elsewhere. These things are difficult to procure in the sort of time frames that we need to have them to do the work, and indeed our budget allocations are also — there is a timeliness factor involved in those in terms of our forward planning, as well the implementation of those projects.

It is of interest to note there was a revaluation — which is a periodic process that happens with public buildings, as the committee would be aware — and in the case of Parliament House there was a significant increase in the value of Parliament House. I might say it was nowhere near what was reported in the media as the possible —

Mr SMITH — Nine and a half million or something.

Mr ATKINSON — Yes; 6 or 7 billion, I think it was. Can I say our figure for Parliament House is far more modest, at around 380; I think it was \$384 million. But that actually yields a depreciation figure on Parliament House of \$9 million a year going forward — not historic, but going forward. If we were to have access to that \$9 million going forward, then in fact we could address our capital works program entirely from those funds and meet what was essentially the better part of that \$63 million business case that we took to Parliament on restoration works at the Parliament. I think that is a point that is worth noting at this point.

The CHAIR — Thank you, President. I think you have given a good overview as to the challenges that are confronting the Parliament. I am sure that all members of the committee have particular aspects they would like to understand about implications of the budget constraints. From my perspective I would like to inquire: what

are the likely impacts, in terms of restraint, on the way that members of Parliament undertake their various responsibilities? Particularly my emphasis is in relation to the long-running discussion we have had, Speaker, in respect to the funding and resourcing of this committee, which has a critical oversight function in relation to the accountability mechanisms for government and ensuring the integrity of the financial framework. It is obviously inevitable, given that there have been unspent funds in previous years — that is, that the Parliament has been managing within its budget; it has not been running in deficit, it has been actually producing surpluses, and I understand you are projecting again that the total committees budget will be in surplus at the end of the financial year — that some contraction in the allocation is affordable. But what, in your view, does it actually mean in aggregate, bearing in mind that I understand you are having discussions with each of the committee chairmen over the next several weeks to talk about how to frame next year's specific budgets for each of the committees?

Mr ATKINSON — Thank you, Mr Chairman. The meetings that we have established with committee chairs and their executive officers in fact I think is a new initiative. I am not aware of that happening before. It is an opportunity for the Speaker and me to actually understand the requirements of individual committees and, if you like, to bring some science to the budget allocations to those committees based on their expected workloads going forward for this next year. That is an initiative that the Speaker and I have taken to tackle what is going to be a fairly difficult process if we are unable to gain access to additional funds for the IBAC committee, the FOI oversight committee and the three Legislative Council committees. Because obviously with those additional committees into the process, as well as the community services inquiry — which, as I indicated before, I regard will be fairly resource intensive in terms of supporting the members and actually facilitating that inquiry — there are going to be some real demands. Against those demands we also have a budget cut, or we have to find funds in the legislative committees, of around just over \$200 000, so that is going to be difficult.

What we do note, Mr Chairman, as you have indicated, is that in fact the committees have, for the most part, been underspent over a number of years, not just in the most recent year. We have obviously gone through the financial records and checked over a number of years and sought to iron out the cyclical effects of elections, in particular, on those committees, because clearly that has an impact on the amount of work that they do and therefore the resources that they might consume in a particular year. Historically there is, or has been, a surplus generated by the committees in each of those years, and as I indicated in my introductory remarks the committees are, percentage-wise in their spending at this time, also headed towards a surplus this year.

We are keen to make sure that the committees are able to continue their work to meet the references that they are required to produce information on. Some of the committees have indicated that they are keen to travel overseas next year as part of those inquiries. The Speaker and I certainly see the merit of some of the submissions that have been put to us, if not all of them, but our ability to meet the demands from all of those committees is going to be constrained in the next year. That is why we have that process where we are meeting them and we are going to try for as fair an allocation as possible and one that tries to meet the demands of all the committees to fulfil their projects.

The CHAIR — Thank you. Further questions on the committees issue? For the benefit of the presiding officers, I intend, if we can arrange it, to have the questions flowing on an issues basis, so we will deal just with parliamentary committees for now.

Mr PAKULA — I want to follow on on this issue about committees. My understanding of the budget is that last year — and understanding what you said about underspend — all of the committees, the 12 investigatory committees, had \$6.9 million divided amongst 12 of them. And for the 2012–13 financial year the expectation is that those 12 committees, plus the two new committees — the accountability and oversight, plus IBAC — plus the three Legislative Council committees, and incorporated in all of that is the reference to the Family and Community Development Committee of the inquiry into child sexual abuse, are expected to operate on \$6.7 million. I suppose my overriding question is: how on earth is that going to work? Bear in mind that the bushfires royal commission is reported to have cost something close to \$100 million. I am not suggesting that the inquiry by family and community development would be of a scale of the bushfires royal commission, but you would imagine that if that committee was going to do its job properly, it might eat up almost the entire committee budget if you were to have counsel assisting or if you were to have victims travel to Melbourne and perhaps stay overnight to deal with that committee work. How on earth can 17 committees function on \$6.7 million when one of them has the biggest reference that a parliamentary committee has had in Victoria for years?

Mr SMITH — I was going to say in regard to that that you would have seen the Premier and the Attorney-General have both said that that committee would be resourced. It will be a matter of the government looking at what sort of money and staffing that that committee may need, because it has set a pretty tight time line of one year. In fact it will probably be less than that by the time it finishes its other two reports. We are looking at this and we will be going back to the Premier when we get a better understanding of the needs of that committee and what sort of money it might want.

Mr ATKINSON — At this stage we have drafted a letter to the Premier which will go out in the next day or so that seeks his expectations of the Parliament in terms of resourcing that committee and the other two committees initiated by government legislation, being the IBAC oversight committee and the FOI oversight committee, so we are seeking the Premier's guidance on that.

In terms of the Legislative Council committees, last year we resorted to an application for access to previous years' surplus to fund the Legislative Council committees — the three, or effectively six, Legislative Council committees. That is not an assured funding source. Access to previous years' surplus tends to turn operating revenue into capital revenue because essentially the claims on that need to be for projects that do not have an ongoing funding requirement. Nevertheless, the Legislative Council intends to seek access again, as we did last year, to those funds to fund the Legislative Council committee, and we are hopeful that that funding might be available.

Mr Pakula, the Speaker and I share your concern about how we are going to fund it. Your figures are correct in terms of the reduced amount overall available to committees for this year, as is your observation that at this stage the funding for the new committees is not in place. But, as the Speaker has indicated, we are continuing a dialogue with the Premier, and no doubt the Treasurer, to ensure that we have adequate funding to meet those new requirements, and by the other process I described earlier to address the needs of the existing committee structure.

Mr ANGUS — I would just like to follow on from that as well, particularly in relation to the matters we have just discussed regarding the Family and Community Development Committee. What is your timing in terms of making representation to the Premier and the Treasurer in relation to the possible funding for that committee and also for the matters we have just discussed regarding the other committees?

Mr ATKINSON — As I have indicated, the letter is probably in its third draft. It is an important letter because it addresses some principal matters as well. We would expect to sign off on that letter to the Premier either today or tomorrow, and I would expect that the Premier, perhaps in conjunction with the Treasurer, will come back to us expeditiously because we have some planning to do. More importantly, a couple of the chairs involved in those committees certainly have some work to do and the Parliament needs to consider its position in terms of when the oversight committees are to be established given that the legislation is now progressing through the Parliament.

Ms HENNESSY — I do not mind whether the President or the Speaker responds to this, but on the theme of committees I just want to make sure I have understood you correctly. Last year evidence was given to this committee and an assurance that the IBAC committee and the accountability and oversight committees would be funded in this year's budget. The evidence you are giving is that you made such a request through the BERC process and that was rejected. I would also be interested in your comments. What is your understanding of what the cost was in Ireland in terms of the commission of inquiry — —

Mr ATKINSON — The cost in?

Ms HENNESSY — The cost of the commission of inquiry in Ireland — —

Mr ATKINSON — Ireland the country?

Ms HENNESSY — Yes. It goes to how you have costed and what requests you are making of the government in respect of the reference that has been given to the Family and Community Development Committee, because our understanding is that an incredible amount of the cost came from legal contest over evidence — a lot of evidence was sent back to the Vatican — and that there were enormous amounts of money required in order to try to ensure that the committee extracted the evidence appropriately. I am concerned that in

making your request to the Premier and the Treasurer that you are costing that accurately in a way that will enable that committee to do the job it should do.

Mr ATKINSON — Yes. Can I just clarify that when you said ‘Ireland’, you did mean Ireland the country?

Ms HENNESSY — Yes.

Mr ATKINSON — Okay.

Ms HENNESSY — It was a similar inquiry.

Mr ATKINSON — Okay. Can I indicate that I am not really familiar with the Ireland situation, so my apologies for that. I do not know if the Speaker has any additional information on that. In terms of the submission that we made, though — —

Ms HENNESSY — It was about 200 million.

Mr ATKINSON — Yes. We have not applied for that much.

Ms HENNESSY — This is my point. Six and half million — —

Mr ATKINSON — Again, it would depend on how the budget was allocated in that circumstance as well, because our commitment as presiding officers is only to fund the oversight committees, which are in fact the committees drawn from the Parliament as an oversight. It is not to fund the whole process of IBAC; that is a separate appropriation from the government. Our situation is that we have been looking at what we believed were the funds needed for those parliamentary oversight functions, and we have had regard to the costs of oversight systems in other states, to our own cost structures and to the, if you like, history of some of our key committees here that deal with matters of some scrutiny of government. Our best estimate was \$1.168 million for the year going forward for those two committees.

Ms HENNESSY — Which the government rejected.

Mr ATKINSON — That was our submission to BERC, and at this stage that was not approved by BERC. You are quite correct, Ms Hennessey; it was not approved by BERC. Sometimes in regard to the funding of the BERC process we do have ongoing dialogue with the government as to whether or not there is access to other funds, including, as I have said, for capital works, in particular our previous year’s surplus or our depreciation funds. There is a possibility of further dialogue on that. It may well be that the government has a timetable that we have not been acquainted with in terms of when that funding of those committees will be required, but certainly that was our process.

Mr O’BRIEN — Turning to the regional sittings, they were mentioned — a sum of \$400 000. I understand they will be in Ballarat and Bendigo — Ballarat for the Legislative Assembly and Bendigo for the Legislative Council — on 6 September this year. What sort of benefits do you consider will arrive from taking the Parliament to the regions?

Mr SMITH — The benefits are actually taking the Parliament to the people. There are people in regional Victoria who do not have the opportunity to be able to come to Melbourne to see how the Parliament works. I am not sure — no, you have not had the opportunity to be part of one of the regional sittings. I can say to you that the temporary parliamentary building, wherever it may be and whatever town it may be in, is set up exactly the same as the Parliament, and the whole Parliament is conducted exactly the same as the Parliament is done here. People will get a chance to come in and out of the building.

In Ballarat it is at the University of Ballarat, and they have got some wonderful facilities there. They are going to have an opportunity to have people moving in and out to be able to actually see what is happening. We found last time when we sat down in Churchill that a lot of school groups just moved through, and there was a fair amount of time that was put into basically putting a roster in place. The general public was coming in. The local newspapers and the local radio stations took a great deal of interest in matters that were going on in the Parliament. Normally we would structure one of those to have something of interest to that particular local community in terms of what is being discussed as one of the bills of the Parliament.

We still have question time, we still have an adjournment debate and we still have members statements. All of those things are all there for people to be able to see how it actually works. I can say to you that when you talk to the people when you get a break at lunchtime the very positive comments that come out from the community in talking to you are just tops. It is really good, and they very much appreciate that we are heading out into country Victoria to be able to see the people and meet the people.

Mr ATKINSON — This is also a government initiative, albeit that the Speaker and I are quite keen on this project, but at this stage it is unfunded by the government. But that was the same situation for the regional sittings in the previous government. As I understand it, in the past the process was, ‘We will see how you go at the end of the year, and if you are short, we will not see you destitute’. Essentially the Parliament in the past actually did have to pick up the costs again, and, as I have said, we have estimated this year it is around \$400 000 for this event, the staging of the two sittings in the respective cities.

Mr O’BRIEN — On a practical matter, I note that I think the sitting is on a Thursday — Thursday, 6 September. With the Assembly in Ballarat and the Council in Bendigo, on Thursdays we traditionally have messages go from one house to the other. I am just curious as to what practical arrangements will be made in relation to those messages.

Ms HENNESSY — We will use the homing pigeon, Mr O’Brien.

Mr PAKULA — Lamborghinis, I think.

Mr O’BRIEN — With the wonderful journey between those two regional Victorian towns — —

Mr SMITH — We would be making arrangements for any messages that may have to be sent to be done electronically. That is why we have clerks — to look after those issues.

Mr ATKINSON — We have not budgeted for a helicopter!

Mr O’BRIEN — There is a new helipad there, thanks to Mr Koch, at the Ballarat hospital.

Mr ANGUS — I have just a brief supplementary in relation to the galleries. Will they be similar to here, or will you be catering for a larger gallery?

Mr SMITH — Much larger galleries.

Mr ANGUS — Terrific.

Mr SMITH — We would certainly be expecting to get some hundreds of people through the place on the one day. At any sitting time I would imagine that we would probably have, certainly at Ballarat, seating for, I think, 200, 250 or maybe even 300 people in the auditorium that is there, but there will not be any barracking or cheering allowed there either.

Mr ANGUS — Great. Thank you.

Mr SCOTT — I am happy for either the President or the Speaker to respond. Last year I asked a question regarding the government’s commitment to establish an independent parliamentary budget office within the Parliament, which would have cost implications for the Parliament if it was not funded. If I remember correctly, that was news — to be frank — to the presiding officers at the time. Has there been any progress on that measure?

Mr ATKINSON — No, there has not been any progress on that.

Mr SCOTT — Have there been any discussions regarding implementing that commitment?

Mr ATKINSON — Not at this stage. We have been in a process of reviewing a lot of our procedures, including our budgeting procedures. We meet regularly with an audit committee, which has a membership of senior people who are assisting us in terms of the processes and the policies that we ought to implement, but the specific that you have asked about — no.

Mr SCOTT — To seek clarification, the independent parliamentary budget office was not for the Parliament's budget per se; it was to provide an analysis of commitments or measures, independent, that could be accessed by parliamentarians in their duties, is my understanding, and particularly — —

The CHAIR — Could I perhaps intervene and short-circuit this? I think Mr Scott is referring to an election commitment over this term of government by the incoming government to establish independent oversight of budgeting for election commitments. Is that what you are referring to?

Mr SCOTT — It is not just election commitments. It exists in other jurisdictions and provides assistance to members of Parliament in analysing not just budgets but the costs of various commitments potentially that would be made at election time. So it performs more than one function in other jurisdictions. Obviously there has been no progress per se?

Mr ATKINSON — No, not involving the Parliament. But in many ways I would have thought that that promise, and I am now aware of what you are talking about, was for the government to implement outside of the Parliament. I am not sure that it is necessarily a body that would sit comfortably within the Parliament, notwithstanding that members of Parliament would rely on the independence and the integrity of that office in terms of the funding analysis that it does. But at this point, no, there has been no further discussion in terms of the Parliament, and, as I said, our situation is simply that we have been pursuing the usual review, I guess, which you always get with a turnover of people as well, of our own procedures and ensuring that the sort of estimates that we are making are accurate.

The CHAIR — Is there anything further on the independent budget office? If not, I am interested again in evidence relating to last year's hearing. We had some discussion about better utilisation of space in the parliamentary precinct, and in fact I vaguely recall we had some discussions concerning 157 Spring Street and then subsequently a discussion about 55 St Andrews Place and what appears to be a good deal of vacant space. I am interested in whether there is a space utilisation strategy to give better effect to the utilisation of space within the parliamentary precinct, bearing in mind that I understand, for example, that some space is allocated to short-term MP accommodation when they are between electorate offices — when there is an electorate office upgrade, for example. Indeed I understand that one member was at 55 St Andrews Place for as long as more than 12 months over the last year.

Clearly there are issues around needing to have flexibility of space, but there seems to be a lot of underutilised space, and one of the issues I know that members are concerned with is the difficulty of obtaining meeting rooms during sitting weeks within Parliament House. One option has been floated that the former Premier's suite ought to be used as a meeting room so that members can have access to additional meeting space, particularly on the main level of the building in terms of it being accessible during a certain period.

Mr ATKINSON — The utilisation of space has been something that we have spent quite a bit of time on, particularly in the last six months. There are a number of issues involved in the utilisation of space, including the additional committees coming onstream, which will require facilities, and both of the oversight committees may well require secure space as well, so there could well be some issues there.

With 157 Spring Street, we had a difficulty during the year where the owner sought to put the property on the market and the opposition had to change floors. This is a building that is not actually managed by the Parliament; it is managed by DTF. But certainly the facilities for the opposition have been in play in terms of our thinking as well, especially if there is a time frame on the utilisation of 157 going forward with the arrangements that DTF might well have.

We have been looking at our computer facilities and so forth over at St Andrews Place. We have looked at the committee space utilisation over there. We have a problem in that all of the joint parliamentary committees tend to meet on Mondays, so on Mondays it is a traffic jam over there, particularly when shadow cabinet also meets over there. That is traffic jam day, and yet for most of the rest of the week those committee rooms are not utilised extensively, because obviously members are either in Parliament or out in their electorates. We do have some issues there.

In terms of the temporary electorate office space, yes, we have provided that facility because it was felt that most of the offices within the building here are not adequate for a member to set up with their electorate office staff to maintain a service to their electorate while they are in transition in terms of finding new offices. In some

cases it is difficult to find those offices. The member you refer to is Mr Lenders, who was over at St Andrews Place for over 12 months. Mr Lenders previously actually shared offices with lower house members; he did not have a separate electorate office. When there was a change of government he did not feel disposed to move in with Mr Newton-Brown, so we relocated him to St Andrews Place and were looking for a suitable office.

His case actually demonstrated or highlighted very clearly one of the problems we face from a property's point of view — that is, to find suitable accommodation within an electorate, notwithstanding that in an upper house electorate there are obviously more options, in terms of occupational health and safety, security, disabled access and so forth. Wherever possible we try to locate those offices in a geography that the member is keen to locate in. From that point of view there was a difficulty in finding suitable premises for Mr Lenders, and our budget constraints also obviously came into play. Ultimately we found a place, and I am happy to say that Mr Lenders moved in last week.

Mr SMITH — You would also be aware that we have had to make some temporary office space available for members who are underneath the front steps, getting ready for when those steps are removed. We have made space available at the top part of the Parliament. We also took one of the offices that was out in the temporary office out there, which was a former member's room, and I think two members of the Labor Party are set up out in that area out there. We are also looking — —

Ms HENNESSY — They are going to miss the rats in the downstairs basement, let me assure you!

Mr O'BRIEN — Rats in the Labor Party.

Mr ANGUS — Are these political rats or — —

Ms HENNESSY — Rats, rising damp.

Mr SMITH — We have also looked underneath the parliamentary building itself. I must say that in 20 years I had never been underneath the part of Parliament where everything is stored, including newspapers and former records. We are looking at being able to move a lot of that stuff over to the basement of 55 St Andrews Place, where there is space available for us to be able to keep a lot of those sorts of records. We hope to be able to eventually move members into renovated offices with proper flooring and walls and everything so that they will actually be part of the Parliament.

Mr PAKULA — With heating pipes and electrical substations.

Mr SMITH — The other thing of course is that there were two other meeting rooms that were part of the Legislative Council that have now become ministers' offices. When they were originally made available as meeting rooms they were good to have because we needed two more meeting rooms. They disappeared off the scene. I understand the need for office space, but they were two meeting rooms that disappeared. I think you were talking about the former Premier's office. That is to become a gift shop in the Parliament. It had been sitting there unused for something like 10 or 11 years. It was storage space. It had junk stacked up basically to the roof in there. We looked at it and saw that there was a need, we believed, and I certainly believed, for some sort of gift shop for tourists so that when they come through they can take a souvenir away from this place. We would have a gift shop that would be run at a cost-neutral basis. We would be able to service the public, and it would in a very good sort of spot for something like that. It probably would not be a satisfactory room for a meeting room because of its proximity to the corridor where people are going backwards and forwards all the time.

Mr PAKULA — I wonder if Mr Dalla-Riva has heard about the gift shop.

Mr SMITH — That is where we are at in regard to that. I know that that is one of your favourite questions to ask, Chairman, but that is where it is. There have been works done. The important thing is that the paintwork has been cleaned up. The bathroom and the other office have been left exactly the way they were. There has been some new carpet put on the floor, and there have been some new cupboards put in there to take some of the merchandise that we will in time be making available to the public.

The CHAIR — Can I just follow that up. Can you please explain for the committee how the operation of the gift shop will be funded, given that it presumably will require staff and inventory? How will it be administered within the Parliament?

Mr SMITH — We are looking initially at having 1.2 staff employed there. We are looking at the materials that are going to be purchased for it. We think annual staffing costs will be about \$65 000, and we think it will probably cost us about \$20 000 for merchandise to put into that shop to start. We are looking at the normal, run-of-the-mill things that kids will buy. A lot of school groups go through, and kids will want souvenirs from the Parliament. There are also a lot of visitors from overseas, as you would be aware, who come through the Parliament. A tour can be organised so that it is like most of the facilities to which people go as tourists, and on the way out they can go past the gift store and have the opportunity to make a purchase. It has not cost a lot of money to set up, and I think it will be invaluable. I do not think the little glass box up near the second floor side dining room is a really good place to display or sell merchandise. A gift shop will allow people to have souvenirs of the Parliament.

The CHAIR — Speaker, in conclusion on that, can you just advise in terms of the cost of operation — essentially the labour costs, which will be 1.2 FTE as I understand from your evidence — have you actually got a projection of revenue from sales from the gift shop to balance the cost of operating it?

Mr SMITH — No, we have not.

The CHAIR — So there is no business plan as such.

Mr SMITH — No.

The CHAIR — Thank you.

Mr ATKINSON — Can I just go back to the subject of space utilisation. One of the things that might be of interest to the committee as well is that we are currently upgrading two areas of the Parliament on the second floor. They are the women's bathrooms and shower area, and the men's on the Legislative Council side, to be maternity room facilities, not just for members of Parliament but for staff, visitors to the Parliament and so forth. We have recognised that it is the responsibility of the Parliament to provide those facilities. As members would be aware, we have also done some work on the third floor in terms of creating new office space. That was partly because of the need to relocate members from the basement area — from our rat-infested, stalactite-filled, exciting tourist possibility space.

Ms HENNESSY — The kids might dig that more than the gift shop.

Mr ATKINSON — Absolutely. We have fitted out new offices from that point of view. We have also had a bit of a spring clean in terms of storage space right throughout the building and have moved quite a bit of material. We have disposed of some things that were not necessary. We are focused on providing new meeting rooms at the earliest opportunity, as well as suitable offices. Part of the forward plan in terms of utilisation is also to move members out of the chook house and into the main building. Admittedly some might need to be dragged kicking and screaming because there is a certain fondness these days for the chook house. We are also looking at the utilisation of the fourth floor of St Andrews Place, what our current and long-term space requirements are there and whether our technology facilities are in the best place in that building for efficiency purposes.

The CHAIR — Are there any further questions on accommodation issues?

Mr PAKULA — I have three really quick ones. In the questionnaire answer you talked about the difficulty of finding EO space and you have talked about members being required to occupy smaller premises in fringe or secondary locations. I am interested in what the impact of that might be on constituents who want to get their member of Parliament — they may have to go to some industrial zone — and matters of that nature. Secondly, in regard to the work, I am just wondering whether there are any plans to upgrade at all the area for the parliamentary press gallery up on the top level.

Mr ATKINSON — Of which house?

Mr PAKULA — I am aware of the Council area, up above us — on this level in fact. I am trying to think what the third matter was. It will come back to me but if you would just deal with those two.

Mr ATKINSON — We do have some concerns about the relocation of electorate offices. It really is a financial imperative that we have had to, very often, when a property comes up for lease, look at alternative spaces and relocation because the market rents, when our leases expire, in some locations are prohibitive in terms of us being able to manage those premises.

Mr PAKULA — That was my other question: the rent per annum of an EO. If you could tell us what that is.

Mr ATKINSON — It varies substantially. A rent in Ararat compared to a rent in Albert Park is chalk and cheese, so it is very difficult to actually get an average. I do not know if you have got an average figure.

Mr LOCHERT — I do not.

Mr ATKINSON — They are very variable. One of the other issues that we have when we come to replace electorate offices, also the criteria that we have which is a space criteria, is to try to get some consistency across the Parliament in the amount of space available to members. Again, perhaps if you are in some country towns, you might have acres of space for a certain amount of money, whereas in an area like Brighton or Albert Park you might well be faced with a very small shoebox space for the money.

We do try to meet members' requirements in keeping them in a central location and with reasonable exposure, and where possible we look at things like public transport access to try to ensure that the constituents are able to get to members, but in certain geographies the amount of office space that is available can be difficult and we have limitations.

Going forward, the number of relocations we expect to do in the next 12 months might well be below what we normally do, but the 12 months after that it might be quite substantial, because what we tend to do is about five or six relocations a year. After redistribution that can jump to 10 or 12 relocations for a couple of years because some members' offices are left outside their new electorates. There are some pressures on the Parliament as well, in that sense, quite apart from our budget constraints.

Mr ANGUS — On that matter, President, in relation to leases that are being signed now, whether that be renewals or new leases, is the Parliament signing up for four-year leases, or do we do one plus one plus one with options? How does that work in order to mitigate any potential liability to the Parliament?

Mr ATKINSON — It depends. In some cases we do seek short-term leases, but we are very wary of that as well. We do that where we think that there are other factors that might lead to the office not been required in the future and needing to be relocated, because obviously the shorter term the lease, usually there is a correlation with the expense of that lease. If you take a short-term lease, you often pay a premium price because the landlord knows he has only got a tenant for a short time, and clearly that is factored in to the cost of that lease. The management of leases is not an easy process, but we do, in some cases where we know that we might not need an office going forward, take that into account. I might add that in the leases we sign too, we usually negotiate on those leases that there is an opt-out opportunity after an election if a member has a valid concern as to why that office is not appropriate.

Mr SMITH — Normally they would be signed up on a four plus four plus four, with an option out again at the end of that first four years or the second four years.

Mr MORRIS — If I could ask a question on a related matter, and that is around the volume of visitors that come through Parliament House for tours and school groups. We have a huge number of people coming through the place. Obviously that requires an additional load on personnel, it requires an additional load on security. The Speaker has spoken about the gift shop, and it probably puts an extra load on the area required for other services. I have had a look through the parliamentary appropriations, and I have had a look through the questionnaire that was returned from DPS. It is just not possible to determine what sort of resource goes into the 'tourism' function, which obviously includes school tours and all that sort of thing, as opposed to the primary function of Parliament House as the place in which the state legislature conducts its business. I was wondering if we can actually determine what the tourism function cost of Parliament House is?

Mr ATKINSON — I can certainly help on the visitors: there are more than 200 000. In fact in the most recent count I think there were 214 000 people going through the Parliament in a year.

The CHAIR — What is the increment? Because it has increased. Do you know what the trend is?

Mr ATKINSON — The trend is up but I am not sure that it has been done.

Mr LOCHERT — We have done periodic audits over the years, and the last audit — from memory, and I can validate those numbers — was around 190 000, and the most recent audit was 214 000. We now monitor month by month.

The CHAIR — I am sorry, I interrupted your response, President; I apologise.

Mr ATKINSON — No, that is all right. It was a helpful interruption, because I am not sure how I am going to answer the rest. It is a good question. I am not sure that we have actually broken out those figures at this time, but it is perhaps something that we ought to turn our minds to. It is actually a good question in terms of us perhaps categorising that. We have been mindful in terms of collecting those figures to understand how the Parliament is performing in terms of what we see as an obligation to make the Parliament more accessible to people and to bring more people into the Parliament. We have been mindful of, particularly, our security needs and how we manage the security of the Parliament with the numbers of members of the public coming through. Particularly where there are extra functions and so forth outside sitting times, as the venue is sometimes hired for corporate events and so forth, which has been important to — —

Ms HENNESSY — The 500 Club?

Mr ATKINSON — I am not sure about that one. I have not attended that. But that has also been important to the catering department in terms of some of the funding of their services. You would also be aware that the catering department runs the high teas. Whilst I am not sure that we are doing as famously as the Windsor, it is interesting that when you come in on quite a few afternoons that I have been in, you do see groups of people who are coming in and availing themselves of that opportunity, and obviously appreciating our Parliament.

As I said, this is an area that we probably would need to do some work on if we were to break out those figures. Clearly there is a crossover in terms of the fact that some of the attendants who undertake the tours of the Parliament are here performing a security function at any rate and have some other roles within the Parliament, so they are not exclusively part of, if you like, a tourist component. It is a very good question, and perhaps that is something we should break out some figures on.

Mr MORRIS — Can I just have a follow-up? Mr President, you talked about security there, and I understand that the annual report from the Assembly for 10–11 indicated that the front-of-house project that was proposed, I think, in the 56th Parliament was not proceeding and that a risk assessment was being carried out by Victoria Police, particularly in terms of visitor management issues and that sort of thing. Can you indicate for the committee how that is progressing, and in particular how that fits into this budget?

Mr ATKINSON — The proposals in the 56th Parliament were considered to be too intrusive and consuming too much space at the front of the building. There was a view amongst some members who were involved in that decision-making process that perhaps it was an overreaction in terms of security management. Nevertheless, security continues, for us, to be a matter of some concern, and we are continuing to look at our options. I think the process that we have at the moment where people enter the building is unsatisfactory. ‘Demeaning’ is probably too harsh a word, but to have people go around as if they were going to an amusement ride at Luna Park — —

Ms HENNESSY — Are you suggesting they are not?

Mr ATKINSON — It depends which house you go into! It is not a satisfactory process, and certainly our officers have viewed what happens in some other jurisdictions and looked at what we might do here. That extends to even entry points at the car park, it extends to the bridge from the chook house across to the dining room, which is a matter of some concern to us, and it extends to the back door as well, obviously, in terms of access into the building. We have in the long-term master plan some viable solutions, but at this stage they are unfunded. Unless we are able to get assured funding through our depreciation allowance or some other assured

funding going forward, we would not be in a position to actually make the significant investment that would be required to upgrade security and to upgrade the visitor experience appropriately going forward.

The CHAIR — Mr O'Brien, did you have a related question earlier?

Mr O'BRIEN — It has passed now.

The CHAIR — I think we are all done, and we are going to change the subject.

Mr PAKULA — I have two questions in regard to travel, and rather than supp them, I will ask them both up-front. The first is that the answer to the questionnaire — and I am referring to page 15 — suggests that in terms of senior public service travel in the Department of Parliamentary Services the bill in the current financial year has jumped from 141 000 to 581 000, so I just seek an explanation for that. The second question just goes back — —

The CHAIR — It is on the questionnaire. It is page 15.

Mr PAKULA — The related question goes to the presiding officers in regard to the reporting of travel. President and Speaker, I draw your attention back to last year's estimates hearings where questions were asked about this, about whether there would be reporting similar to that which is done by ministers. The response at the time was that there would be no intention to avoid providing that information, and I would expect that it would be a similar profile of information now. Unless I have missed it, I still have not seen any of that information reported on the parliamentary website, and I would seek an explanation of that as well.

Mr SMITH — During the last hearing that we had last year, there was mention made of this, as you have suggested, Mr Pakula. It is on page 15 of that report.

Mr PAKULA — Of which report?

The CHAIR — The Hansard?

Mr SMITH — The Hansard report of the last hearing. You spoke about it being put on the DIIRD website.

Mr PAKULA — I said that is what ministers did.

Mr SMITH — Mr Atkinson suggested to you that we did not know that we would be in that position, because at that stage we had just taken on our positions as presiding officers. Mr Tunnecliffe then said that he was going to add:

... we do currently — in the department's annual report, if the presiding officers have gone anywhere, that does get a mention: a brief summary of when the trip was —

and the purpose of that trip. That would be our intention — that any of our trips would be listed in the annual reports of the departments.

Mr PAKULA — I suppose from my perspective where that falls short by comparison to what ministers provide is that ministers provide where they travelled, who travelled with them, what the purpose was and what the overall cost of the travel was. My recollection is that the former presiding officers had commenced the practice of reporting in that way before the last election. It was my understanding that that was going to occur in this term, but I take from what you are saying, Speaker, that it will not be of that level of detail. It will just be the where and the purpose.

Mr SMITH — Could I say the report of the visit to China that I made during this year that was quoted in the newspaper today was in fact tabled. It is in the library. It is going on the website. It will be reported on in the annual report of the Legislative Assembly. It is a full and quite fulsome report giving details of who we met with, where we went to — all of the actions that were taken by the group on that particular visit.

The CHAIR — Thank you, Speaker. Further on this?

Mr PAKULA — There was the first part of the question, too.

Mr ATKINSON — Peter, do you have an explanation of that figure? I am actually surprised by the figure.

Mr PAKULA — You provided it.

Mr ATKINSON — Yes, I know.

Ms HENNESSY — Your people.

Mr LOCHERT — I need to double-check what it is based on, but effectively it is a straight-line projection. It is an estimate, and it is based on where in February 2012 what the expenditure had been up to that time. I believe it does not include — —

Mr PAKULA — It is a projection only to 30 June this year, though.

Mr LOCHERT — Yes, that is correct. I need to just double-check.

Mr PAKULA — We are only a few weeks away.

The CHAIR — It is the current financial year projection. Presumably there would normally be a lower figure in an election year.

Mr LOCHERT — You would expect that. Very much so, yes.

The CHAIR — The question, then, is what is the norm? I do not actually know what the normative figure is.

Mr PAKULA — The previous year was 292.

Mr SCOTT — In 2009–10.

Mr PAKULA — It was 292 in 09–10, then down to 141 and then up to 581.

Mr LOCHERT — I will double-check the basis of that projection and I will get it back to you.

Mr ATKINSON — We would have concern about that figure, in so much as I am not sure the figure is right. I would be at a loss to explain the jump, particularly based on the travel that I am aware of that senior officers have undertaken. It would not approach anywhere near that.

The CHAIR — Can we take that on notice? If you could come back to us with a more detailed response. Thank you.

Mr ATKINSON — You certainly may.

Mr SMITH — Could I say to you that in regard to the travel that was done to China, I think the only cost to the Parliament as far as I was concerned was \$3710 for an airfare. I paid everything else myself, as I always do — everything.

Ms HENNESSY — Irrespective of those particular circumstances, I suppose the point is that we are able to look at the department's questionnaire and we are able to identify how much money has been spent on travel by senior parliamentary officers from the department. We are not able to look at the budget and to see how much money has been spent on travel by the two presiding officers, and I think that is a transparency deficit. Is it the evidence to the committee that the best we are ever going to get is a publication in the annual report but without the actual cost actually identified?

Mr ATKINSON — No. Look, there is no way that we are shirking accountability on this. We are quite happy to provide that accountability, so if it is by publication on the website, if that is the best method of doing it, you know, we can look at that, as I think I said last year, and perhaps I have not followed through on that to this point. I am not sure the website is actually the best place to put it. That sort of material gets interpreted in all sorts of different ways. The figures associated with delegations are not just figures that involve the presiding officers; they obviously cover other costs of the delegation, and, as I said, tend to get interpreted in different ways. What we need to do is to find a way to actually express those so that people have the accountability and the transparency but the figures do not get distorted when they are carried forward in other places. Certainly, as

the Speaker said, we have maintained the position of putting details of travel in those annual reports, and we will take on notice the amount for the public servants, which we think is incomprehensible given the amount of travel that we know has occurred.

Mr PAKULA — Thank you.

The CHAIR — We understand that you are going to come back to us as a question on notice, in effect, in relation to that figure, so that we understand it more precisely. If there is nothing further on the travel issue, we will move on to the next issue. I know some members wish to explore the issue of the integrity of the building — infrastructure, stonework and so on.

Mr PAKULA — On the stoneworks, there are two matters that arise in my mind from your questionnaire answer and also from your presentation today. One is, you have made reference to if the stoneworks have to stop, then the gantry will have to be taken away. I understand that it might have to go back overseas, but if that is not correct, tell me. The first thing I would like to hear from you on is if the stoneworks have to stop midwork and then have to start up again later, I would imagine that is going to actually add significant costs to the project and to the taxpayers more generally. The second thing that just concerns me, reading your answer to this questionnaire, is the suggestion that in terms of OHS and DDA, but particularly OHS in regards to the stonework, that Parliament House fails to meet OHS requirements and whether or not a stopping of the stonework project and potential future injury to a member of the public would deliver to the Parliament significant potential liability. They are the two things that I would seek to have answers to.

Mr ATKINSON — The answer to that is yes, in terms of the last part. In fact a paperweight is available to any member who would be interested. This fell off a part of the building on the north-eastern corner of the building recently, and it is a substantial piece which could have done damage to a person or property, motor vehicles or suchlike. You can see that the piece of wire that is stuck in it was actually trying to keep that locked in to the building. This is a poor repair from a previous time, so that is an issue.

Mr Pakula, you are absolutely right. If the project does not continue as it is now and if we have to stop the project with a view to starting it again at some time in the future, then the additional cost to the Parliament is going to be about \$700 000. It would be about \$400 000 to take the gantry away and at least \$300 000 to put it back — that is, if it is available. You are quite right; that equipment may well disappear overseas for projects overseas. It was brought here especially to do this job.

Apart from that, we would also be likely to lose at least 16 people who are working on this project — skilled and specialist people who have been trained to do this particular work. Were that contract to have any sort of suspension, in fact there is no guarantee that we would be able to bring those people back to site to continue the project. So there is certainly a concern for us as presiding officers if there needs to be a suspension of this project.

The way we have approached the forthcoming year at this point is to say that we will continue with the next phase of the project, which buys us six months. We are actually running ahead on the current project. The next phase would take us six months up to December of this year. Then we would be faced with the situation of not having funds at this point to continue. Indeed going forward for that six-month period, we are also compromising the works on the steps. Whilst we have received money from BERC for the steps, it is not sufficient to complete the steps project; it falls about \$2 million short of what is the full cost of that project. We would obviously be intending to go back to the Treasurer and seek access to prior years' surplus funds or indeed looking at our depreciation funding to continue that project. As you rightly point out, there are implications if we do not continue this stonework, some of them OHS and the integrity of the building.

One of the things that we have been doing, as members of this committee would be well aware, is trying to ensure that water damage to the rest of the building is minimised or in fact eradicated in terms of the overall works. At the moment we are working above Queen's Hall. Some of you might have noticed on different occasions that if there is a particularly heavy rain event, there are indications of water coming in on the second level over Queen's Hall where the major portraits are. Indeed you will see paint peeling in certain areas, which is obviously the first indicator of water penetration from behind coming through into the building. The work that we are doing at the moment is very much focused on that Queen's Hall area and ensuring the integrity of

the building from water penetration there. That is the focus of that six-month project. Then we will possibly continue around the corner, on the north-east wing.

Mr SMITH — The OHS part of it also relates to accessibility around the house and people being able to get into the house — wheelchair access into the house, the lifts and not being able to get stretchers into the lifts. We have to look after our staff, and we have to look after visitors to the place. We would certainly hate a piece of that masonry to fall on somebody, but there are other problems that we have also got that are everyday problems. I suppose that is as well, but the fact is that our OHS stuff is also looking after the people who are working here and also those who are in fact coming and visiting the place — access into the place and all that sort of stuff. That is part of the problem, but the main problem is what is happening within the house and so forth.

Mr O'BRIEN — Just to follow up on the water damage repairs, you mentioned in a presentation to this committee last year the sort of extensive, I suppose, history of that and what the importance of water damage to sandstone is — which I personally am aware of. Have you done an audit or what is the status of where we have got to, in terms of stopping the leaks, if you like, because once water penetrates there can obviously be exponential damage continuing to the building?

Ms Hennessy interjected.

Mr ATKINSON — Leaks in a Parliament are a real problem, I grant you, Ms Hennessy! Obviously in terms of scheduling the works, we have looked to try to address some of the most serious areas as a priority. Indeed that is one of the reasons why we are very keen, not just because if the project was suspended we would lose perhaps equipment and skills. We are also concerned that we would not be addressing the next area that really does have a real issue for the Parliament in terms of water penetration and integrity.

We have probably addressed some of the major areas at this point. The back of the building was certainly more serious than the front of the building, but nonetheless there are still different areas. As I said, the real test, I suppose, or the indicator, is peeling paint. If you go around the building, you will find a number of spots where there is peeling paint and where we really do have to address those things. There is a piece above this end of the Legislative Council, for instance, and that is an area that still needs to be addressed as well, so there is quite a bit.

I might also add that as part of the capital works and the steps situation we have also been looking at things as basic and as neglected as the sewerage system for Parliament House. It is an old building and it is a loved building, but it has been a neglected building, and we have faced some real challenges not just in this Parliament but previous presiding officers also have faced some real challenges in addressing some of those issues. Last year what we ticked off was the fire detection system and the upgrading of wiring throughout the building. Switchboards and wiring has been a project that we have had an ongoing commitment to, because even old electrical wires represent a fire risk in themselves. So there have been a range of issues we have needed to address there as well as some of the more contemporary issues, such as the maternity room — or the parents room.

Ms HENNESSY — Parents room.

Mr SMITH — With the stonework, what we have tried to do is make members aware. I think everybody is aware that there are works going on, but we recently offered to all members the opportunity to be able to actually go up on the roof and have a look at the works that are being carried out there and to actually view it. During our open days we have been running videos and we have had samples of rock and stone that we have been having to get repaired and replaced so that the general public also can understand that we have a problem here at the Parliament.

It is not a matter of, as most of them would think, the polities spending money on themselves; it is not. It is about maintaining this magnificent building that we have here in Victoria. It is an icon building. It is probably one of the best parliament houses that there is in Australia, as far as being 156 years old. People in Canberra might say it is a little different, but the fact is that we cannot just go away and neglect what is here because there is no money to do it. We believe we have money in the previous year's surplus that we should be able to use in doing this building up and bringing it up to a standard that people would expect — and would expect to last for at least

another 50 to 100 years. That is all we are asking for and that is all we need, and we can get on with the job of looking after this properly.

The CHAIR — Just in closing on that issue, I think the Speaker, the President and I are enduring members, and we can recall that in the second Kennett government there was nearly bipartisanship in relation to actually undertaking a major refurbishment. It remains a great disappointment of mine that we were not able to see that project through, because we would not be having this discussion today if that had proceeded. Anyway, that is now history.

Mr SCOTT — I would just like to ask about issues around employee remuneration. There are two bits. The first bit, considering the time, may have to be taken on notice, which is: one thing that has been mentioned in other hearings we have had is the issue around executive remuneration and changes — I think there has been presentation on that — just in terms of information about what the policies of the Parliament are in terms of executive bonuses and at what grades that would take place. That may need to be taken on notice, I understand, because of the time we have.

Mr ATKINSON — We do not have a bonus system for executive officers of the Parliament.

Mr SCOTT — At all? Okay, that is fine. The second is that there were mentions of the EBA and the process around the EBA. My Latin is not particularly great, but I understand there may be an issue in terms of where protection action starts and finishes and the various privileges of the Parliament — I think the term is ‘exclusive cognisance’ — and the rights of the Parliament to conduct its own affairs outside of federal law. What is your view — and I am not sure which of the presiding officers wants to respond — about how far any federal industrial law applies to the actions of staff within the Parliament itself, what protections are accorded and where that interacts with the rights of the Parliament to conduct its own affairs?

The CHAIR — It is an interesting question and not directly related to estimates, but I am quite happy for the presiding officers to attempt to answer it.

Mr ATKINSON — We, Mr Scott, are dismayed at the length of time it has taken to conclude negotiations for our staff in Parliament House in regard to their wage increase, but you would be aware that it is linked to the public service. The view of the executive here is that it is in the best interests of our staff that they maintain that nexus with the public service, because otherwise you would have a fairly small number of employees negotiating in the future and perhaps not having the sufficient bargaining power to achieve the best outcomes compared with what might be achieved if they maintained the nexus with the public service. That is the upside. The downside is that those negotiations with the CPSU and the government have actually been quite protracted and at this stage are not finalised. As I said, in the context of our own staff we are dismayed that it has taken quite so long, and we are certainly hoping for an early finalisation.

In terms of the Parliament itself, I guess notionally we have responsibility for the entire Parliament, and it is my view as President that I am quite happy for people to wear badges and to undertake their protected industrial action within the precinct of the Parliament generally, but when it comes to the chamber I believe that that is a different circumstance. We have had a longstanding position in the chamber that we do not allow badges related to political and industrial campaigns or other props, whether it is posters or scarves or T-shirts or suchlike, into the chamber. I have taken the position of maintaining that longstanding convention partly because if I allow it for one, then what happens to the next one? Am I to be the judge of what is a proper campaign and what is not a proper campaign and so forth?

I think also there is a decorum, if you like, for the chamber that I think does need to be preserved. It is a precinct. How that relates to federal laws — I think the Parliament actually does have some exempted position from some of those laws in terms of its independence as a jurisdiction, but we are prepared to recognise that the employees also have some rights. We have agreed to protected industrial action and accepted that that action will proceed. By and large it has proceeded without any unsavouriness or unpleasantness, and we understand it. My exemption is simply that I do not want the material associated with that campaign in the chamber. Outside the chamber I am happy to wear it.

Mr PAKULA — Can we hear from the Speaker on badges?

Ms HENNESSY — The Speaker had in my view a preferable position, President. He understands the constitutional political freedom of expression.

The CHAIR — Speaker, would you like to make a contribution on this?

Mr SMITH — I made my position known. The members of the opposition took to wearing the badges. I did not object to that. I did say to them that if they got any bigger than what they were, then I would be asking them to remove them.

The CHAIR — That brings us to a conclusion. Thank you very much to the presiding officers and to the officers of the Parliament.

Mr ATKINSON — Mr Chairman, we will take on notice two matters: one of them is the figure that was included in that questionnaire, which we cannot reconcile with the amount of travel that we are aware has happened in the year. That figure must be wrong. We will also take on board the other matters relating to travel that Ms Hennessy and Mr Pakula raised.

The CHAIR — Thank you. Just in final conclusion — —

Mr MORRIS — Chairman, there is the issue of the cost of tourism to the Parliament — —

The CHAIR — Sorry, okay, there are three issues. The committee will write to the presiding officers to follow up on those outstanding issues, and if we could have a response within 21 days, we would be grateful. Thank you very much. This closes the hearing.

Witnesses withdrew.