

VERIFIED VERSION

PUBLIC ACCOUNTS AND ESTIMATES COMMITTEE

Inquiry into budget estimates 2013–14

Melbourne — 13 May 2013

Members

Mr N. Angus
Ms J. Hennessy
Mr D. Morris
Mr D. O'Brien

Mr C. Ondarchie
Mr M. Pakula
Mr R. Scott

Chair: Mr D. Morris
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 P. Lochert, Secretary, Department of Parliamentary Services,
Mr R. Purdey, Clerk of the Legislative Assembly, and
Mr W. Tunnecliffe, Clerk of the Legislative Council.

The CHAIR — I declare open the Public Accounts and Estimates Committee hearing on the 2013–14 budget estimates for 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. Those members of Parliament, departmental officers, the public and the media present in the gallery are also welcome.

In accordance with the guidelines for public hearings, I remind members of the 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 or their staff, can approach the table during the hearing to provide information to the Presiding Officers by leave of myself. Written communication to witnesses can only be provided via officers of the PAEC secretariat.

Members of the media are 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. Cameras must remain focused only on the person speaking, and panning of the public gallery, committee members and witnesses is strictly prohibited. Filming and recording must cease immediately upon the completion of this hearing.

As I did on Friday, I am very pleased to confirm that these hearings are being webcast live on the Parliament's website, and I thank the Presiding Officers for their assistance in making the webcast possible.

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. Comments made outside the precincts of the hearing are not protected by parliamentary privilege. I also note the findings of the Standing Orders Committee of the Legislative Assembly in December 2012, which confirmed that any comments made on social media are not covered 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 for fact verification 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 this inquiry. Generally, the procedure followed will be that relating to questions in the Legislative Assembly. I now ask that all mobile telephones be turned off or to silent. I ask 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 parliamentary departments.

Mr ATKINSON — Thank you, Mr Chairman. It is a pleasure to come here today on our second visit to PAEC to discuss some of the activities of the Parliament and to indicate our financial position.

Mr PAKULA — Third.

Ms HENNESSY — Third visit — —

Mr ATKINSON — Third, is it?

Ms HENNESSY — Yes.

Mr PAKULA — Time flies.

Ms HENNESSY — We are very unforgettable.

Mr ATKINSON — I was spaced out for one of them; I do not remember one of them.

Ms HENNESSY — Half your luck.

Mr ATKINSON — At any rate, we will run quickly through the presentation.

Overheads shown.

Mr ATKINSON — As members of PAEC would know, in fact the Parliament has four areas of appropriation: the two houses — the Legislative Council and the Legislative Assembly — as well as the parliamentary investigatory committees and the Department of Parliamentary Services. As I have indicated last year, much of the budget for Parliamentary Services is tied up with direct support of members and members' entitlements, and in fact around 70 per cent — between 70 and 75 per cent of DPS's budget is actually tied into member support services. So when it comes to areas such as budget cuts, we actually have some difficulty in dealing with those.

On the 2012–13 income you will see that on the third column from the right there is a figure at the bottom there of \$4.617 million of expected carryover, and that figure is substantially a figure generated by members not spending their electorate and communications allowance. That is actually giving us a real problem, because at the Department of Treasury and Finance they are actually taking a view that the Parliament is generating a significant surplus every year and there is not a recognition that in fact it is money that the Parliament does not control because it is members budgets and it is a rollover amount. So that is actually giving us a real problem in terms of the perception of some of the people in the various departments, and particularly Treasury and Finance.

We can take some questions on the money if members wish to explore those areas. But we do have a breakdown on the output of the budget. As you can see, DPS is about 86 per cent of the budget, but as I have indicated, most of that budget is actually directed at members services, including electorate officers and IT support and the payment of energy and so forth. It is a significant sum. PAEC would be aware that members' salaries are actually paid direct from the government; they do not come through DPS, but electorate office salaries do.

Moving to the breakdown, on the next page, we have indicated also that capital costs and depreciation are also a significant part of the budget, along with keeping up the building here, the precinct, looking after that. You would be aware of the continuing work of a capital nature in the building. And one of the things that I would say has been a significant change from last year and a very welcome change — and I know members of PAEC were interested in this last year — is that the government has agreed to provide us with some certainty in terms of capital funding by establishing a depreciation fund consistent with accounting practice, standard accounting practice.

We have had a revaluation of our building to around, a house valuation — —

Mr LOCHERT — With assets it is \$408 million.

Mr ATKINSON — of \$408 million, including the assets of the Parliament. That was a revaluation that was done. The depreciation that generates is around \$8 million per year.

The government has agreed that that money will be provided to the Parliament for capital works. We believe, for the most part now, we will be able to undertake our capital works program using that money and not having to go back to prior years surpluses, as we have always had to do. I think that is a very significant change.

In terms of parliamentary appropriations for next year, we have an increase in our funds: the government provides 2.5 per cent increase for the Parliament's activities. Also this slide reflects the depreciation amount. That inflates the increase to Parliament in resources somewhat, but it is, as I said, about \$8 million in depreciation, which is a significant advantage to the Parliament.

We are facing a lot of pressures. Fortunately this year we will not have to make any significant cuts as we did last year after the government asked us to reduce our budget by \$4 million. We will have some additional pressures: in fact, with the government efficiency dividend as well as a continuation from the \$4 million cuts last year, we need to reduce our budget by \$300 000. To a large extent that cost will be offset by the fact that we will not have the regional sittings this year, which were an expense to the Parliament last year.

We are undertaking some reviews in a number of departments; they are not necessarily about cost cutting. Obviously we are looking for efficiency across the services of Parliament, but we are also looking at what the

current needs and expectations of members of Parliament are and how we can align our services to those needs and expectations. As members would be aware, we have already tackled the dining room and, I think, achieved significant improvement in terms of the function of the dining room. I might say that the dining room subsidy that is provided here in Victoria is significantly lower than any of the other parliamentary dining rooms around Australia. What we are doing is trying to see that the building is also used for other functions and to get more people in, firstly, so that they get to experience this great building that we have here and, secondly, so that we get some more efficiency and are able to amortise some of the costs against more functions.

The other areas where we are doing some reviews at the moment are IT and the library. At a subsequent stage, we will also go into Hansard. There are a number of ongoing reviews, though — obviously security has been an area that we have been looking at very carefully, partly because of a couple of incidents that have occurred through the year that members of PAEC would be aware of. For the most part, the responsibility for changes to our security practices relies substantially on the police and their experience, but nonetheless we have certainly had an input and a review of the security of the building.

We have a number of pressures coming up in the year ahead. As I said, the general efficiency dividend is expecting us to shave \$200 000 off our budget this year. We can manage that this year, but we are concerned about the escalation going forward of that efficiency dividend, and in fact, three years down the track from the financial year we are dealing with in 2013–14 we would be looking at over \$2 million on that efficiency dividend. It is actually pretty hard for us to tackle that sort of cost cutting within our organisation because the Parliament runs a pretty lean administration and the services that we provide to members and more extensively to constituents of those members are difficult to cut into.

Obviously members budgets, whilst there is a surplus generated each year by members underspending — and I think that is mostly because members are fairly prudent in the way they approach the management of their budgets — are not available to the Parliament itself to use. Areas such as electorate offices are facing significant increases in rental levels and energy prices are going up; the Parliament is responsible for those but has no control over these areas. We have an EBA at the moment for electorate officers that is close to being concluded and that also has significant cost implications for the Parliament, on top of an EBA that has already gone through for the Parliament's own staff.

I think I have probably used up my 10 minutes, so perhaps I will leave it at that. Members have the PowerPoint presentation that we have prepared and have no doubt familiarised themselves with that. The one thing I would say in terms of capital activity is that we are continuing the stone restoration process, as you would know. I think members would appreciate that there has been significant progress on that, and at this stage we expect the front steps to be completed by December of this year, which is I think a fairly good timetable for a project of that scale. Certainly that will address a number of issues that we had in terms of the integrity of the building and so forth. So it is an important project and we have been able to complete it within our capital budget this year and flowing over to the next financial year.

The CHAIR — We have approximately 1 hour and 15 minutes available for questions. Following on from your closing comments, I might open the batting. Can I make the point that we do not in fact have the presentation in front of us.

Mr ATKINSON — You don't?

The CHAIR — We have not received it. I understand some wires were crossed somewhere along the way so we may have to flip backwards and forwards, but we do not in fact have a copy with us. Gentlemen, the presentation referred to the revaluation of Parliament House and the associated depreciation benefit. I wonder if you can advise the committee of any significant asset investments that may be occurring in the coming financial year, obviously including refurbishment works and other associated works that are to be undertaken.

Mr ATKINSON — Chair, I was trying to make sure you can get a copy of that presentation straightaway. Can you give me the nub of that question again?

The CHAIR — I am interested to tease out the significant asset investment and refurbishment works that will be undertaken in the next financial year.

Mr ATKINSON — We are undertaking significant works and I will outline some of the key things we are doing. We now are up to one of the key stages of the stone restoration. We have been doing the stone restoration in bite-size chunks, which is not just about the financial capacity of the Parliament to do the work, but it is also about the skills that the contractor has to complete the work. As members would be aware, we actually have had apprentices trained to do some of the work associated with that stonework because those skills simply were not available previously in Victoria, so there has been an actual capability by the builder or contractor to undertake that work in the various stages. Essentially we have spent about \$4 million a year on stone restoration works. That goes up a little bit or whatever, but it is in that ballpark figure which is about a bite-size project for that work.

The front steps are obviously the major capital work we are doing apart from that, and that work was — —

Mr LOCHERT — It cost \$5.6 million.

Mr ATKINSON — That work was \$5.6 million. As I said, that will be completed within a 12-month period and that has been a significant project in terms of lifting the steps, making sure the concrete base was right and doing some work there, putting in membranes that will prevent the water from seeping through in the future and replacing the steps. I think there were about three layers in the membrane process.

Mr SMITH — There were five layers.

Mr ATKINSON — Five layers are involved in the membrane infrastructure for the steps, and the steps themselves are also being treated in some cases where they have cracks with processes to ensure again that they are more resistant to water seepage. The steps have been replaced, but the technology being used has meant we have not had as many broken steps as we anticipated. That has helped us to accelerate the work a little bit more, and it also gives us a bit more confidence in terms of the look of those steps — that is, the fact that they will be replaced and will be very much in keeping with the building that we know and cherish.

We are also doing some work on wire infrastructure, the wiring and so forth. In fact we have got some of the wiring here.

Mr LOCHERT — Committee members can pass it around.

Mr ATKINSON — You can see that it certainly has seen better days. You will see the rust.

Ms HENNESSY — What am I looking for here, Mr President?

Mr ATKINSON — The bits that are not red are the frayed bits.

Mr PAKULA — This is not the stuff they have been pinching from Metro?

Mr ATKINSON — No, that has not come out of the train system.

The CHAIR — The wire is a bit tired.

Mr ATKINSON — The upgrade of our air conditioning and as I said areas such as the wiring throughout the building has been an ongoing project.

Ms HENNESSY — There are the switchboards.

Mr ATKINSON — There are also the telephony switchboards and so forth. It has been an ongoing project, but it is a really important one. It has been important in terms of militating against any fire incidents, as well as the improved services throughout the building.

We also spent some money in terms of consolidating our usage of the offices at 55 St Andrews Place to ensure that we are more efficient in our use of that space, and we have spent some money in some of the offices in this building as well. Certainly we have a program going forward once the steps are completed to look at how we might refresh some of those offices downstairs to ensure they provide better amenities to members who presumably will return to those offices.

The CHAIR — Thank you, Mr President.

Mr PAKULA — I do not mind whether the Speaker or the President deals with this next matter, but in the last year we have had three incidents, any one of which on its own would have been fairly concerning. We had the Nazi graffiti attack, protesters up on the roof, and obviously the tragic assault on the PSO. In those circumstances I am curious about what steps you are taking to improve security around the parliamentary precinct so that we might avoid those in the future.

Mr ATKINSON — Security is one of the things we have as a real priority going forward this year. We shared your concern on each of those incidents, Mr Pakula, and the Speaker and I met with police and PSOs after each of those incidents to review them. I might say that the officer is recovering very well and is expected to return to work probably within two months.

Mr SMITH — It will be within 2 to 3 months.

Mr ATKINSON — He will return within 2 to 3 months. I have seen him in recent weeks, and he is doing very well. We are relieved about that because it was an issue that really concerned us. Police have established a change in some of their rostering and have ensured that PSOs now always patrol the grounds of the building in pairs to ensure there is greater safety for them and that they are able to deal with incidents.

We have looked at securing the gate on the northern side of Parliament and have been looking at some changes going forward to reinforce the control of people coming through that gate, because to some extent that is, if you like, a blind spot for the Parliament.

Mr SMITH — There is surveillance.

Mr ATKINSON — We have upgraded some of our video surveillance, and going forward we are looking at whether or not there are other opportunities in respect of that video surveillance for the building. The Speaker and I receive an incident report every month. Some of the things that are in that are interesting, including people bringing in all sorts of gadgets — hammers, knives and all sorts of things — into the Parliament that obviously are not permitted to come in. There are a range of other incidents that occur. But the three that you refer to, Mr Pakula, were the most serious. As I said, each one of those results in a review by the Speaker, me and the senior staff to ensure that we are protecting the people in the building and the building itself and trying to mitigate against any future incidents.

Mr PAKULA — As a follow-up, that reference to hammers and knives being brought in, that is the first I have heard of that. Are you talking about things that are detected at the metal detectors and then confiscated?

Mr ATKINSON — Yes.

Mr PAKULA — Not things that get through?

Mr ATKINSON — No, these are things that are detected.

Mr PAKULA — Right.

Mr ANGUS — Gentlemen, my question is in relation to the area of so-called social media. The *Parliament of Victoria Strategic Directions 2010–14* report included an objective of, and I quote, ‘developing and implementing a community engagement strategy’. The Legislative Assembly’s annual report for 2011–12 touches on communication, community engagement and education strategy including the use of Twitter, Facebook and videos posted on YouTube. The report goes on and refers to the use of consultants to assist in designing the system, training staff and so on. Gentlemen, can you advise the committee what the response to those initiatives has been in the community and the cost of setting up those systems, including the cost of consultants?

Mr SMITH — As you can understand, it is important from our point of view as a Parliament to make sure that people are aware of what the Parliament is up to. We have set up our own Twitter account to let people know exactly where the process of the Parliament is at that particular time. ‘It is question time’ — they do not go into the nuances of what questions have been asked and what answers have been given, but there may be a second reading about to start, there may be debate continuing on such and such a debate. We think that has been extremely handy. There have been fair amounts of positive responses from people regarding that. I am sure the President’s department has similar information as well. I understand what is happening from our side of it.

Education-wise, we are certainly doing a lot as far as the tours in the building. We now have not just education tours but we have architectural tours, which is a good thing to explain a little bit about the history of the Parliament and what each of the rooms were and are and where debates are carried out. That is for a different lot of people, not just for the tourists that come in. They come in specially to get this architectural tour.

Our school tours are still very popular, and schools book in 12 months ahead. As members of the committee and members of Parliament, you probably get advised by our staff down here when you have schools booked in. It is quite amazing how far out the schools book. Depending on the size of the school and the size of the group, they actually play-act out a Parliament. They select a Premier and they select an opposition leader and they have some smaller debates within the chamber to get the feeling of the chamber just to give the kids some sort of an understanding about how the Parliament works and the responsibilities of different people within that parliamentary area. That side of it is good.

We also do tours to different areas of Victoria, looking at going into the schools. They might go out to Ballarat but they will do a number of schools around Ballarat and they give the kids a complete run through about it. We also have the education videos that go out to the schools and to libraries and are in fact available online for schools or people who just want to know a bit more about how the Parliament works — who makes the laws and all that sort of thing. They are very interested in the videos. You can learn an awful lot from there: how parliamentary committees work, how PAEC works and who the members of the individual committees are. Of course you would all be interested in that. There is a lot going into what we are doing with people who want to know a bit more about the Parliament and who come and visit the Parliament.

Mr ATKINSON — The social media is something that we would be keen to develop further, but there are budget constraints in that IT area. In fact one of the things about the IT review is to look at some of these new opportunities to engage with the community. That is part of what that review is about. But there is obviously a significant cost and some disciplines that are required with social media that extend beyond what we are perhaps traditionally used to managing. These are areas we are looking at. In IT there are a number of things that we would like to do. We have had the opportunity of broadcasting these hearings because we do have some money in our budget this year. But as PAEC would be aware, we had some constraints in terms of being able to offer a broadcast service to other committees at other times because of budget constraints. That is an area. Certainly the development of social media and the other areas of engagement with the community are, as I said, part of that IT review. As I indicated earlier, it is not just about costcutting, it is about how we provide our services and whether or not we are meeting needs and expectations of people now.

Mr ANGUS — I have just a brief supplementary question. Mr Speaker, in relation to the Twitter side of things: how many followers does that account you mentioned have? Is it widely followed?

Mr SMITH — I am not sure. Do we have any indication?

Mr PURDY — Twelve hundred for our main website, and there is about 350 for the committee one.

Mr ATKINSON — It is probably members of Parliament and their advisers.

Mr SCOTT — I had a look in the budget papers and I could not find reference to the parliamentary budget office. I also checked the Strategic Priorities for 2013–14 slide and could not find any reference there. The current government, when in opposition, promised the establishment of a parliamentary budget office. Obviously that would have to be auspiced through the Parliament, as it is parliamentary budget office and that is the model in other jurisdictions. Can either of the Presiding Officers advise the committee of any progress towards that government commitment that you know of or is planned for 2013–14?

Mr ATKINSON — It is interesting. This goes to one of the questions that we have in terms of our relationship with government and government commitments in some areas that do not necessarily suit the Parliament's operation, which is quite different to a government department or government agency. When it comes to accountability and our finances, we are obviously front and centre. We have no problem in terms of exposing our forward plans and our budget forecasts and obviously being accountable for the way in which we actually meet those targets. However, when it comes to some of the initiatives that the government makes, which are obviously very relevant and important in a major government department or agency, they are not necessarily as effective in a Parliament sense. I guess this concept is one that we will be discussing further with the new Treasurer, in particular.

I might say that one of the concerns that we have even with the PAEC questionnaire that we receive is that it has a lot of questions in it that really do not measure up with the way Parliament operates. We have the same issue when we get Department of Treasury and Finance questionnaires and requests. They are obviously one size fits all, they are very relevant to the Department of Education or the Department of Health or the EPA or such like but they are not as relevant to the Parliament's operations.

So we have some areas of discussion that we need to have with the Treasurer on some of these areas, and that concept of the budget office is one that we probably need to be discussing further. On your alert today we will certainly put it on the agenda for discussions, going forward.

Mr SMITH — We are not a department of the government. We are the Parliament.

Mr SCOTT — But there has been no funding allocated or provision from either the executive government or within Parliament at this point for the establishment of the office, just to clarify?

Mr ATKINSON — That is correct.

Mr O'BRIEN — Thank you, President and Speaker and the other officers. I was just wondering in relation to the carryover of the DPS appropriation, and I think you touched upon the causes — perhaps members are prudent in some of our budgeting — but what I was wanting to know, if you could advise the committee, is to what purpose that carryover gets applied this year for the 2013 budget? I note it is mentioned on page 162 of budget paper 5.

Mr ATKINSON — There are two aspects to surpluses that are generated, if you like, from the Parliament. The first one is from MPs' budgets. As you rightly said, Mr O'Brien, some members are quite prudent in the way they allocate the funds that are available to them in their electorate and communications budget, and as a result they have a surplus at the end of the year. They are entitled to take up to 50 per cent of that as a carryover into the following year, and it is added to their budget for the next year.

Some members obviously plan for mail-outs or communication with their electorate on particular initiatives, so sometimes they will actually be looking to carry over a certain amount to fund those activities in the following year. As I said, that does give us some problems because at the moment we have a projected surplus this year on MPs' budgets of anything up to \$6 million, and our problem is that DTF will sit over there in their offices and look at that and say, 'Gee, the Parliament has generated a terrific surplus this year; we can squeeze them a little bit more'.

Mr PAKULA — Are you telling us to spend?

Mr ATKINSON — That would be one solution to the problem. The other solution is to get DTF to better understand the operations of the Parliament. The other aspect of the surplus is the surplus that is outside the MPs' surplus. That is considerably smaller, and particularly this year we have been pretty lean in both of the departments and across DPS. That surplus goes back to a fund which is now getting close to \$40 million. There are two components to that fund but added together it is close to \$40 million. It is called prior year surplus. Parliament does have access to that for capital works or projects that are not of an ongoing nature, that do not have a continuing operational costing, and we have in the past particularly had access to that prior year surplus fund to assist in our capital works program.

As I said, our capital works we can probably manage now from depreciation, but there will be some other projects for which we will no doubt seek access to that prior year surplus fund. Some of them might well be in the communications area — that engagement with people, publications and such like of the Parliament — and some of it in the past we have used to support the Legislative Council committees, for instance. So there is an opportunity for us to go back to that. In fact if the EBA is concluded by the end of June — that is, this financial year — we have been given access to that prior year surplus fund to provide a part of the commitment that we have in that EBA, which is \$1000 to staff members on the basis of the protracted nature of the EBA when it is concluded and when we have been able to strike the new deal, and that is consistent with the deal that the government did with government employees.

Mr O'BRIEN — I do not want you to necessarily comment on EBA negotiations as they are proceeding, but just in relation to that \$6 million surplus for the budgets, \$3 million of that in a sense would be — if half of it is potentially usable by the electorate officers next year, that is sort of an unfunded liability, potentially?

Mr ATKINSON — Correct.

Mr O'BRIEN — Does the other \$3 million go into that fund or is it just not spent?

Mr SMITH — It is not just three and three.

Mr O'BRIEN — I know — whatever.

Mr SMITH — I think last year what was saved from members' budgets was about \$4.1 million. Members are entitled, as the President said, to get half of their basic electoral allowance back. That does not necessarily mean it is half of 4.16 million. It might in fact be that all of that 4.16 million will go back to the members in this year's budget, but that is something that we also have to get approval from the Treasurer for to allow that to go back. It may well be that it will just be cut off. There will be other smaller amounts. I think the Legislative Assembly had some savings and I think the Legislative Council did. Indeed PS had. We are talking minor savings; it might only be \$1 million or \$2 million, something like that. The bulk of it is made up of surplus from the members' budgets.

Ms HENNESSY — President and Speaker, I wanted to ask a question about pest control in the Parliament building. There are a lot of jokes that one can make around rats in politics and things like that, but this is a serious question because we have a serious rat and mice problem in the parliamentary building. I would also like to express our appreciation to the staff of the Parliament who are regularly coming and laying rat trap glue boards and cleaning up droppings and the like. What sort of pest control strategy can you put in place, or do you see this abating? Is it a product of the works being done on the steps, particularly around the food control areas. I have certainly seen wheat bags that Hansard reporters use that are chewed through after they have been left there overnight. It is a constant and ongoing problem, and I was wondering what, if anything, can be done.

Mr ATKINSON — I think you are absolutely right, Ms Hennessy, in indicating that we have disturbed some of our rodent population with the various works around the building.

Ms HENNESSY — And the animals.

Mr ATKINSON — Obviously everywhere there are rats and mice. In our own homes I am sure we have all got little colonies somewhere. But the fact is that the steps work in particular has disturbed the rodent population and has made them more evident to us in terms of where they are around the building. We have been doing some work, as you have indicated, in terms of trying to deal with that problem, and I think we will eventually get on top of it, but initially there is a situation where it takes a little time to knock them off. They breed fairly quickly, as you know, so it takes a little time to get on top of those sorts of issues. We certainly take advice from pest control companies and so forth as well, and we are trying to eradicate that problem.

Mr ONDARCHIE — Thank you, Speaker and President. I noted your comments about the rising energy costs across the offices of the Parliament and electorate offices. No doubt a lot of that would have to do with the carbon tax the Prime Minister introduced — despite her saying there would be no carbon tax under any government she led — that is now affecting all elements of society, including the costs associated with the Parliament. I want to talk about efficiencies and the efficiency measures you have taken around St Andrews Place. I know there has been some movement of areas within St Andrews Place to utilise space more efficiently. I am wondering if there is any more of that to happen and also if there are any costs associated with the new arrangements where there is vacant floor space that maybe let out.

Mr ATKINSON — In terms of the energy costs there has been a significant increase. Maybe the carbon tax has been part of the contribution but I think there are other factors involved in those energy increases as well that we are dealing with, and of course we are dealing with them in the same way that everybody else is.

In terms of 55 St Andrews Place, yes we have been moving to try and be more efficient in our utilisation of space there and also to really try and get the correct adjacencies of departments so that people can work together

more effectively and more efficiently — the people who need to be in contact with one another. We are trying to get them on the same floor levels and so forth so that they can interact as they need to in their work.

For the additional space that is there, we are looking at a number of opportunities going forward. I guess we need to be considering what we will do with that space; we are paying rent on it. Having consolidated, yes, we have generated some vacant space and we need to be thinking about how we use that space more effectively. What we have done in terms of not seeing that building in isolation — that building is part of the parliamentary precinct — is relocate quite a few staff from this place, this building, over to 55 St Andrews Place and that has been part of the works that we have done over there as well. For instance, a lot of the library staff are now located over there rather than in boxes and cupboards downstairs; almost literally. There are a lot of little cubbyholes that they were previously occupying and we now have them in what is a much more amenable workspace. That has also helped us to open up this building a bit more.

Going forward, we are working on some plans as to what we should be doing in terms of members' offices, because again not all of the offices in this place are effective as workplace spaces.

Mr PAKULA — Habitable.

Mr ATKINSON — I guess you could say that some of them are not really habitable. That is very much on our radar at the moment as to what we do in terms of trying to provide members with better offices and trying to provide staff with better offices. I am not talking lavish here: I am simply talking about effective working spaces that you would expect in this day and age. This building has its constraints. We love it. It is a historical building, but as workplace it is a mess, so we have really been addressing that. We are working actively at the moment on some of our plans for both staffing and member office accommodation, and the extra space we have at 55 St Andrews Place is very much front and centre in terms of some of that thinking.

Mr SMITH — When this building was originally built there was no office space for members of Parliament — they came and they went. It is hard to imagine now that we have fitted nearly 100 members of Parliament into this actual building, and there are some in the temporary office out there. We would like everybody to be in the Parliament in an office that is at least reasonable.

Certainly some offices now, as the President mentioned, are not really that good. Having been here for as long as I have, shifting around from office to office and seeing some of the not so salubrious offices that there are, I can say to you that we have a feeling that we would like to get members into something a little better than what they are in now. We have a master plan that we are looking at at all times to see whether it can be updated. Certainly one of the main things we want to do is to get rid of the chook house out the back and get members in-house. To me, members are the ones who have got to be at least housed properly here, plus the staff. We are here for something like 50 or maybe 60 days a year while the staff are here 365 days a year. They should not have to work in substandard areas either. So it is a matter of just making sure that everybody is in adequate accommodation.

Mr PAKULA — President, I am interested in the evidence you gave during the presentation about the general efficiency dividends and the escalation of that to 2 million over the forward estimates. I noted also that you talked about another 200 000 or 300 000 you have to find this year. I am particularly interested in that from the perspective of committee funding, noting that you have now got two new committees — the oversight committee and the integrity committee. Are you absolutely confident that the funding that is available for those committees will allow them to do all of what you would consider to be their core functions — hold meetings, call witnesses, utilise the services of the secretariat and the like?

Mr ATKINSON — Mr Pakula, that is a good question, and I guess to some extent we at this stage are unable to forecast exactly what is going to be the activity of the two oversight committees, what level of work they will be doing and what sort of resourcing they will need to do that work as they would wish. We are obviously in a position where the government has merged four committees into two, which means that at the end of the day we will actually have the same number of committees going forward as we have had in the past couple of years, but the nature of those two committees is quite different to the joint parliamentary committees. We are conscious that they will need resourcing at an adequate level, but it will depend on them determining the sort of function they plan to undertake and for us then to meet the resourcing requirement.

We have been able to resource the Family and Community Development Committee, which has held a significant inquiry this year, as you are aware. I might say that the resource requirements of that committee were augmented by the Premier's office, from the government itself, but the Parliament has stepped in and provided additional funds to that committee so that it is able to undertake a proper inquiry in an area that is obviously very sensitive. I think they have been very happy with the support that they have had.

I might say too that the chairs of all of the joint parliamentary committees this year have been terrific, as have their EOs, in terms of the way they have approached what have been fairly tight budget constraints. All of them have done a terrific job in terms of keeping a lid on costs, and we have appreciated that. We have actually had little bit more money allocated to committees in the budget this year — \$518 000. As part of our allocations we have had \$150 000 provided to the six Legislative Council committees. We have had \$150 000 allocated for the oversight committees, as well as a bit of an increase in terms of committee budgets overall. So yes, we are quite confident that at this stage we have sufficient funding to resource those committees, and we will work closely with the new chairmen to make sure that their needs are met. If there is a shortfall in terms of the resources for them, then that is something that we will address with the government.

Mr SMITH — Something that the President and I do before we actually set the budgets is sit down with the chairmen of the committees and talk to them about what their expectations are and also with the clerks of the committees as well. We sit down with them individually, and I do not think that is something that has been done before. We are about to sit down with them again. Now that we know where the budget is, we can sit down and start to talk to them about what they are looking for for next year.

Mr PAKULA — Just that last bit there, Speaker, in terms of sitting down now that you have got the budget. Have those two new committees been in any way hanging back on their operations waiting for a new funding cycle? Do they have what they need to do what they need to do right now, or are they waiting?

Mr ATKINSON — Yes. If they wanted to meet tomorrow and establish something tomorrow, then we would fund them for that tomorrow. At this stage they have not come to us, but yes.

Mr SMITH — They have got offices.

Mr TUNNECLIFFE — They are operating.

Mr SMITH — Yes, they are operating as such with staff, the oversight committee. The IBAC committee is also trying to get itself up and going. For them it is an unknown thing. I understand they have been to some of the other committees interstate to try and establish what sort of work pattern there is in some of the interstate areas that are looking at that type of investigation.

Mr ATKINSON — We are actually hoping that they are not very busy, because if they are not very busy, it means that there are not the sorts of problems that have been evident in some other jurisdictions.

Mr O'BRIEN — I just need to correct the record; I am a member of the oversight committee. It has not actually been interstate but it is considering that. I would not want you to inadvertently put that information on the record. But it is, as the Clerk has indicated, operating, and it has had committee meetings.

Mr ANGUS — Gentlemen, the Department of Parliamentary Services report for 2011–12 referred to the issue of fatigue management as an area of concern by the parliamentary departments. Can the Presiding Officers please update the committee on strategies the Parliament following to manage fatigue during 2013–14 and beyond and any costs that will be incurred as part of these strategies?

Mr ATKINSON — This is an area that I have real concern with, because the Legislative Council has been the guilty party in terms of some late-night sittings. I have to say from my personal point of view that I think it is more good fortune than good management that we have not had somebody run into a lamppost or a tram stop on the way home or on the way in the next morning or even on the following weekend, when they are taking their kids to football practice or something, because fatigue is a real issue. I think that sittings that go well into the early hours of the morning are not good practice for the Parliament, either for members of Parliament or indeed for the staff of this Parliament.

We have looked at a strategy for fatigue management and it is an ongoing strategy. It is one of the risk areas that we have identified in the Parliament through our administration. We obviously try to mitigate some of the problems through rostering of staff — bringing them in at different times and allowing them to have a break — although that has been difficult, particularly with key staff when Parliament itself is sitting. We certainly ensure that, wherever possible, they go in taxis rather than drive and have taxis back in the morning because, as I said, we do not want them driving. My concern about fatigue is that it is not the immediate day after; it can sometimes affect you for several days after an event.

From that point of view, we have drafted some strategies and we are looking at how we can support staff where they are working the longer hours that are necessary.

Mr PAKULA — Just lock David Davis in his office — problem solved.

Mr ATKINSON — It really does come back to the Legislative Council determining that it does not sit for those extraordinary hours. It does have an opportunity to sit on Friday; it does have an opportunity to do some work on Thursdays to perhaps do some more work on some of the issues that have been teased out on a Tuesday night. Certainly, as I said, I have real concerns about those late-night sittings and I intend to have some further discussions with the leaders of the parties, particularly the Leader of the Government, in respect of those times.

It is interesting that we have both the Minister for Health and the minister responsible for WorkCover and the TAC in our house and they are sitting those late hours. I am not sure that they would tolerate those hours in other workplaces.

Ms HENNESSY — They've got a chauffeur.

Mr SMITH — Mr Pakula saw the light and came across to the dark side.

Members interjecting.

Mr ONDARCHIE — It only happens 51 days a year.

Mr SCOTT — The Presiding Officers have passed around some wire. With the indulgence of the Chair, I will return the favour and pass over a cap from the gift shop and I have here other items which I am happy to pass over as well.

Members interjecting.

Mr SCOTT — The reason I raise the issue — there are a number of items, including coloured pencils, a little notebook and a few other items — is that those items, as might be noted if you examine the labels on them, are made in China. I am wondering if there is any knowledge that the Presiding Officers or other staff here have of what proportion of items sold in the Parliament gift shop are made in Victoria or even within Australia.

Mr SMITH — We make every attempt to get things made in Australia but, as you can probably understand, a lot of this souvenir-type stuff is not made here. Whether you want to buy it or not, it is just not made in Australia. Certainly, the cap is good value for money, of course, and the drinking mugs. When we ordered these, and we went to a number of different suppliers looking for what we would be putting into the shop, what we asked for is what we have got. It was certainly on the basis that if we could get it made in Australia, it should be. From the Victoria perspective, no, Mr Scott, I have no understanding at all as to how much of it would be made in Australia or in Victoria.

Mr SCOTT — Just to clarify, then, that I understood correctly, where there is an Australian option available, that is what you go with?

Mr SMITH — We would most certainly look at everything we could that was Australian. I am one of those guys who walks around a supermarket and if an item is not made in Australia, I do not buy it. If it is something that comes from South Australia — or South America or something that comes from Peru, or wherever — —

Members interjecting.

Mr SMITH — What I am saying to you is that I have Australian products uppermost in my mind, but when you are looking at this sort of stuff, I can only say to you: make the most of it yourself, find out where you can buy any of this stuff that is ever made in Australia and we would be happy to look at the people who are making it. Thank you for these gifts. We very much appreciate them. We will put them back into the store and make a good profit on these!

Mr SCOTT — There was an indulgence for the previous question with a second follow-up. If I could just finish off the issue, to save us time later, if you could just explain the process by which the procurement was undertaken? You touched upon it, but if you could just give some further information?

Mr SMITH — On?

Mr SCOTT — How procurement is done for the gift shop. You touched upon it.

Mr SMITH — We contacted a number of organisations, including some that have already been supplying the Parliament with some of the gifts that we have had before. We got in touch with them and others that we were able to contact and we got them to come in and talk to us. We asked, ‘What goods have you got? Let’s have a look at them’, and one of the things we always asked them was, ‘What’s Australian made?’. I can say to you that some of the Australian-made goods, which were mainly leather goods, were extremely expensive. I am talking well over \$100 for different folders and that sort of thing made of leather — iPad covers made of leather and that sort of stuff. They were extremely expensive. If we had them sitting in the store, I doubt many people who come in to buy something would be looking at paying maybe \$150 or \$200 for a leather folder as such from a parliamentary department or parliamentary gift shop.

We looked at all of the goods that were available. We spoke further to the people. Then we spoke about how quickly these goods could be supplied, what quantities we had to order them in and all the normal things you would do in some sort of retail outlet. We were looking at getting the best variety of things that were available. There are still things to come; parliamentary ties are one of them. They may actually be made in Australia. I know that the scarves that are in there are made in Australia, both the alpaca scarves and also the woollen scarves. They are both Australian made; in fact they are Victorian made. They are things that we have looked at. The silver plates that are available are made in Victoria, so there are at least three things in there that I am aware of that are made that way. They are things that we are happy to stock, and they are not too expensive, because we had to look at what sort of market we were catering for. A lot of it is schoolkids, and consequently we have the pencils and that sort of stuff, and a lot of it are people who are visiting here, some from overseas, who may or may not buy a hat with the Parliament of Victoria on it.

We are looking at the moment and talking to people who may be travelling overseas, and any of you gentlemen — sorry, and woman; lady and gentlemen —

Ms HENNESSY — Don’t get nervous — woman!

Mr SMITH — may be travelling overseas. What we would like to suggest is that there are gifts here that have the parliamentary logo on them, just small gifts. These are small ones that you can give away, but there are certainly other things in there that you could take over and present to people overseas as gifts and a memento of having had visitors from Australia or from the Parliament of Victoria.

Mr O’BRIEN — Thank you for that answer. It may be that you have an Australian-made section of the gift shop set aside or consult Dick Smith or somebody. In relation to the interjection, I should note that some of our fine wool for Zegna suits comes from Dunkeld, et cetera.

I was going to ask you about the capital works. In the presentations we have had in the first two years we have received fairly sober assessments about the difficulties with the ongoing life and maintenance of the building, particularly a problem with sandstone that, if water gets into it, it can have an accelerating depreciation effect on the actual building, so you really need to have a stitch in time to save nine, which is very much what you were concerned to ensure that we did with some of the works on the steps. From hearing your assessment this morning, it sounded to me that you seem more comfortable with the allocations that have been made or the way that the works have been done to the right areas, particularly the roof and ceiling, to stop water penetration. Is that the position? Do you feel that the assessment has been made on the dangerous areas and that you have tackled those problems?

Mr SMITH — We do. In the presentation that I thought you had received but you now have in front of you, there are a number of photographs in there. When we do the stonework, it is also a matter of looking at other things like windows and some of the chimneys. Regarding the windows around Queen's Hall, on the south side they were in reasonable condition. On the north side some of them were actually falling apart. Because we were up there doing the work, we were made aware, when previously we had not been aware, that they were in such bad condition. In fact we had to get windows made up that we could put back in the same holes that had been left where the other ones had been taken out. They are things that are done as you go around.

Regarding the scoping of the works, at the moment we are working on section 6.1, which is where the crane is now. They will be doing around the refreshment rooms and down nearly as far as where the Premier's office is, doing right around that corner. That is why the crane actually got shifted to there. We are now getting architects coming in who are working on the next part of it. They are scoping out what has to be done — the standard of the stone, how porous it is, how bad it is, problems there may be inside the building — and then that will be the next part that will actually be quoted on. When it is quoted on it then goes out to quantity surveyors and so forth to get an understanding that the quote is in line with what we should be paying and that we are not getting ripped off. We have found that the guys who are doing the job here have been spot-on every time. I think we have occasionally let Hilton Barr loose on them, and he just makes sure that everything is under control from a price point of view. As you can understand, there are not a lot of people who are capable of carrying out that sort of work.

Regarding the stone, we have gone around quarries in different parts of Australia. In fact the stone has to come up to some standards, and there are guarantees out of any of the quarries that we take the stone from that it is up to a standard. The stone itself that gets delivered is taken and tested. In fact we have just had a lot through where there were 17 pieces that were taken away, and I think four of those pieces did not come up to standard. They are to be replaced. That is the way the work is actually done. That is the way it is priced. All of the works that are there now — all of that scaffolding and the crane being moved — are part of the price that is given for the next section of the works to be done. They are working their way around the Parliament, and what we have found to date is that now we can actually go around.

You will have seen in the corridor on the second floor that we had people in there last week. Unless you are in here during an off week you would never have known, but they have gone through and painted the walls and the ceilings. The paint was just peeling off the wall; you would not allow it to happen in your own house. We had to wait until that stonework was done and it was all sealed up properly to allow us then to go through and put the painters in and to bring it back to the standard that you would expect in a place like this.

Mr ATKINSON — I think last year what was of concern to us, and that concern was mirrored I think by PAEC, was the lack of assured funding for capital works. Last year we talked about the problem that if we did not get sufficient funds, the crane might have to move somewhere else and whether or not we could actually get it back on site to do the work. The government position — and we thank the Treasurer, Kim Wells at the time, for recognising that accounting standard that allowed us to have the depreciation — was a very significant decision. We appreciate what the government did there because it has provided us with assured funding so that we can plan projects properly, not just for this year but for the years beyond this year if they are major projects. That was a very significant decision. Yes, we are confident about the integrity of the building as we move around and do those works. In terms of the stonework — and you are quite right: sandstone can be porous — where we have got it exposed, it has been capped with copper and so forth. Where the roof or chimneys or suchlike are in a condition that create problems we are fixing those as we go, and the windows, as the Speaker said, so in fact we are confident that the funding is there, and we are now a lot more confident about the integrity of the building.

Ms HENNESSY — President or Speaker, if you could just take us through what our expenditure was on both gifts and entertainment in the last financial year and what you anticipate it to be, what you have budgeted for, this forthcoming financial year.

Mr ATKINSON — We will have to take that on notice. Can I indicate that we do not do a lot of entertaining. I guess what would come into that question from our point of view would be, certainly, the hosting of delegations. And we do have a number of international delegations and visits by consular officials and ambassadors and so forth and we have had a number of functions for different organisations at times, but they are all basically lunches or morning or afternoon teas, so it is not as if we are breaking out the champagne. We

will get you the figure — happy to provide that — but I can assure you that it is going to be relatively modest. It is not, as I said, something where we are having balls and great celebrations. The gifts, again — in fact in the last year the gifts would not be a significant expense because we have not had as many outward delegations that have required them and we had a pretty good store of gifts from the previous year where we sort of planned for those. Again, I do not think you will find that that is a very high figure either, but we are happy to provide it.

Mr SMITH — A lot of the overseas delegations that come here actually come to us through the federal Parliament. We might entertain them, we might put on a lunch or a dinner for them but that is all refunded to us by the federal Parliament.

Ms HENNESSY — Terrific. Just as a supplementary, in your presentation you refer to the revenue that you were going to generate through utilising the dining facilities in a more commercially savvy way. What amount of revenue do you think you will derive over the next financial year from that source?

Mr ATKINSON — It is difficult to estimate because, I guess, we are sort of moving into some new territory, but we certainly found that, after the changes we have made in the dining room, more government departments are actually booking space here and we are getting more corporate functions. I think for things like weddings and so forth, which there have been inquiries about in the past, we are probably a bit pricey compared to dedicated venues, but certainly because of the ambience of the building there is increased interest from corporate organisations. We have appointed a functions coordinator as part of the structure of that department and she is chasing more of those corporate events. In March — — can I be reminded of the figure for March?

Mr LOCHERT — I do not have it with me.

Mr ATKINSON — Is Mr Barr here? Can he remind me of the figure for March generated by the dining room? I am advised that it was about \$170 000 in March, which was actually a slight profit — a wafer-thin profit I might tell you. I think it was about \$700 profit or something — \$800 000 profit — —

Sorry, \$800. Correct, \$800 profit on \$170 000 of income. March was a much better month than we have had in others; a couple of events fell that way. But I would think that we would probably be hoping to have in the vicinity of at least \$100 000, \$120 000 a month going forward from events.

Mr PAKULA — Turnover wise?

Mr ATKINSON — Turnover wise.

Mr ONDARCHIE — I wonder if the Presiding Officers could confirm that the client satisfaction survey will again go ahead from the Department of Parliamentary Services in the next financial year, and whether members and the Presiding Officers will have an input into the construction of that survey.

Mr ATKINSON — The survey is something that we do each year, and so, yes, the survey will go out. In fact there is a draft of the questionnaire that is being done now and has crossed my desk in the last few days, so that will be going out. From our point of view, the expectations of members and the needs of members are something that we are looking at very carefully now, particularly in terms of our input to the master plan and the sort of works that we are doing. The advice that members might have is appreciated. If any members would like to have a look at the questionnaire prior to it actually going out, we are happy to expose that and have some more input on it, because, yes, it is a valuable document as far as we are concerned and we are keen to get input from members.

In fact I might say that on things like the IT review and the library review, we have actually gone out and sought input from members as part of those reviews with the consultants. We have identified members who perhaps are heavy users of those services or who have indicated a particular interest, or had some bad experiences perhaps in that service delivery. We have gone out of our way to try to identify those members and get their input in particular, as well as more broadly seeking opinions of all members of Parliament.

Mr PAKULA — Just a simple one, probably for the Speaker: can you advise the committee whether the member for Frankston, in his newfound guise as an Independent, receives any additional staffing, EO budget allocation or anything of the like now that he is an Independent rather than a member of a party?

Mr SMITH — Certainly not that I am aware of. We have certainly made nothing available to him above what any other member gets, no.

Mr ANGUS — I would like to return to the issue of the gift shop and note that it commenced operating earlier this year. I am wondering if the Presiding Officers can update the committee in relation to the estimated level of revenue for the forthcoming year and what were some of the costs and the quantum of those in terms of setting it up, and what do you see as the annual overhead costs for operating the shop.

Mr SMITH — I can give you some idea. The set-up cost, which is the cost of the fittings, the fixtures and getting the room up to where it was before we moved any stock into it, was about \$50 000. The initial outlay of stock that we got in was about \$40 000 of stock. We have staffing up to date — we have got a lady who works in there who is basically from the catering area. She was an additional staff member and she works from 10.00 a.m. until 4.30 in the afternoon, so there are no extra hours if Parliament is open later at night. It does not matter; she still knocks off on time. That is where we are at, at moment, from a cost point of view. Revenue: the income for the period from February to May was about \$5500. And we thank you too, Mr Scott, for your purchases.

Mr SCOTT — I note from the questionnaire — and I have got two issues; with the Chair's indulgence, rather than doing a supplementary, I will roll them together — relating to electorate office salaries or cost of salaries to the Parliament. One is that there was previous discussion around the EBA and particularly the tight date for settling the EBA. I would appreciate clarification relating to that, because from what I understood there was an amount of money that had been made available from Treasury and Finance that would potentially be lost to the Parliament if the EBA was not settled by 30 June. Is that correct? And if so, is there an expectation that we will be able to settle before 30 June?

Mr ATKINSON — There is a hope that we can settle by 30 June. We had agreement with the union and with the independent bargaining agents on an EBA going forward which did deliver some opportunities for us in terms of some efficiencies but also, I think, provided some greater flexibility to electorate officers in their duties, particularly the people who are employed casually. It was a very constructive process, I have got to say; I think everybody was terrific in terms of the way they approached those negotiations.

We then had to have the agreement considered by DTF; they have to run a ruler over it to make sure that we have not stepped outside any of the parameters that the government has set in terms of its negotiations with other agencies. There we have run into some trouble in the sense that the Department of Treasury and Finance has again approached the Parliament's position with the binoculars set on what a department or an agency might do. For instance, they have said to us that it is not acceptable in our agreement to have electorate office staff terminated when a member leaves the Parliament. They have said, 'What you need to do is what we do in the public service and redeploy them'. As you can imagine in an election, if there are a number of seats that are lost by one party, the new incoming member of another party is not really enthusiastic about having the staff that with there for the previous member, who are obviously dedicated to a different political party.

Mr PAKULA — I am sure we can find some staff for Liberal MPs if they would like us to.

The CHAIR — Very good staff for The Nationals MPs!

Mr ATKINSON — There just was not a recognition in terms of DTF process that the Parliament is a different sort of workplace. It functions differently and there are some different dynamics. We have been discussing with them that and a couple of other issues. There has been a recognition by them that perhaps at least some of those matters we can put aside. They are very concerned, but I must say we were also concerned in terms of our negotiations. We were also very mindful, as they are, of the attitudes of Fair Work Australia and whether or not the agreement would be ticked off by Fair Work Australia on the basis of some of the provisions.

As I said, we believe that this is a workplace and in the nature of this workplace the EBA we arrived at was totally defensible in terms of the Fair Work Australia assessment, and it was certainly acceptable and agreed by both the union representatives and, as I said, all of the independent bargaining agents. Both of those parties are very keen to have this finalised by 30 June, as is the Parliament.

The CHAIR — It is unusual, but I am going to allow Mr Pakula to ask a supplementary on this.

Mr PAKULA — I am just concerned by what you have said about Treasury and their role. We are talking about a department of the executive and the Parliament. On the face of it you would not imagine that Treasury ought to have anything to say about what the Parliament does. There are separation of powers issues here. When you say you had a deal and Treasury have come in and expressed concern, I do not know whether that is code for ‘knocked it off’. I suppose my question is: where does Treasury get off? What does it have to do with Treasury?

Mr ATKINSON — I guess Treasury has a responsibility to make sure that different agencies of the government in negotiating separate EBAs — for instance, the nurses were one negotiating exercise, the teachers were another and the police were another — I guess Treasury’s position is that they want to make sure that there are parameters for those discussions and different agencies do not go outside those parameters —

Mr PAKULA — But you are not an agency; you are the Parliament.

Mr ATKINSON — Yes, you are absolutely right. I think this is an area where the Parliament is a different workplace and we are consistently arguing with the bureaucracy that the Parliament is not a government agency; it functions differently. It has its own responsibilities and accountabilities but also its own powers to determine its activities. One of the initiatives that we are taking this year, Mr Pakula — the Speaker and I went to a presiding officers conference where we picked up from both the New South Wales Parliament and the New Zealand Parliament that they are running programs where they are actually bringing in senior public servants and also people from industry and the business sector. They are bringing them in to a seminar effectively to explain what Parliament is all about and to how the Parliament works.

One of the fascinating things is that you have people in the bureaucracy who are drafting legislation or who have an input into legislation that comes before the Parliament. They do all that work but they do not necessarily have any idea of what happens to it when it gets over here. They do not understand the processes by which that legislation is passed and the work that they have had as an input is actually considered by the Parliament.

We are now looking at a program — this is us being proactive — to bring them in and explain what the Parliament does, both chambers of the Parliament, the various responsibilities, why the Legislative Council goes into committee on some of these things and how that works, the work of the joint parliamentary committees themselves. We want to go through all of that so that they understand. An emphasis of that will be the separation of powers, as you have rightly highlighted.

I have to say that when we met with the new Treasurer, Mr O’Brien, to talk about some of the Parliament’s concerns and the opportunities that we saw, he immediately used those exact words. He said, ‘Look, there is a separation of powers and I see that the court system and the Parliament are different to other government agencies’. That was really heartening for us and something that we hope will filter down, particularly to the Department of Treasury and Finance and the discussions that we have with them.

We understand the reasons why they need to keep a tight rein. These are tough times; people are doing it tough out there. We also understand that the Parliament needs to set an example. We also need to tighten our belt and do the right thing and set an example. We understand all that. But when we look at things like the general efficiency dividend and particularly the projected cost of that going outward, we think that that is just not appropriate to the Parliament’s activities and does not appreciate the way the Parliament functions, the separation of powers itself as an issue and indeed the needs and expectations of members and our ability to resource those members in terms of doing their work and doing it properly.

The CHAIR — On that important note, we conclude the consideration of the budget estimates for the parliamentary departments. I thank the Presiding Officers, the clerks and the secretary of DPS for your attendance today. Where questions were taken on notice — and I think there was at least one — the committee will follow up with you in writing at a later date. The committee requests that written responses to that matter be provided within 21 days. This concludes the hearing.

Witnesses withdrew.