

GENERAL PURPOSE STANDING COMMITTEE No. 1

Thursday 4 September 2003

Examination of proposed expenditure for the portfolio area

THE LEGISLATURE

The Committee met at 5.30 p.m.

MEMBERS

Reverend The Hon. F. J. Nile (Chair)

The Hon. A. S. Burke
The Hon. D. T. Harwin
The Hon. P. T. Primrose

Ms L. Rhiannon
The Hon. J. F. Ryan
The Hon. H. S. Tsang

PRESENT

The Hon. Dr Meredith Burgmann, *President of the Legislative Council of New South Wales*

Mr J. Evans, *Clerk of the Parliaments*

Mr G. McGill, *Financial Controller*

Mr M. Wilkinson, *Clerk Assistant-Procedure and Administration*

Mr R. Walker, *Manager, Building Services*

Ms Y. Andrews, *Chief of Staff*

Mr D. Draper, *Manager, Food and Beverage*

Mr. A. Shariat, *Manager, Information Technology Services*

CORRECTIONS TO TRANSCRIPT OF COMMITTEE PROCEEDINGS

Corrections should be marked on a photocopy of the proof and forwarded by 30 September 2003 to:

**Budget Estimates
General Purpose Standing Committee Secretariat
Parliament House
Macquarie Street
SYDNEY NSW 2000**

CHAIR: I welcome you to this public hearing of General Purpose Standing Committee No. 1. First, I thank the President, the Hon. Dr Meredith Burgmann, and the departmental officers, particularly the Clerk, for attending today. At this meeting the Committee will examine the proposed expenditure for the portfolio area of the Legislature. Before questions commence, some procedural matters need to be dealt with. Mr McGill, did you receive a summons issued under my hand in accordance with the provisions of the Parliamentary Evidence Act 1901?

Mr McGill: I have.

CHAIR: The Committee has received correspondence from the Hon. John Della Bosca, Special Minister of State, correcting an answer given at the Committee's hearing at 8.00 p.m. on Monday 1 September. The letter states:

Dear Reverend Nile,

I have been advised by my Department of Commerce that I gave an incorrect response to a question put to me by the Hon. Michael Gallacher, MLC, of the General Purpose Standing Committee No 1, on 2 September 2003.

The question sought information regarding the costs incurred by the Department of Commerce for media monitoring services. In response I stated that media monitoring costs for the Office of Fair Trading for the financial year 2002-2003 were \$126,074. This figure is incorrect. Media monitoring costs for the Office of Fair Trading for this period were in fact \$63,037.

Because I was handed incorrectly calculated Departmental information, I therefore unwittingly provided your Committee with wrong information.

I apologise for any inconvenience that this has caused.

Yours sincerely,

John Della Bosca MLC

I propose to allocate approximately 20 minute segments to the Opposition, crossbench and Government members. For the benefit of the media, part 4 of the resolution referring the budget estimates to the Committee requires the Committee to hear evidence on the budget estimates in public. This Committee has resolved to authorise the media to broadcast sound and video excerpts of its public proceedings. Copies of the guidelines for broadcasting are available from the attendants.

I emphasise that only members of the Committee and witnesses before it may be filmed or recorded. People in the public gallery are not considered to be part of the proceedings and, therefore, should not be the primary focus of any filming or photographs. In reporting the proceedings of this Committee, as with the reporting of the proceedings of both Houses of Parliament, you must take responsibility for what you publish or what interpretation is placed on anything that is said before the Committee. I point out that in accordance with the Legislative Council's guidelines for broadcasting of proceedings, only members of the Committee and witnesses may be filmed or recorded. People in the public gallery should not be the primary focus of any filming or photos.

In reporting the proceedings of this Committee the media must take responsibility for what they publish or what interpretation they place on anything that is said before the Committee. There is no provision for members to refer directly to their own staff while at the table. Witnesses, members and their staff are advised that any messages should be delivered through the attendant on duty or the Committee clerks. For the benefit of members and Hansard, could departmental officers identify themselves by name, position and department or agency before answering any question referred to them? Where a member is seeking information in relation to a particular aspect of a program or sub-program, it would be helpful if the program or sub-program and/or the page number is identified. I declare the proposed expenditure open for examination. Madam President, do you wish to make a brief opening statement?

The PRESIDENT: No.

Ms LEE RHIANNON: How much of the budget is allocated for software? How much is allocated for the support and maintenance of that software? Of these two budget items, how much is allocated for open-source software?

The PRESIDENT: The manager has advised me that he does not have those precise details. However, we will take the question on notice.

Ms LEE RHIANNON: How much of that revenue goes to New South Wales; how much of the revenue stays in Australia; how much of the revenue goes to foreign companies; how much of the revenue goes to the foreign company Microsoft?

The PRESIDENT: We will take those questions on notice.

Ms LEE RHIANNON: Has the information technology [IT] department conducted any studies into expanding the deployment of open-source software in Parliament?

Mr SHARIAT: The question of using open-source software at the moment is very new within the government. As part of the whole update of the Parliament, we are participating in the use of open-source software in the whole of government. To date, not many organisations have taken up open-source software.

Ms LEE RHIANNON: Has there been a specific study of the use of such software within the Parliament?

Mr SHARIAT: Not within the Parliament.

Ms LEE RHIANNON: Are we participating in any such studies within a whole-of-government approach?

Mr SHARIAT: Yes, the Office of Information Technology has set up a sub-group to look at open-source software.

Ms LEE RHIANNON: When will that study be concluded?

Mr SHARIAT: I am not sure when it will conclude.

Ms LEE RHIANNON: Is your section of the Parliament participating or are you just waiting for the results to be handed down?

Mr SHARIAT: No, most of the information technology managers are participating.

Ms LEE RHIANNON: What proportion of IT work undertaken in this Parliament is contracted out?

Mr SHARIAT: I do not know the exact proportion, but I can advise some of the services that have been contracted out. Most of the services that have been contracted out are recent, such as the video stream—in fact, that is the only one within the Legislative Council.

Ms LEE RHIANNON: Do you look after the Legislative Assembly as well?

Mr SHARIAT: Yes.

Ms LEE RHIANNON: What is contracted out within the Legislative Assembly?

The PRESIDENT: You do not need to answer that question.

Ms LEE RHIANNON: Have you investigated, and can anything be done about, the slow response time on parliamentary laptop computers used outside Parliament House, and computers used in electorate offices? As part of that question relates to the Legislative Assembly, I only refer to laptops.

Mr SHARIAT: Parliament's contract with AAPT is up for review in January next year. We are going to start looking at how to use new technology, such as broadband Internet connections, to

enable members of Parliament to connect to the parliamentary network from any point, not necessarily from electorate offices.

Ms LEE RHIANNON: When will the investigation into open-source software be concluded?

Mr SHARIAT: I am not sure of the date.

Ms LEE RHIANNON: Will you take that question on notice?

Mr SHARIAT: Yes, I will refer it to the group whose manager is within the Office of Information Technology and provide an answer for you.

Ms LEE RHIANNON: I want to thank Mr Draper and his staff for the great service they provide. Thankfully, Food and Beverages has not been privatised, as it has in Federal Parliament. Madam President, considering the financial pressures that Parliament is operating under, and the apparent commitment of this Government to good economic management, why is catering for members of Parliament—and I am talking only about MPs—not on a commercial basis comparable to other dining venues in this part of Sydney?

The PRESIDENT: You have asked this question on many occasions, and the answer is still the same. As with other State Parliaments, the catering service is run on a cost-neutral basis as far as food and drink are concerned. The Parliament does cover staff salaries, electricity and gas, cleaning and maintenance, glassware, crockery and cutlery, capital equipment and printing and stationery. When you talk about a commercial basis, I hope you are not suggesting privatisation?

Ms LEE RHIANNON: No, that is why I made it clear that I hope catering has not been privatised.

The PRESIDENT: As you know, the most heavily subsidised part of our operation is room service. We do consider closing down room service from time to time because it is very costly. As you also know, many hardworking members and their staff, and even voluntary workers in some offices, use it a lot. Representations have been made to us every time we have asked to have it closed down. I am concerned that the dining room has not had a substantial refurbishment since 1979, and many members and guests have mentioned that it is looking shabby. My understanding is that the equipment in the kitchen is now very old. Not only is the equipment inefficient to work with but there are now occupational health and safety issues relating to it.

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We need to look at refurbishment on quite a large scale. There will be a review of the catering department very soon.

Ms LEE RHIANNON: Therefore, will you consider putting it on a more commercial basis in order to cover the cost of those refurbishments?

The PRESIDENT: I cannot say in advance what will come out of that review, but certainly a lot of money needs to be spent to ensure that the kitchen equipment is safe and efficient.

Ms LEE RHIANNON: At the moment the price of a beer is much lower than in any of the bars in Martin Place. Is it proposed for the coffee shop that coffee would be much lower or at more commercially comparable rates?

The PRESIDENT: There was a proposal for a coffee shop but we have not been able to afford one; it would cost too much. So we have had to shelve the idea of having a coffee shop similar to the coffee shop in Federal Parliament, which is extremely well patronised. The proposal was for an opening off the Fountain Court into a coffee shop where people would be able to have their coffee and talk to guests and with journalists. We spoke to the press gallery about being involved with it, and a lot of good names were suggested for it.

I would have really liked to have a coffee shop because although the trolley arrangement delivers fine quality coffee to the people who work in the building—and it is mainly staff, when you

think about it—I do not like the idea of the trolley in the Fountain Court. It does not look elegant and there are occupational health and safety issues. The new coffee shop was going to be too expensive, so we had to put it off. I acknowledge that some people are coffee drinkers, some people are beer drinkers and each side will argue about the costs. I am both, so I am fairly unbiased. I think the price we pay for coffee is very reasonable. It is cheaper than outside.

Ms LEE RHIANNON: So it is similar to the way other things are run?

The PRESIDENT: My understanding is that the training of the baristas and the running of the coffee cart mean that it is running at quite a loss, but I regard it as important for people in the building to have access to that coffee. It is there for the people who work here from nine to five every day of the week—basically staff; we are not talking about members of the lower House, who are only here for short periods of the year. The amount of time previously spent by staff going out to get a good cup of coffee was quite considerable. There were 39,645 coffees sold in the last financial year.

The Hon. HENRY TSANG: And the cost of wages would be \$100,000.

The PRESIDENT: And the cost of wages, yes. But we see it as a service. The income from the coffee cart was \$102,535.

Ms LEE RHIANNON: I turn now to consultancies. In June 2000 the Premier issued a memo urging senior public servants to use consultants only where it could be demonstrated "that this will result in savings in terms of value for money compared to carrying out the work in house". Has the Legislature used consultants and, if so, who are they, how much did they cost, and how did you respond to the Premier's memo?

The PRESIDENT: We have used consultants. One of the major uses of consultants is when a member of the Legislative Council asks for papers under Standing Order 18 and there is a dispute about privilege—as we know often happens—and we use a private arbiter.

The Hon. HENRY TSANG: Sir Laurence Street.

The PRESIDENT: Sir Laurence Street. Calls for production papers under Standing Order 18 are increasing. In the last financial year that consultancy cost us \$12,600, but just in the last two months it has cost us \$28,000. It is escalating and, as you know, there were three more Standing Order 18 motions this morning, so if it escalates at that rate we are looking at in the order of \$120,000 being spent just on private arbitrations alone. That is the area of increased costs that I am worried most about at the moment. The other consultancy fees are to Davidson Trahaire, \$3,468 for the Legislative Council portion; KPMG, \$1,925 for the Legislative Council portion—

Ms LEE RHIANNON: Can you outline briefly what they were for?

The PRESIDENT: Yes. Davidson Trahaire was for the Employee Assistance Program and KPMG for risk management consultancy. Others were AuC Building and Improvement, \$1,250 for the Legislative Council portion for initial fees for coffee shop design; Ernst & Young, \$50,095 for the "NSW Workers Compensation 4th and Final Report". The total of consultancies, not counting Standing Order 18 consultancies, is \$56,738.

Ms LEE RHIANNON: The latter part of the question was how did you respond to the Premier's memo of June last year?

The PRESIDENT: As you know, because of the separation of powers, Parliament does not need to respond to recommendations of the Executive. However, we always seek to comply with those sorts of recommendations.

Ms LEE RHIANNON: You would agree that election campaigning starts long before the writs are actually issued. Can you tell the Committee how you determine which of your activities are paid for out of public money and which are paid for by your party? When the writs were issued on 28 February this year did this division change, with less public money being spent on your political activities?

The PRESIDENT: I do not understand what you mean. Could you clarify the question?

Ms LEE RHIANNON: When we come into an election period many people perceive that it is electioneering and a decision has to be made. Can you tell the Committee how you determine where you draw your expenses from with regard to your political activities, and if that changes when the writs are issued?

The PRESIDENT: Every official activity that I undertake that involves the outlay of money is approved by the Clerks and, therefore, is open to scrutiny by both the Clerks and other members. If you mean travel, I have done very little travel—certainly very little that would be called presidential travel. If you mean entertaining, the entertaining that I do as President is almost entirely for foreign delegations. If you mean printing and stationery costs, as President most of that originates from the Clerks, so they would write the letters and I would sign them. Anything that has a financial obligation, which is the President's Office as opposed to me as a member of Parliament, is basically decided by the Clerks. It is not very great.

Ms LEE RHIANNON: For instance, if a function was being held at the moment about women's issues, with which you have been associated for a long time, and you were asked to speak at it, everybody would see that you were making a contribution as part of your presidential duties. Coming into an election, would you still judge that as part of your presidential duties and, therefore, would the expenses be covered in the same way?

The PRESIDENT: I do not have expenses when I speak at functions.

Ms LEE RHIANNON: There are expenses involved: for instance, travelling with your driver?

The PRESIDENT: I adhere to the guidelines dealing with drivers. As soon as an election is called I adhere to those totally. I do not campaign with my driver.

Ms LEE RHIANNON: That is what I am trying to work out. When writs are called, what changes for you?

The PRESIDENT: Mainly the use of the driver, because everything else I do is mainly to do with Consuls-General and foreign delegations. Almost everything I do is as a member of Parliament rather than as President. I visited Moree and Melbourne as President last year. Most of what I do is in my role as a member of Parliament and I use my logistics support allowance. Almost the entire presidential duties that concern money are to do with foreign delegations, Consuls-General or ambassadors, if you mean the tea parties we have.

Ms LEE RHIANNON: I am talking about the body of money for being President and a member of Parliament. When campaigning for an election and writs are sent out, we move through different periods and it is complicated for us all. I wonder how you make the distinction—perhaps you have answered the question in full, but I ask you to elaborate on it.

The PRESIDENT: Very little of what I do relates to presidential matters and those matters are always decided by the Clerks. I do not even give someone a cup of tea on an official account without it being decided by the Clerks.

CHAIR: When the budget for the Legislature was being calculated for 2003-04, how do you take account of the anticipated consumer price index [CPI]? Is that automatically added to the budget?

The PRESIDENT: That is done by Treasury. We do not have any input into that. Treasury decides a nominal escalation rate.

CHAIR: Do you check to ascertain whether that is equal to the CPI?

The PRESIDENT: We never get from Treasury what we ask for.

CHAIR: The CPI should be automatic, should it not? If you do not get the CPI you are in trouble because it is a reduction in real terms in your budget?

The PRESIDENT: Yes, I agree.

CHAIR: It appears as though the CPI calculation in the budget is only 0.5 per cent whereas, according to the Federal Treasurer, it should be at least 2.7 per cent because that is the CPI.

The PRESIDENT: I assure you I would be very pleased if we got the CPI increase in our allocation. We try.

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CHAIR: That requires an increase in any case for more duties, expanded activities and so on.

The PRESIDENT: Yes.

The Hon. Don Harwin: So we have had a real cut?

The PRESIDENT: Yes.

CHAIR: How will those cuts affect the efficient functioning of the House?

The PRESIDENT: Things like the coffee shop were discontinued. Important things like the Chamber cameras and audio systems in the committee rooms went ahead, as did the setting up of the committee rooms at 139 Macquarie Street. The cuts make some operations more difficult. We have just got to be very careful about money.

CHAIR: Can you explain the process? Do you prepare the budget you would like and send it to the Treasurer, and does he decide what you will get? Or do you wait to see what the Treasurer will give you, based on last year's allocation?

The PRESIDENT: It is the same with all Ministers. It is a rolling four-year budget, and we put in requests for enhancements. For instance, security issues have been regarded as important arising from a matter over which we had no control, and it is for those sorts of reasons that we would request enhancements.

CHAIR: So you do not ask for a global amount? You would make a submission, for instance, that "last year the budget for security was \$X and this year we request an increase to \$Y"?

The PRESIDENT: Yes, and it is always attached to certain things. We have also requested a review of our base funding, because we believe the original review was wrong.

CHAIR: I note, for example, that page 1-10 of Budget Paper No. 3, Volume 1 shows a reduction from 6 to 3 in the staff of Printing Services. I do not recall what the staffing was last year, but I would think it has been progressively reduced over the past few years because of changes to the way in which printing is being done. As you know, there has been some controversy about removal of the large photocopiers that were allocated to the Christian Democratic Party and to the Greens, and possibly others. We have been advised to send all printing to Printing Services. If that is happening in other areas, it would seem that Printing Services will have more work, not less—in other words, more work with fewer staff.

The PRESIDENT: The major issue with printing was that when the Parliamentary Remuneration Tribunal [PRT] ruled that members could take their printing jobs outside, most lower House members decided to have their printing done in their electorates. That resulted in a huge loss of work for Printing Services because, although we think the Council is the centre of the universe, Council members constitute about one-third of the members of Parliament. Even a number of Council members are getting printing work done closer to home. So a restructuring had to occur. The loss of jobs does not necessarily indicate that people are leaving. Sometimes they are retrained and end up somewhere else. That change in the Printing Services staff number was simply to do with the PRT decision.

CHAIR: So the three staff in Printing Services are sufficient to handle the work?

The PRESIDENT: Yes.

CHAIR: They are not under extreme pressure?

The PRESIDENT: No. There has been a huge drop in work.

CHAIR: The same thing has happened in Catering, with a staff reduction from 56 to 52. I would not have thought there had been a reduction in catering requirements in Parliament.

The PRESIDENT: Those are average staffing levels. There was a period during the election when very little was happening.

CHAIR: With fewer functions held at Parliament House?

The PRESIDENT: Yes, and therefore fewer staff required. Those are average staffing levels. We also had to absorb the effect of the public sector pay increase. You will see that effect in all of our employee-related expenses, which sometimes go up even though the staff numbers have gone down.

The Hon. DON HARWIN: Page 1-10 of Budget Paper No. 3, Volume 1 shows that there has been a reduction of 10 in the total number of parliamentary support services staff. Is the public sector wage increase the reason for much of that reduction? If so, how much? If not, what other factors affect the reduction of staff by 10?

The PRESIDENT: As I said, some of it is to do with the interregnum period of almost six weeks when nothing much happens, and some of it is to do with the restructure of Printing Services. As can be seen, the rest is substantially unchanged.

The Hon. DON HARWIN: There is an increase of one in accounting and financial staff. What is the reason for that? I am sure I know the answer, but let us have it on the record.

The PRESIDENT: I think an increase of one is still far too little. The requirements of the PRT decision are now extraordinary, and it is very difficult for the accounting staff to deal with them. I know members whinge about having to fill in forms for a \$2.50 pen, but imagine how awful it is for the people at the other end, in the accounts department. The implementation of the Parliamentary Remuneration Tribunal decision of December 2000 has resulted in a 733 per cent increase in the volume of claims for reimbursement of members' expenditure.

The Hon. DON HARWIN: That brings me to my next series of questions. No doubt Mr McGill will be able to help me here. Has the Parliament made some assessment of the cost of implementing that PRT decision?

The PRESIDENT: We obviously have absorbed much of the cost because there is only one extra member of staff in the accounts section. I will just confer with Mr McGill. We have sought extra funding from Treasury, and been partially successful in that, but that still does not really cover the enormous extra workload.

The Hon. DON HARWIN: So, thus far, the only direct cost is one extra staff member? Are any overtime payments involved?

The PRESIDENT: There would also be extra costs for everyone else along the line. The Legislative Council has had to employ extra staff to deal with their part of it before it even gets to the accounts section. As the honourable member knows, each member of Parliament's staffer now has extra work.

The Hon. DON HARWIN: Most certainly. On page 1-3 of Budget Paper No. 3, Volume 1, is noted an expected \$300,000 increase in 2003-04 revenue from sale of goods and services. What

accounts for that? I suspect that the revised figure was reduced because of the election period, but does that account for the whole of the change?

The PRESIDENT: Does the honourable member know what goods and services are?

The Hon. DON HARWIN: Yes.

The PRESIDENT: It is basically the profits from the House Committee, the sale of energy to the Library and the hospital, and rent from ministerial offices.

The Hon. DON HARWIN: Which of those components is producing the \$300,000 increase?

The PRESIDENT: We make some money from functions, and we assume that those will now pick up again. We also assume there will be a resumption of sale of library books, which we had estimated to be about \$200,000.

CHAIR: Madam President, you said the Council had to increase its staff to cope with the increased financial requirements, but the budget papers do not seem to indicate an increase, unless it is buried somewhere else. In fact, there is an adjustment of one.

The PRESIDENT: There was an increase last year, which means it will not show up as an increase this year.

CHAIR: Could you estimate what the increase is, given that it was shown as 88 last year and 87 this year?

The PRESIDENT: It is one extra in Members Services.

CHAIR: You said more members were getting their printing done outside. Obviously that printing is for parliamentary duties. How is that verified? I know members can notify an amount, but do they attach a sample of the copies that have been printed?

The PRESIDENT: Members attach a sample of what has been printed, plus the original invoice. And if it is paid before the Parliament is asked to pay for it, the member must produce the original receipt.

CHAIR: In earlier discussion about consultancies and the need to have an expert assess what are privileged and what are not privileged documents, you said this practice is dramatically increasing at a cost of \$100,000 or more, which is getting to be the equivalent of two staffers who could be employed by the Parliament. Would you consider having some discussion with the Government as to whether it is really the responsibility of the Council or the respective government department to pay for that arbitration, because the Council has not had anything to do with it?

The PRESIDENT: It is on the motion of the Council, and I see it as squarely a parliamentary cost.

CHAIR: If the department did not withdraw a lot of documents as privileged, you would not need an arbitrator, and if the department knew it was going to have to pay for the arbitrator it may not withdraw so many documents.

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The PRESIDENT: At the moment it is all done by motion of the House. Therefore the House has to withstand the cost. Because of the rapidly escalating nature of the cost, we might have to think outside the box, as they say, about how to effect that expense.

CHAIR: It might be worthwhile for the Clerks to produce a paper advising all members of the implications of their asking for papers. The principal purpose is to gain information and so on, but members should have regard for what is involved when such requests are made. The other night I was asked to take part in a meeting in the theatre organised by the Education and Community Relations Department of the Legislative Council. It was a very good meeting. What other events are being organised by that unit and what are its future plans for informing the public of the work of the

Legislative Council? The meeting I attended was attended also by two members of the Legislative Assembly, so I suppose the unit informs the public about the operations of both Houses.

The PRESIDENT: As you know, the Education and Community Relations Department is a joint service. I agree with you, I think it does a wonderful job. I am involved with many of its projects, none of which involves a financial cost—another area I forgot to talk about. The education projects are enormous.

CHAIR: What are some of the main items?

The PRESIDENT: The departments officers work mainly with schools. They bring in groups from schools; occasionally school captains. They have debating competitions and sometimes work with the Henry Parkes Organisation to hold historic re-enactments.

CHAIR: Are any of these group programs open to members of the public? I recall that about 60 people came in on the occasion I attended.

The PRESIDENT: There are many different programs. There is an event called a little night sitting, held in the evenings. Another program, a University of the Third Age seminar, involved 200 participants. The department conducts lunchtime pre-election tours called "Visit before you vote". It conducts WEA courses, speaks to community organisations, co-ordinates parliamentary openings for Australia Day and what is called Sydney Open, and conducts a State Government familiarisation seminar. I don't think members are aware that we also conduct government familiarisation seminars on an almost commercial basis, in that corporations actually pay for their employees to attend. We treat them very seriously, as does the Government.

Very senior members of the bureaucracy attend. Often Col Gellatly and heads of departments—and sometimes Ministers—attend. The money we make from the seminars goes straight into helping to fund the education department. We are getting a bit of money from corporations—and they get a fair bit back in return—and that money goes towards helping to educate schoolkids about State Government. In all the programs involving schoolkids, you can see the kids learning from their experience. The children find these events very enjoyable. I really congratulate our education staff.

CHAIR: A moment ago in answer to another question you referred to the anticipated sale of books at \$200,000. I note that the previous program raised \$680,000 before it concluded on 6 September 2002. What are the Government's intentions for books formerly earmarked for sale for the Parliamentary Library?

The PRESIDENT: What are the Government's intentions?

CHAIR: Your intentions?

The PRESIDENT: The Parliament's intentions?

CHAIR: Yes.

The PRESIDENT: Sometime ago we made a decision that the Parliamentary Library was a parliamentary library and not a museum, and that books that were surplus to requirements and our role as the keepers of the history of the Parliament would, first, be offered to other libraries—obviously the State Library. I think we handed over \$250,000 worth of rare books to the State Library. Other books surplus to requirements were to be sold. They are certainly not important Australiana volumes. Often, they are multiple copies of a publication. Once the guidelines for doing so have been drawn up by Rhonda Miller and Warren Cahill those books will again be offered for sale.

CHAIR: As you know, there was some controversy about the sale of books on a previous occasion in relation to which an investigation was conducted and a report published. Have either you or the Parliament considered the response of the Parliamentary Librarian dated 16 October 2002 to that report about past sales?

The PRESIDENT: I have written quite recently to the Librarian regarding that whole issue. His response was that he did not want to continue to be involved in the sale of books, and that is why we have asked the two Clerks to set up guidelines for the future sale of such books.

CHAIR: Was the result of that investigation that nothing was regarded as improper in relation to the sale of the books?

The PRESIDENT: The result was that we would proceed with the sale of the books.

CHAIR: I realise that the Clerks are very well informed, but is an expert called in to vet the books? There were suggestions in the media that a valuable book could be sold for less than its true worth. Do you have the books valued?

The PRESIDENT: The guidelines that are being set up by Warren Cahill and Rhonda Miller are not about the books, they are about how the sale of books should proceed. They are not about the books themselves. The guidelines are more about process.

CHAIR: But before they are sold a valuation will be put on the books?

The PRESIDENT: Yes. The guidelines are about the process; how all that will happen. They are not going to go down there and value them.

CHAIR: But some valuation system will be set up?

The PRESIDENT: Absolutely!

CHAIR: I do not think the Clerks would possess the necessary knowledge to establish the worth of such books.

The PRESIDENT: No, that is what I am saying. They are not going to go down and value them. Much as I think they might like to, they are not offering to.

CHAIR: The procedure will involve a valuer or valuers in the process?

The PRESIDENT: Yes.

CHAIR: We want to make certain that we get full value.

The PRESIDENT: Absolutely!

CHAIR: And also to make certain that nothing priceless or book of historical significance is sold.

The PRESIDENT: Absolutely, yes.

The Hon. HENRY TSANG: I am an architect by profession and I have consulted a few people about long-term security. If Michael Egan is very generous, we should consider having a proper entrance at the back of Parliament House. Have any thoughts been given to future impacts on the cost of security in the long term? Is there a plan for security?

The PRESIDENT: Yes, we have done all that. We have a wonderful plan for making the back entrance to Parliament House better for security and security officers. Changes will be made so that you do not stuck in the queue for 15 minutes behind one person who does not know what he or she is doing. Changes will enable people in wheelchairs to enter the Parliament with some dignity rather than be dropped off at the service lift level. It is a wonderful design and it will cost \$2 million. But all these projects that we have to abandon because of cost we will have to get serious about because the so-called new part of the building is now 25 years old, and we acting as though it is a modern office building when it is not. Parts of it do not work properly. If we had sufficient funding we could make things better. I agree with you that, for security reasons, changes need to be made at the back entrance to Parliament House.

The Hon. HENRY TSANG: As long as thought has been given to it.

The PRESIDENT: We would love to do something there.

CHAIR: Was there not some consideration given to glassing in the members from the general public? Was that considered and, if so, has it now been rejected?

The PRESIDENT: There was a proposal, and both the Speaker and I rejected it.

CHAIR: It was not a question of cost?

The PRESIDENT: It was not a question of cost. We rejected it for parliamentary reasons.

The Hon. HENRY TSANG: Democracy reasons.

The PRESIDENT: Yes.

Ms LEE RHIANNON: Madam President, how many staff do you have?

The PRESIDENT: I have four staff.

Ms LEE RHIANNON: Have any of your overseas trips in the past year been paid in part or in full out of public money? If so, did any of your relatives or friends accompany you on those trips?

The PRESIDENT: This year I took my ministerial study tour—that is a tour that Ministers and the Presiding Officers are given every four years. I took my designated relative on that tour, as Ministers do, and the Clerk of the Parliaments came with me.

Ms LEE RHIANNON: For how long were you way?

The PRESIDENT: I think it was 20 days.

Ms LEE RHIANNON: I am not acquainted with such grants, so to speak. Do they cover all aspects of travel and costs while you are way?

The PRESIDENT: Yes. Not all costs, just food, accommodation and travel.

Ms LEE RHIANNON: The ICAC report on an investigation into Malcolm Jones made a number of recommendations about the Legislative Council. What is your response to these recommendations?

The PRESIDENT: The ICAC report into Malcolm Jones?

Ms LEE RHIANNON: Yes.

CHAIR: You will have to identify the recommendations.

The PRESIDENT: Yes. Are you talking about the Sydney allowance?

Ms LEE RHIANNON: I said, that the report made a number of recommendations about the Legislative Council. I am talking about all the—

The PRESIDENT: The use of resources and the Sydney allowance?

Ms LEE RHIANNON: Yes. I have specific questions to ask you, but I was after your overall response to the recommendations about the Legislative Council.

The PRESIDENT: Members have been recently sent a members' guide, an entitlements guide, which clarifies a lot of the areas that members might have had problems with relating to the use

of resources. With regard to the Sydney allowance, we recently sent out a letter to members who claim the Sydney allowance. The letter contained a series of questions that required "yes" or "no" answers. The questions relating to the Sydney allowance were modelled on the taxation department's questions in that they determine what is a member's principal place of residence. They are our major responses.

Ms LEE RHIANNON: Do you have any other comments about the recommendations relevant to the Legislative Council?

The PRESIDENT: Could you be a bit clearer? Tell me which bits you are talking about and I will respond to them.

Ms LEE RHIANNON: On page 35 of the ICAC report Commissioner Moss recommended the development of an internal audit program for members of Parliament. The Greens would like to put on the record our support for this recommendation, but in asking this question I want to make it clear that I am not asking when these internal audits will commence because I recognise that it is essential that they are proactive and random. Have you considered the recommendation on page 35 of the report? If so, what is your response?

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The PRESIDENT: The member might not be aware that internal audits were recommended by the Parliamentary Remuneration Tribunal approximately two years ago, and they have been happening. We have been working with our auditors to streamline the process.

Ms LEE RHIANNON: Maybe I am misunderstanding the position. I understood that Commissioner Moss recommended on page 35 the development of a program of "pro-active, random fraud detection audits".

The PRESIDENT: We already have an external audit agency and we have just appointed an internal auditor, Deloittes, to work on fraud detection areas.

Ms LEE RHIANNON: Commissioner Moss's recommendation on page 35 refers to parliamentary administration—I will read all of it so that we are clear. Paragraph (b) states:

I recommend that, as part of the development of its internal audit program, the parliamentary administration ...

- (b) consider developing a program of pro-active, random fraud detection audits of the use of Members' auditable allowances.

I have the impression from the way she phrases it that that is not happening. Are you saying that it does already happen?

The PRESIDENT: The external auditor audits members' entitlements and how they have fulfilled those procedures.

Ms LEE RHIANNON: So it sounds like you are saying that (b) is already in place?

The PRESIDENT: We are refining that process by way of our internal auditors.

Ms LEE RHIANNON: If that is the case, how many audits of members have there been in the past financial year?

The PRESIDENT: The Auditor-General audits all members annually.

Ms LEE RHIANNON: You are saying that that already happens?

The PRESIDENT: Yes.

Ms LEE RHIANNON: I read the words "random", "fraud detection" and "proactive", as being more detailed than what already happens.

The PRESIDENT: Yes.

Ms LEE RHIANNON: That is my interpretation of this.

The PRESIDENT: That will happen.

Ms LEE RHIANNON: It is going to change?

The PRESIDENT: Yes. That is what Deloitte is working on now.

Ms LEE RHIANNON: So Deloitte is working on a new system of how to do it? Can you just explain again what Deloitte is doing? I am sorry, I missed it.

The PRESIDENT: Maybe the member might come and ask me in my office.

Ms LEE RHIANNON: I would really like to get it on the record, Madam President.

The Hon. HENRY TSANG: Madam President, can you take that on notice?

The PRESIDENT: No, I do not want to because, like security issues, there are some things I would prefer to talk to the member privately about.

Ms LEE RHIANNON: If it is not possible to answer, I will certainly come to see you because that would be useful. But are they random, because "random" to my mind—I do not have a dictionary here—means "not everybody" and it means "without the person knowing"?

The PRESIDENT: Lee, I would prefer to talk to you in private about these issues. That is why I will not talk about where security cameras are, either.

The Hon. TONY BURKE: It is like telling us how you are going to surprise us.

The PRESIDENT: Yes.

Ms LEE RHIANNON: I am not asking that. I said at the beginning of my questions—and I do not want to be misquoted on this because I think our position has been distorted—that I was putting on the record our position of asking the questions so that there was no forewarning, but at the moment I have found confusion in your answers. At one point in your answers you said it is already happening.

The PRESIDENT: There is an auditor. The Auditor-General audits all members' accounts annually. We are refining an internal audit system through Deloitte. I really do not want to go into the details of that in public. I am very happy to talk to the member if she comes to me in my office.

CHAIR: The President has now answered that question two or three times in the same way.

Ms LEE RHIANNON: I have just one point of clarification, again about point (b), and what Commissioner Moss said. You would say that what she recommended has already happened.

The PRESIDENT: I am not saying that. I really think that further discussion about the internal auditing process should happen in my office.

CHAIR: Perhaps the other consideration is that the report is very new.

The PRESIDENT: Yes.

CHAIR: I assume you have had no time to act on the recommendations urgently. There would be some process to take note of that report. There is also the point of whether the commissioner was aware or whether there were any witnesses giving evidence about how the Parliament actually functions.

The Hon. PETER PRIMROSE: The President has answered it and she is acting on the advice of the Clerk in answering it. I think we have to respect that.

CHAIR: That is the point I make. Taking note of the report is still a process in the future.

The PRESIDENT: Quite frankly, if we are going to put in place risk assessment methods—procedures to try to detect fraud—you do not talk about it in public.

Ms LEE RHIANNON: Mr Chairman, I want to clarify my position again. In asking my question, I said that I recognise it is essential that audits are proactive and random. All I was trying to clarify is that they were happening. I was not seeking details that should be released publicly and that would in any way jeopardise the audits. I really want to make that clear because there has been too much distortion of my position and the Greens position on that. I said that at the beginning and I say it at the end.

CHAIR: We will proceed to further questions. Do you have any further questions?

Ms LEE RHIANNON: Yesterday Mr Malcolm Jones related to the Legislative Council details of advice you gave him. Were his comments an accurate reflection of your comments?

The PRESIDENT: I must say that I have not read today's *Hansard*. I made a diary note at the time, as I do when members come to see me about delicate issues. I have referred to my diary note. It is obviously an accurate description of how I remember it. There were a number of issues raised in his meeting with me which were quite different from what he said the meeting was about. In fact the meeting was about something other than what the ICAC report was about. It was about another issue altogether, as far as I was concerned. The final sentence of my diary note, which is the only bit that refers to the issues that are now before the Parliament, was that we had some discussions about what was parliamentary and what was political. That was the only part of the discussion I had with Mr Jones that relates to the issues that are presently before the House.

CHAIR: Do members have any further questions? I have covered the questions that I was going to ask.

The Hon. DON HARWIN: I might just say that a number of the questions that I had proposed to ask about information technology and catering were asked by other members. I have no intention of going over ground that has been covered by other members.

CHAIR: There is limited ground to go over.

The Hon. PETER PRIMROSE: May I say that a number of questions that I had to ask I asked the President through the year during the course of business. We see each other every day, and I am satisfied that they have been answered very appropriately.

The Hon. HENRY TSANG: My comment about David Draper was covered by Ms Lee Rhiannon when she expressed appreciation of all the good work that is being done by the staff.

The PRESIDENT: I thank all the managers and staff of the Parliament.

Ms LEE RHIANNON: I have one more question. Madam President, are you aware that Mr David Oldfield has more office space than any other Legislative Council crossbencher?

The PRESIDENT: People may not be aware that, in 1999, when the Hon. David Oldfield was elected, there was not enough office space to accommodate him on level 11 because we did not have as many Ministers as we have now. As you know, having Ministers is good for us because they then disappear. The Hon. David Oldfield indicated that he was willing to go down onto level 9 when everyone else wanted to be on level 11. As a consequence, he was given a slightly bigger office space. However it comprises two separate offices. I must admit that we promised him that a doorway would be put in the wall so that there were not be two separate offices, but we have never been able to do that.

Level 9 is actually managed by the Legislative Assembly, so we basically borrowed two rooms from the Legislative Assembly, which would not let us put a doorway in. David Oldfield has put up with having two rooms instead of one suite. Of the rest of the office space, the Greens have an average of 41.29 square metres per member. Two other crossbench members have 36 square metres. The Christian Democrats have 41.64 square metres. The difference there is very small. Three members have 43 square metres. The present room space of all the crossbenchers is very similar.

Ms LEE RHIANNON: Can you include the total for Mr David Oldfield? You said he had two rooms. Did you mean that he has two rooms and two annexes?

The PRESIDENT: Yes, except that down on level 9, the annexes are different.

Ms LEE RHIANNON: Yes, they are single annexes.

The PRESIDENT: Yes.

Ms LEE RHIANNON: But do you agree that he has two rooms and two annexes?

The PRESIDENT: Yes.

Ms LEE RHIANNON: Can you give us the floor space that he has?

The PRESIDENT: We could. Because of your letters to us, we have sent the Clerks off to measure the carpets in the various offices, and that is what they have been doing. We have measured all the offices but we have not measured the ones on level 9 because they are only being lent to us.

CHAIR: You cannot modify them.

The PRESIDENT: We cannot modify them in any way.

Ms LEE RHIANNON: That was not my question. I would have thought that you would have the figures before you. You had the figures for Legislative Council crossbenchers and I would have thought that you had the figures for David Oldfield. That is all I was asking. I was not asking about modification.

The PRESIDENT: We measured the areas that we have control of. However, I promise that tomorrow I will send someone down to measure David Oldfield's office. We will have to get his permission.

Ms LEE RHIANNON: You are happy to take that on notice and include that in your answers?

The PRESIDENT: We will go down and measure David Oldfield's office.

CHAIR: The point you are making is that it is not that you gave him more space. You had to give him space, and that was the only space available.

The PRESIDENT: It was the only space available. The other point I might make about office space is that, when the composition of the upper House changes, we have to change the offices. It is often very expensive and we find ourselves knocking down a wall but four years later having to put it back up again. We have tried to do the best we can with an old area—as I have said, it is 25 years old—but we have an area that was not really designed to accommodate the number of crossbenchers that we have.

If the number of Ministers changes, we have to be sure that we have enough rooms on floor 11 for members who are no longer Ministers. We have to be a little bit flexible. We also need a room for the Chief Attendant, Mr Ian Pringle. At the moment, the attendants who work there—seriously long hours sometimes—have no place to go where they are not on show, even when taking a 10-minute break. There are a lot of conflicting needs on that floor, and we have tried to be as fair as possible. In fact, the Crown Solicitor's advice to me was that I must be equitable in my use of resources. Otherwise, the giving of extra space to certain members of Parliament could be regarded as a way of buying favours, votes, preferences, anything.

On advice from the Crown Solicitor I try to be as equitable as possible. If members have voluntary workers in their offices, the Legislature cannot provide them with services or office space. We are now refining guidelines for voluntary workers. The guidelines have been sent to the Whips and various other people and eventually they will be sent to all members. The guidelines are about volunteer workers who work in members' offices. We cannot provide extra office space to members for voluntary workers.

Ms LEE RHIANNON: Thank you for putting that on the record, Madam President.

The PRESIDENT: That has been on the record for quite some time, since I wrote you a letter stating just that.

Ms LEE RHIANNON: I meant thank you for putting it on the public record, Madam President. If a member is expelled from the Legislative Council, can that member renominate to fill the casual vacancy resulting from that expulsion?

The PRESIDENT: If the member is eligible, he or she can nominate. There are various ways in which members can be ineligible: If they are a bankrupt, or if they have been found guilty of a crime for which the penalty is two years or more in gaol. However, a member can renominate. That would be a really interesting constitutional issue.

CHAIR: A former member can renominate, but is up to the House whether it elects that person.

The PRESIDENT: And what happens next?

The Hon. PETER PRIMROSE: It would be decided at a joint sitting.

The Hon. DON HARWIN: Now that door has been opened, I ask whether a member who resigns can replace himself, as long as he is nominated by the relevant registered political party?

The Hon. HENRY TSANG: This has nothing to do with the budget estimates.

The Hon. PETER PRIMROSE: Mr Chair, I am not going to take a point of order on the Hon. Don Harwin. I simply suggest that this may be the subject of legal advice. It is inappropriate to ask the President for complicated legal advice.

The PRESIDENT: This is not really about the estimates, but it is interesting.

The Hon. PETER PRIMROSE: I am happy to sit around for hours and speculate, and we have all speculated on procedures, but we will have to get some solid legal advice on this matter rather than quiz the President about uncharted waters.

CHAIR: Is there something in the Clerk's possession to answer that question?

The PRESIDENT: The library briefing by Gareth Griffith is excellent. It covers everything. I suggest everyone read it, it is worth a look. In the United States of America a member of Congress who killed another member of Congress was not expelled!

CHAIR: We thank you, Madam President, and your departmental officers and the Clerk for attending this hearing.

The Committee proceeded to deliberate.
