

VERIFIED VERSION

PUBLIC ACCOUNTS AND ESTIMATES COMMITTEE

Inquiry into Budget Estimates 2015–16

Melbourne — 20 May 2015

Members

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Mr David Morris — Deputy Chair

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Witnesses

Mr Telmo Languiller, Speaker,

Mr Bruce Atkinson, President,

Mr Ray Purdey, Clerk of the Legislative Assembly,

Mr Andrew Young, Acting 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 2015–16 budget estimates. All mobile phones should now be turned to silent.

I would like to welcome to the committee today the Presiding Officers, the Honourable Telmo Languiller, MP, Speaker of the Legislative Assembly, and the Honourable Bruce Atkinson, MLC, President of the Legislative Council; Mr Andrew Young, Acting Clerk of the Legislative Council; Mr Ray Purdey, Clerk of the Legislative Assembly; and Mr Peter Lochert, Secretary of the Department of Parliamentary Services.

All evidence is taken by this committee under the provisions of the Parliamentary Committees Act, attracts parliamentary privilege and is protected from judicial review. Any comments made outside the hearing, including on social media, are not afforded such privilege. The committee does not require witnesses to be sworn, but questions must be answered fully, 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. You will be provided with proof versions of the transcript for verification as soon as available. Verified transcripts, PowerPoint presentations and handouts will be placed on the committee's website as soon as possible.

Departmental officers may approach the table during the hearing to provide information to the witnesses if requested, by leave of myself. However, written communication to witnesses can only be provided via officers of the PAEC secretariat. Members of the public gallery cannot participate in the committee's proceedings in any way.

Members of the media are to observe the following guidelines: cameras must remain focused only on the persons speaking; operators must not pan the public gallery, the committee or witnesses; and filming and recording must cease immediately at the completion of the hearing.

I now 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 — Thank you, Mr Chairman. We appreciate the opportunity of being here today and making such a presentation and responding to any queries that you might have in regard to the Parliament's administration. We commend the committee for coming up to speed in a relatively short time and indicate that we do have some other documentation coming to committee members in respect of the questionnaire that you use for your assessment.

In respect of the Parliament's budget, we are looking this year at a budget that has a slight indexation as is common government practice, providing for an indexation for the Parliament, but there are a number of factors in terms of that budget that do affect our position going forward.

By and large we are in a reasonable position, in part because of the changes to the committees, which will result in 12 committees coming down to 9 committees in the joint investigatory committees, which does represent a saving in the committees budget theoretically, although that could well be affected by the number of inquiries that are sent to those committees.

I must say that the Speaker and I are mindful, though, that the committee process is a difficult one not just in terms of financial resourcing but also in terms of the amount of time that is available to members to actually support those committees. Whilst sometimes it seems like a great idea to have many inquiries, the fact is that the workload for members can be very significant. Certainly in the last Parliament, and I dare say in this Parliament, we will try and ensure that the committees maintain a consistent workflow but do not overload members. From that point of view, that will also help us in the resourcing situation.

A couple of key things in 2014–15 that members would obviously have noted include the security upgrades for Parliament House, which is a response to prevailing circumstances. We have adopted a position of being alert but not alarmed, if you like. I think they are famous words, but we are certainly keen to maintain the openness and accessibility of the Parliament while at the same time ensuring the safety of all of the people who are here, which includes MPs, staff and indeed visitors.

There has been a significant impact to our budget in this previous year, and indeed going forward into the new financial year we will carry a \$3.5 million cost in terms of further security works that need to be completed. I might say that members will obviously have been noticing the progress of those works, and it would be expected that fairly shortly — in fact by the end of June — most of the works at the back of Parliament House will be completed.

We have at the moment included in our budget a general efficiency dividend. This is an ongoing discussion that we have with the government, and we do intend to have some further discussions in respect of that dividend, because it does have a significant impact on Parliament in the sense that we have limited opportunities to actually reduce our budget expenditures. Around 62 per cent of our budgets are basically consumed by members and are directly related to member services. A further large chunk is to capital and depreciation works, so there is fairly limited space — around 25 per cent or thereabouts — that is available to take any of the additional reductions, if you like, in our budget position.

Not only do we face a possibility of having to cope with a general efficiency dividend in line with other departments at different times, and this does form the matter of discussion with the Treasurer and the government on an ongoing basis, but we also have a situation where, as you know, the government provides a notional 2.5 per cent increase in budgets on most line items — not on all line items, but on most line items — which is fair enough, except that the Parliament is certainly facing a number of cost centres where we are faced with costs significantly higher than that 2.5 per cent and indeed have over a number of years.

They include electorate office budgets, the rents and so forth for electorate offices. They include electorate office staff and parliamentary staff to that extent. They certainly also include the parliamentary precinct costs associated with rents and so forth at 55 St Andrews Place. If members want to go into detail, we can go into detail on those, but those amounts are significantly in excess of 2.5 per cent, and on a trendline cause us some consternation each year as we sit down on our budgets.

We have obviously this past year had a significant impact from the election, which resulted in a lot of new members, both as a result of retirements and some electoral defeats, and also importantly because of the redistribution. The result of that is that we have had quite a lot of pressure in terms of being able not just to cope with the inductions of members and support of members and incoming members and indeed the offices — audits and so forth of outgoing members and setting up new offices — but indeed actually in many cases having to relocate offices because they are now outside of new electoral boundaries. Indeed at the moment we have got around 37 requests from members of Parliament. We have 128 members, as you know, so around a third of members are actually looking for a relocation of their office. We are obviously unable to accommodate that. We have been able to change about 10 offices in this current year. We may get to a similar number next year, although we do have to sit down and look at the budget and look at the costs. One of the real issues for us in electorate offices is, because of the costs, we are increasingly having to look at secondary and even third-tier locations for offices when we relocate because we simply cannot afford the market rents on some of the better locations that we know members would desire and we would be delighted to provide if we had the budget wherewithal.

I guess one of the key things — and I just want to touch on two quick things for you, Chair, because I am aware of the fact that you really just wanted a quick overview — I might just point out that there are issues for us to cope with which are not the sort of things that you might expect. The dining room, for instance — we are facing some real pressure in terms of costs there because of the new standing orders, which have resulted in less functions and indeed less members eating in at the Parliament because of the change of hours. There are some difficulties there that we have dealt with. In terms of the committees, we certainly face some pressures in the upper house where we would expect the committee system will be a lot more vigorous and active in this Parliament than it was in the previous Parliament, and certainly the Speaker and I, with the Leader of the Government, have been talking about the resourcing of that committee. We had a submission in to the estimates review people and they have provided some resourcing in terms of Hansard and operating costs but not for salaries. So the saving that we make on the joint investigatory committees, we are looking at actually redirecting some of those funds to support the upper house committees, which we think are important.

They are probably the main things that I would indicate. We have over the past four years, and we continue in many ways to update those matters, conducted reviews of areas such as IT, the library, the dining services and grounds and maintenance — virtually every area of the Parliament has been reviewed over the last four years —

and we continue to revisit some of those reviews. One of the key reviews of course was security, which was actually a review that was underway before the sort of pressures came on mid last year, particularly September of last year, so we have not been sort of reactive in terms of a lot of the work that we have been doing subsequently. It was informed by an objective process that we had had in place previously as part of prudent management.

The CHAIR — Thank you, Mr President. I might kick off with the first question. The Parliament's intranet, known as Billy, was implemented in the 2014–15 financial year. Can the Presiding Officers please inform the committee how this implementation has progressed?

Mr ATKINSON — Essentially, I think — I can't stand the name myself, but anyway — —

Ms SHING — Not to cast any aspersions against people who might have that either as a first name, middle name or indeed as a surname, President. Just for the record, we support anyone and everyone with the name Billy out there in the Victorian community.

Mr D. O'BRIEN — Thank you for the socially inclusive statement.

Ms SHING — Socially inclusive!

Mr ATKINSON — That may well be, but I think it is a crazy name for it.

Ms SHING — You have just offended a labrador out there somewhere.

Mr ATKINSON — At any rate, in IT we have actually undertaken quite a considerable amount of work in the last two or three years, much of that informed by one of the reviews that was undertaken — an extensive review — in that department. The review was designed really to make IT more responsive to members' needs and to ensure that we were able to support members who were looking at increased mobility and flexibility in the parliamentary IT services, which included support of a wider range of devices. We have certainly looked at upgrading a range of systems, and indeed we have got replacement of desktop computers forthcoming in this current year. We are also looking at moving from Lotus Notes to Outlook, which seems to be a fairly popular move, with members having assessed the capabilities of both systems.

Billy was essentially a redesign of the intranet system to ensure that it was perhaps more legible for members, and I think by and large — notwithstanding the name — the feedback has been that it has worked quite well in terms of providing members with a fairly rapid entry point on different information aspects of our intranet system.

Mr MORRIS — Mr President, just picking up on your comments about the responsiveness of IT, I think they are doing an exceptionally good job in terms of responding to what we actually need rather than simply providing a package. Can I take you to a related issue although more Hansard. As I am sure you are aware, a number of state jurisdictions and the commonwealth allow members of Parliament to be authorised persons to republish video proceedings relating to their speeches within the chamber, but of course we do not. Can you indicate to the committee whether that matter is likely to be subject to a review this year and whether any funding has been provided in this budget for Hansard to expand their role in the broadcasting area?

Mr ATKINSON — That is a good question, and it is something that we have had under consideration. We have made some provision for the supply of speeches to a number of members, particularly in regard to their inaugural speeches, and particularly last year we allowed party leaders to actually record and republish their responses on the budget or their contributions on the budget. We know that there are members who are very keen to actually take up an opportunity of republishing their speeches, particularly on their own websites and so forth. We have some concerns about material being taken out of context, but there is also a resourcing issue associated with this. But it is something that we actively have under consideration, that we are looking at both, as I said, from a resourcing point of view and also how we can make sure that the integrity of that material is maintained when it is used by members.

Dr CARLING-JENKINS — Thank you, President, for your overview. I really appreciate that. You spoke in your overview a lot about committees and resourcing, but I would like to explore that a little bit more, if possible. The Legislative Council standing committees initiative, as it is referred to in budget paper 3, page 100, provides the additional 300 000 per annum, which you have already referred to. Given the different make-up —

and I like to think of it as extra colour; others might describe it as you did, as vigorous and active — we are anticipating a significant number of inquiries being directed to these committees, especially as they are now self-referencing. I wonder if you could outline how many additional inquiries this amount is expected to fund, and if there are more inquiries than that, how will the work be funded? I know that you have already mentioned being able to redirect some funding from the parliamentary investigatory committees output, I think?

Mr ATKINSON — Correct.

Dr CARLING-JENKINS — I was just wondering if you could expand on that in a little bit more detail, please?

Mr ATKINSON — It is a little difficult to be precise in a response in terms of how many inquiries might be supported. For instance, we have two current inquiries which I think are likely to consume a significant budget, one of them being the Fiskville inquiry, which has required additional support, particularly legal support, to assist that committee and may well require some assistance to people who have been impacted by those issues and will need some assistance with their evidence and with coping with the process.

Dr CARLING-JENKINS — Of course.

Mr ATKINSON — The other one obviously is the end-of-life issues inquiry, which I would dare say will generate a very significant volume of comment from the community and therefore is likely to consume quite a lot of budget.

Inquiries vary according to their needs. Obviously we have an executive officer and we have some administrative staff, and that is fairly easy to quantify, but most inquiries also need a research officer. It very much depends on the nature of the inquiry as to the level of research support that is needed and the skills that are needed to be brought to a particular committee. So it is very difficult to be precise about how many committees might be resourced.

In terms of the money that has been provided at this stage from the government to support the Legislative Council committees, essentially that is for administrative purposes and to cover Hansard costs. As you rightly picked up, we will be able to, we believe, have some of the money that has previously been allocated to joint investigatory committees to support the Legislative Council committees. In the past we have had an opportunity to actually go back to government for additional resourcing if there is a good case to support those committees. We have a process each year where the unused money from the Parliament goes back into a prior years surplus fund, which did stand at about \$35 million. In fact that has been the drawdown for a lot of the security works. It is possible, and indeed there is a precedent for us actually having drawn down on that fund for committee support in recent years.

We do not actually believe that is a sustainable model to support the committees, so we are having ongoing discussions, particularly with the Leader of the Government in the upper house. No doubt those discussions might extend to the Treasurer if it is necessary, if we have found that we do need extra resourcing. We are confident we can support our committees, though.

Dr CARLING-JENKINS — Excellent. Thanks.

Ms WARD — I am interested in the secure documents project. As part of last year's hearing I understand that the former committee received an update on the secure documents project. Can you please give the committee today a further update on the expected date of the full implementation and whether this delay has had an effect on the expected overall cost of the project?

Mr ATKINSON — This is an interesting project, because obviously what we want to do is allow members to access submissions, papers, documentation and so forth online, which represents a cost saving in terms of the distribution of materials, but it is also a more efficient way of delivering them. Clearly what we needed to do was to make sure that we had a platform that was secure, that the integrity of that documentation was secure, because obviously in many cases you are dealing with documents that have a confidentiality issue — if not an ongoing confidentiality issue, then certainly in a time frame it is important that they not be prereleased or suchlike.

In terms of costs, the total cost of the secure documents project is \$199 926. That is ex-GST, I am advised. The final payment for that contract has not been settled at this point. That will be a payment of \$30 916.50. In other words, that project is now well advanced in both monetary terms and in deliverables. We do expect that that will provide the committees with, as I said, a secure platform and create some efficiencies for committees in terms of access to documentation.

Mr MORRIS — Gentlemen, budget paper 5, page 139 — I will explain; you do not need to go to it. The capital asset charge had basically been sitting at 2.3 million from 2013–14 through but in the budget for 15–16 jumps to 3 million. I am just wondering what the cause for that is.

Mr ATKINSON — Principally that was the revaluation of Parliament House. That is a periodic assessment that is done by actuaries. In fact that process has actually been particularly important to the Parliament in the sense that under accounting standards the government has for a number of years now calculated depreciation based on that valuation. That depreciation has really enabled us to do much of the capital works around the Parliament. So the figure that you cite is essentially the revaluation of the Parliament precinct.

Ms SHING — I am asking this question on behalf of Ms Pennicuik this afternoon, who is unable to attend the committee, so if you can imagine that I am in fact not asking for myself, and it will become evident when I get to the subject matter of the question itself. Ms Pennicuik is keen to know whether there will be facility made or whether there are plans for undercover parking for bicycles in Parliament House.

Mr ATKINSON — Yes.

Ms SHING — Do you have any guidance in relation to when that might occur and what the capacity of that parking might be?

Mr ATKINSON — At this stage we would have undercover parking for around five bicycles, which is what we had previously, prior to the works that have been undertaken. I would expect that they will be available by the end of June.

Ms SHING — Thank you, President. I look forward to not availing myself of them but rather looking forward to Ms Pennicuik being able to do that.

Mr DIMOPOULOS — To both the Presiding Officers, we hear rumours about the salubrious offices colloquially called ‘the chook house’ and the future of them over the next 6 or 12 months in terms of providing accommodation for all members in this building rather than in the chook house. Did you refer to that, President? I cannot remember if you referred to that at the beginning of your comments. Can you clarify the rumours?

Mr ATKINSON — I never deal in rumours, and I have not referred to that today in terms of the presentation. It would be true to say that the Presiding Officers and management are looking at office accommodation and how we resource our members generally with their office space. I guess there are a number of issues that we are taking into account in that respect, including even security aspects of this building. We have actually established a security board, and we have been looking at the separation of public/private areas within the building. Obviously the office accommodation provision comes into that.

This is a wonderful building. I often think it is a bit like an old aunt who needs a lot of love and care, but it is a wonderful building. Obviously with technology and so forth today we need to be mindful of the needs of members, and we are certainly addressing those things. The answer to your question would really be that I am not aware of rumours, but we are sort of looking at options, and we will discuss in due course those options with the government and consider it within our capabilities in terms of budget provision as well.

I might just finish by saying that we have actually done an incredible amount of work in terms of the capital works around this building. Some of it is obvious, which includes the security works and the stonework and so forth. But some of it is not so obvious, which includes relocating the sewerage mains and so forth from years ago. Members who have been in the building for a long while will appreciate that particular move. And indeed cabling. The place was extraordinary in terms of the number of wires that nobody knew where they went, so there has been a whole recabling exercise as well in the building. A lot of things have been done in the past four years. I think it is quite remarkable, and we have certainly been able to utilise very effectively the depreciation funds that we have had.

Mr DIMOPOULOS — Thank you, President.

The CHAIR — There are no further questions. Again, I would like to thank the witnesses for their attendance today.

Committee adjourned.