

AFP MATTER

Issue

Three men were charged with conspiracy to defraud the Australian Government while working for an Australian public service agency.

Two men were found guilty on 7 July 2022 following a jury trial in the ACT Supreme Court. These men were each sentenced to intensive corrections orders of 3 years and 6 months, with 300 hours of community service.

A separate criminal trial relating to the third man is listed for 23 and 24 February 2023 in the ACT Supreme Court.

Headline Response

The Department of Finance referred this matter to the Australian Federal Police (AFP) in July 2019.

The Government expects staff working in Australian public service agencies to adhere to the highest standards of conduct. I respect the outcome reached by the jury in this matter.

Talking Points

- The matter originally came to the attention of the Department through the Public Interest Disclosure regime (under the *Public Interest Disclosure Act 2013*). Finance has appropriate mechanisms in place to respond to these issues as has been demonstrated by the Department's handling of this matter.
- The matter related to the supply of information technology contractors and was referred to the AFP in July 2019.
- Following investigations, the AFP charged three men with conspiracy to defraud the Australian Government while working for an Australian public service agency.
- The integrity of the Department's services and programs was not compromised.

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Contact No: § 22
Division: BES/Corporate Services
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- Subcontractors who had no involvement with the alleged conspiracy to defraud were not prevented from working for the Commonwealth and were re-engaged in the Department's services and programs as necessary.

Policy Commitments - N/A

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Background

The Department referred a matter to the AFP in July 2019 and has worked with the AFP in relation to its ongoing investigation. On 10 June 2020 the AFP executed a number of search warrants, including a warrant by appointment at the Department of Finance premises.

On 10 June 2020 the AFP arrested and charged three individuals.

On 11 June 2020, the individuals appeared before the ACT Magistrates Court where all three were charged with conspiracy to defraud the Commonwealth. Two of the individuals were also charged with abuse of public office, and they were all released on bail. The CDPP subsequently withdrew the charges relating to abuse of public office.

The AFP released a media statement on 11 June 2020 ([Attachment A](#)) advising of this matter. The statement notes that the Department of Finance reported this matter to the AFP in July 2019, has referred substantial information to support the AFP's inquiries and that investigators are continuing to conduct financial enquiries.

The Department also released a statement on 11 June 2020 ([Attachment B](#)) advising of this matter and confirming the Department expects anyone it engages to act with the utmost honesty, integrity and probity and will take strong action should this not be the case.

A further media statement was issued by the AFP on 1 July 2020 ([Attachment C](#)) advising that the AFP-led Criminal Assets Confiscation Taskforce had restrained assets including seven houses, motor vehicles and bank accounts worth an estimated \$7.8 million.

On 13 October 2021, the AFP executed a further warrant by appointment at the Department's premises.

All 3 individuals entered a plea of not guilty. The criminal trial by jury in the ACT Supreme Court relating to two of the individuals commenced on 31 May 2022 and concluded on 7 July 2022. These two individuals were found guilty by the jury, and each sentenced to intensive corrections orders of 3 years and 6 months, and 300 hours of community service. A number of current and former departmental employees were called as witnesses to give evidence in the first trial.

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A separate criminal trial relating to the third individual is next listed for 23 and 24 February 2023 in the ACT Supreme Court.

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ATTACHMENT A: AFP MEDIA RELEASE

THREE MEN CHARGED WITH CONSPIRACY TO DEFRAUD THE COMMONWEALTH

Publish date: Thursday, 11 June 2020, Publish time: 7:26am

Three men have been charged with conspiracy to defraud the Australian Government while working for an Australian public service agency.

Police will allege the men conspired to direct information technology contracts through preferred suppliers, and then received financial benefits as a result of this activity.

The matter was reported to the Australian Federal Police (AFP) in July 2019 by the Department of Finance, and an investigation was undertaken by AFP Northern Command's Fraud and Anti-Corruption Team.

Investigators executed a total of seven search warrants yesterday in the Canberra suburbs of Griffith, Barton, Narrabundah, Amaroo, Palmerston and Forrest in cooperation with the Department of Finance.

A 47-year-old Griffith man and a 50-year-old Palmerston man are due to face ACT Magistrates Court today (11 June 2020) charged with:

- Conspiracy to defraud the Commonwealth, contrary to section 135.4 of the *Criminal Code Act 1995 (Cth)* and
- Abuse of public office, contrary to section 142.2 of the *Criminal Code Act 1995*

A 36-year-old Barton man will also face ACT Magistrates Court today (11 June 2020) charged with:

- Conspiracy to defraud the Commonwealth, contrary to section 135.4 of the *Criminal Code Act 1995 (Cth)*

The maximum penalty for defrauding the Commonwealth is 10 years imprisonment. The maximum penalty for abuse of office is five years imprisonment.

AFP Deputy Commissioner Ian McCartney said the AFP is committed to identifying and prosecuting anyone who misuses public money for their own greed.

"Fraud is not a victimless crime and when public funds are used for personal gain, people are taking valuable funds away from essential services like hospitals and schools, impacting on all of us," he said.

"This is a complex investigation, involving the analysis of a significant volume of information. This includes substantial information referred to the AFP by the Department of Finance, and investigators will continue to conduct financial enquiries to ensure we have a complete understanding of this matter."

Media enquiries

AFP Media: (02) 5126 9297

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ATTACHMENT B: STATEMENT ON DEPARTMENT WEBSITE**DEPARTMENTAL STATEMENT**

Date 11 June 2020

The Department of Finance reported a matter to the Australian Federal Police (AFP) in July 2019 related to the supply of information technology contractors.

The Department referred substantial information to the AFP and has been working with the AFP to support their investigations.

As a result of these investigations the AFP have charged three men with conspiracy to defraud the Australian Government while working for an Australian public service agency.

The Department expects anyone it engages to act with the utmost honesty, integrity and probity and will take strong action should this not be the case.

As this matter is before the Court, it is not appropriate to comment further.

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ATTACHMENT C: FURTHER AFP MEDIA RELEASE**\$7.8 MILLION RESTRAINED FOLLOWING THE RECENT ARREST OF THREE MEN CHARGED WITH CONSPIRACY TO DEFRAUD THE COMMONWEALTH****Publish date: Wednesday, 1 July 2020, Publish time: 7:24am**

The Australian Federal Police-led Criminal Assets Confiscation Taskforce (CACT) has restrained assets including seven houses, motor vehicles and bank accounts worth an estimated \$7.8 million. This action follows the 10 June 2020 arrest of three men charged with conspiracy to defraud the Australian Government while working for an Australian public service agency in Canberra.

The CACT will allege the men conspired to direct information technology contracts through preferred suppliers, and then received financial benefits as a result of this activity, some of which was then used to purchase and renovate residential properties in Canberra.

The matter was reported to the AFP in July 2019 by the Australian public service agency, and an investigation was undertaken by AFP Northern Command's Fraud and Anti-Corruption Team.

The three men arrested were:

A 47-year-old Griffith man and a 50-year-old Palmerston man charged with:

- Conspiracy to defraud the Commonwealth, contrary to section 135.4 of the *Criminal Code Act 1995* (Cth); and
- Abuse of public office, contrary to section 142.2 of the *Criminal Code Act 1995* (Cth).

A 36-year-old Barton man charged with:

- Conspiracy to defraud the Commonwealth, contrary to section 135.4 of the *Criminal Code Act 1995* (Cth).

The AFP-led CACT, which includes staff from the Australian Criminal Intelligence Commission, AUSTRAC, Australian Border Force and the Australian Taxation Office, was formed in 2011 as part of a multi-agency crackdown on criminal assets.

Media enquiries

AFP Media: (02) 5126 9297

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FUTURE FUND ESG ISSUES

Issue

How does the Future Fund Board of Guardians ensure that environmental, social and governance (ESG) issues are appropriately considered when investing public funds?

Headline Response

The Future Fund Board of Guardians invests independently from the Government, through external investment managers, and has a well-established ESG policy that is integrated into its investment process.

Talking Points

- The Future Fund Board of Guardians invests independently from the Government, through external investment managers. This independence is a deliberate feature that has enjoyed bipartisan support for more than 15 years.
- The *Future Fund Act 2006* requires the Board to maximise returns over the long term, consistent with best practice for institutional investment. In order to achieve a broadly diversified portfolio, the Board, through its investment managers, has exposure to thousands of businesses globally.
- The Board's long-term investment strategy is consistent with its obligations under the *Future Fund Act 2006*, its investment mandate and Australian law and sanctions. The Board excludes a limited number of investments based on the international conventions and treaties ratified by Australia.
- The Board has implemented all relevant sanctions imposed by Australia, the United States and the European Union on Russia.
- The Board's ESG policy provides a framework for the consideration of exclusions from the portfolio and the integration of ESG factors into the investment process. The Board has also excluded entities involved in the manufacture of complete tobacco products.

Policy Commitments – N/A

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Cleared by: Nathan Williamson
Contact No: (02) 6215 2668
Cleared by Adviser:
PDR Number: QB22-000088

Background

Future Fund's General Investment Philosophy

The Board has built a broadly diversified portfolio, which includes passive, index-based investments in thousands of entities globally. The Board's limited exclusions keep the investment universe large, which helps to satisfy its legislated objective to maximise returns over the long term.

The Board integrates ESG into its decision-making process by assessing the potential impacts of ESG matters on the risk and return of the portfolio. The Board also exercises its ownership rights associated with investments according to the Board's ESG policy, which considers human and labour rights, climate change, sustainable supply chain, corruption and bribery.

Investment Exclusions

Since 2009, the Board has restricted all managers of directly held investments from investing in securities issued by companies that are involved in activities that are limited by the 2008 Convention on Cluster Munitions or the 1997 Anti-Personnel Mines Convention.

The Board also has investment exclusions against companies that do not operate within the framework of the Nuclear Non-Proliferation Treaty (NPT), which Australia signed in February 1970. Australia has not signed the Treaty on the Prohibition of Nuclear Weapons, so it is not a treaty that the Board has regard to under its ESG policy.

In February 2013, the Board restricted investment in entities directly involved in the manufacture of complete tobacco products. The Board's policy is founded on the view that there is no safe level of usage.

The Board has due diligence processes in place to ensure it does not make investments that breach Australian sanctions and will continue to abide by any new sanctions introduced by the Government.

Investments in companies in Russia

The Board has devoted significant resources to compliance and will continue to do so as any new sanctions are announced.

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The Future Fund has modest (April 2022 - 0.1% of the fund) holdings in companies listed on the Russian stock exchange. It does not have any holdings in Russian sovereign debt or other fixed income.

Sanctions on Russia and the closure of the Moscow stock exchange to foreigners have hampered every foreign investor's efforts to sell.

The Board has devoted significant resources to compliance and will continue to do so if any new sanctions are announced. The Board will be winding down its Russian exposure as market conditions permit.

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PURPOSE-BUILT QUARANTINE CENTRES

Issue

Will the new Purpose-Built Quarantine Centres (the Centres) be required now that states have removed quarantine requirements?

Headline Response

The Commonwealth has built these facilities in partnership with State Governments. The facilities will provide Australia with a new resilience capability for a range of potential future crises, including quarantine.

Talking Points

What is the current status of the Centre in Melbourne?

- On 14 October 2022, the Commonwealth approved a request by COVID Quarantine Victoria (CQV, as the operator of the Centre) to use the Centre in response to widespread flooding and adverse weather affecting Victoria. The site is currently being used to provide accommodation for the numerous people who have been displaced due to the floods.
- We understand that the Melbourne facility has housed over 200 people.
- The Centres were always envisaged as being an enduring asset, under Commonwealth ownership and as such they can be used to respond to future crises beyond COVID-19.
- The Victorian Government currently operates and is responsible for the Centre at Mickleham under an agreement with the Commonwealth until potentially the end of March 2023.
 - To enable the temporary accommodation response to continue during the high-risk weather season.

Construction rationale

- The construction of the Centres in Melbourne, Perth and Brisbane has created assets that can be used to respond to future challenges – and they form part of Australia's resilience capability that can be used if needed in the future.
- The Centres have been constructed to a very high standard and will serve Australia for decades to come, providing a capability to assist responsible

agencies in responding to health (including quarantine), natural disaster, or humanitarian crises.

- The Centres ensure that Australia has the capability to respond to any future quarantine needs quickly.
- The Centres are purpose-built for quarantine, and any alternative uses will not inhibit the ability of the Centres to be stood up for quarantine if required.
- The National Review of Quarantine provided by Adj. Professor Jane Halton AO PSM on 12 October 2021 outlined a risk-based framework for quarantine and the importance of growing our capacity to respond to future risks.
- All three Centres are now built, with construction activity completed at the end of August for the Centres in Brisbane and Perth.
- Following completion of the Melbourne Centre on 11 March 2022, Certificates of Occupation were received for the Brisbane Centre on 26 August 2022 and Perth on 31 August 2022.
- Finance is working with other Commonwealth agencies and the states on future uses for the Centres.
- Future use proposals will be evaluated on a case-by-case basis noting that the design of the Centres provides for strict infection prevention and control mechanisms, and opens up possibilities to support: state health systems, including for future health emergencies; humanitarian efforts (e.g. evacuees from warzones); and temporary or crisis accommodation in responding to natural disasters or other events.

What is the operating status of the Centre in Perth?

- The Western Australian Government will have operational responsibility for the Centre in Bullsbrook until the end of September 2023, when WA will have the option to hand the Centre back to the Commonwealth.
- Under the agreement between the Commonwealth and the WA Government, the Centre could be used for non-quarantine purposes during WA's operational period, this includes for resilience purposes.
- The handover period has commenced with the Western Australian Government and its facility operator, Serco. The State Government and Serco

are currently establishing themselves onsite as final commissioning activities are completed.

- In anticipation of the Centre being handed back to the Commonwealth in September 2023, the Commonwealth is exploring the potential to use the Centre for non-quarantine uses.

Why has Queensland announced it will not operate the Centre in Brisbane?

- On 27 July 2022, the Queensland Government announced that it does not have a COVID-19 use for the Centre in the short term and will not pursue a licence agreement with the Commonwealth.
- Whilst the Commonwealth had anticipated that Queensland would take initial operating control of the Centre, the Memorandum of Understanding between Governments for the construction and operation of the Centre was signed under different circumstances - at the height of the COVID-19 pandemic (16 August 2021) when there was a clear imperative to balance repatriation, border restrictions, lockdowns and quarantine to reduce the spread of COVID-19.
- The announcement by the Queensland Government does not diminish the long term resilience capability that the Centre provides for Australia, or the capacity for the Centre to deal with changes and challenges that could emerge during the current COVID-19 period.
- The Centres were always envisaged as being enduring assets, under Commonwealth ownership and as such they can be used to respond to future crises beyond COVID-19. The Centres have been designed and purpose built to the highest of standards, with a long useful life and design features that provide for strict infection prevention and control standards, a combination that does not exist in any other facilities in Australia.
- In the short term, the Department of Finance is looking at bringing forward options to see that the Centre is utilised. This includes future national resilience options such as for emergency response capability, Defence use, and private sector opportunities that will all be supported by the design of the Centre and the strategic location of the Pinkenba site.

- The Managing Contractor has delivered a high quality and enduring facility. The Centre has been designed, constructed and made ready for use in record time for a facility of this standard and quality – within a year of an agreement with Queensland being signed. The construction of this facility has occurred during a period of extreme weather events in South East Queensland that have made construction extremely challenging.

If asked whether the Centres could be used for:

1) Domestic Violence accommodation

- The Government is committed to supporting women and children escaping violence and has announced a \$1.6 billion investment to build at least 4,000 new social housing properties within five years for women and children fleeing family and domestic violence. This commitment forms part of the Housing Australia Future Fund and will build 20,000 new social housing properties and 10,000 affordable homes.
- The Government has also announced an extra \$100 million for crisis and transitional housing options for women and children escaping violence and for older women on low incomes who are at risk of homelessness.

2) Skilled workers migration

- The Government is considering policy around skilled worker migration in critical industries such as health, trades, manufacturing and ICT.
- Usage of the Centres as temporary accommodation to support skilled worker migration could be considered as part of this.

3) Emergency accommodation

- We have seen examples in NSW of demountable classrooms being transformed into emergency accommodation for families displaced by flooding events in the Northern Rivers and North Coast region.
- We understand that the Melbourne facility is currently housing approximately 150 people in response to the October floods.
- We are continuing work with State and local governments and other stakeholders on options to utilise the Centres for future emergency accommodation requirements.

Future uses more broadly

- Future uses are being considered as part of the October Budget process – in the mean time we would be open to considering future use proposals from the State Governments for accommodation for people affected by domestic and family violence who require emergency accommodation.
- The licence agreements that are in place with the Victorian and Western Australian State Governments provide us with the flexibility to agree to future-use proposals, and the Department of Finance is working with State Governments to evaluate any that are brought forward on a case by-case basis.
- Consideration of any future-use proposal would be subject to Commonwealth quarantine policy. While there is no longer a requirement for unvaccinated domestic or international arrivals to quarantine, the last two years have shown us the importance of being prepared for whatever the future holds and we will work with the States to determine the level of base capacity that will need to be maintained.
- Future uses will need to be brought forward by the relevant State as a formal proposal that can be evaluated and agreed with the Commonwealth.

What is the cost of the Centres?

- The total project cost for all three Centres (in Melbourne, Brisbane and Perth) will be within the \$1.37 billion budget.
- The expected total cost for the Melbourne Centre is approximately \$580 million; the Perth Centre is approximately \$400 million; and the Brisbane Centre is approximately \$370 million. Specific project costs are still being finalised.
- In Melbourne the 1,000 bed Centre was constructed and handed over to Victoria in stages with the initial stage completed on 31 December 2021. Final stages of the Centre were completed in January and February 2022 with the last buildings handed over to COVID-19 Quarantine Victoria (CQV) on 11 March 2022.
- The value of committed contracts associated with the Centres are publicly reported on AusTender.

- Under the Memoranda of Understanding with the Commonwealth, the Victorian and Western Australian governments will operate their Centre for the duration of the pandemic.
 - The nature of any quarantine arrangements in any state will be the responsibility of that state government.
 - States are also responsible for all procurement in relation to operational requirements for the Centres, including provision of medical services.
- COVID-19 Quarantine Victoria currently operates the Centre in Melbourne and the Western Australian Government operates the Centre in Perth.

Status of the Purpose-built Quarantine Centre – Melbourne

- The contract was executed with the Managing Contractor, Multiplex on 27 July 2021, and contract completion was achieved in seven months, by 11 March 2022 for the entire facility.
- The first 250 places were delivered to the Victorian Government on 21 January 2022 and 500 places by 31 January 2022, as well as all central facilities buildings. COVID-19 Quarantine Victoria (CQV) commenced operation on 21 January 2022.
- The second 500 places, and the Health and Police/Administration Buildings were provided to CQV under a shared access arrangement from 28 February 2022, and a final handover occurred on 11 March 2022.

Status of the Purpose-built Quarantine Centre – Brisbane

- The Department of Finance undertook a staged completion and handover approach, consistent with strategies for the Centre in Melbourne.
- On 13 July 2022, PLP Building Certifiers inspected the CNRB facility. On this date, PLP signed off that the following buildings were sufficiently completed to enable the occupation of the buildings by a third party operator (shared access):
 - Accommodation buildings within Block B
 - Staff buildings within Block B
 - Security Centre
 - Administration Building
 - Logistics Building (storage only)
 - Generator

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- On 26 August 2022, PLP Building Certifiers inspected the CNRB facility. On this date, PLP signed off that the following buildings were sufficiently completed to enable the occupation of the buildings by a third party operator (shared access):
 - Accommodation buildings within Block A
 - Staff buildings within Block A
 - Staff Zone
 - Health Centre
 - Kitchen
 - Logistics (finalised)

Status of the Purpose-built Quarantine Centre – Perth

- Operational Commencement was achieved on 11 October 2022. The WA Government along with Serco (facility Operator) are now operating the facility, with the site no longer considered a construction site.
- In terms of delivery, the Department of Finance undertook a staged completion and handover approach, consistent with strategies for the Centre in Melbourne.
 - The first 250 beds was offered to the state for shared access on 16 May 2022 allowing WA, if needed, to quickly ramp up and operate part of the Centre for quarantine purposes before all works were complete.
 - Shared access made the first 250 beds available to the WA Government to commence establishment activities, commissioning, testing and training activities while the managing contractor completed minor works.
 - The remaining 250 beds and all other Central Facilities buildings received their Certificate of Occupancy on 31 August 2022.

If asked about water supply to the Perth Centre

- On 7 October 2021, the previous Government announced that Defence would progress works to connect West Bullsbrook properties to town water.
 - Since then, the project has shifted responsibility to the Department of Finance who has been working closely with the WA Government and the Western Australian Water Corporation in order to finalise the design and achieve all relevant permits.
 - The project involves the construction of a 13 kilometre permanent water pipeline connecting to the existing network at the Ellenbrook Tanks.
 - Works have commenced in the Commonwealth land adjacent to the Centre, and will progressively work toward connecting to the Ellenbrook Tanks. Works are expected to be completed by late 2022.
- The Centre will use tank water until a permanent solution for water connection to the site is finalised.

Policy Commitments

- The Department of Finance is working closely with other Commonwealth agencies, including Departments of Health, Home Affairs and Defence, on the longer term future uses for the Centres once operational responsibility is returned to the Commonwealth.
- The Department of Health is responsible for the development of human quarantine policy. The Department of Home Affairs is responsible for the arrangements for the settlement of migrants and humanitarian entrants.

Background

Multiplex has been appointed as Managing Contractor to lead construction and delivery of the Centres, and site works are underway.

Multiplex is an established global construction company that has delivered over 1,000 projects across the world and has an outstanding track record of successfully delivering complex projects across Australia.

Memoranda of Understanding

Victoria – On 4 June 2021, then Prime Minister and the Victorian Premier signed a Memorandum of Understanding (MOU) to progress a 1,000 bed facility at Mickleham. Mickleham was selected as the preferred site on balance of timing, cost, impact and risk.

Queensland – On 16 August 2021, then Prime Minister and the Queensland Premier signed a MOU to build a Centre in Brisbane. On 27 July 2022, the Queensland Government announced that it would not be entering into a licence agreement to operate the facility for an initial term.

Western Australia – On 16 August 2021, then Prime Minister and the Western Australian Premier signed an MOU to progress a purpose-built quarantine and emergency response facility in the state.

Public Interest Immunity Claim by the Minister for Finance

On 16 December 2021, the former Minister for Finance made a claim for Public Interest Immunity on the feasibility studies completed by AECOM for the Centres in Brisbane and Perth as they contain technical assumptions being used to inform ongoing active procurement processes. Release of this information would impact commercial arrangements with the market and prejudice the Commonwealth's ability to achieve value for money outcomes. It could also disadvantage third parties and the Commonwealth's contractors.

The release of the feasibility studies would disclose information that was considered by the Commonwealth, the Western Australian and Queensland Governments in their deliberations and could potentially damage relations between the Commonwealth and the states.

Water Supply to Bullsbrook

Prior to selecting the site at Bullsbrook, an independent feasibility study was undertaken by engineering firm AECOM, looking at usual planning, environmental and health issues. The engineers found that the site was both safe and suitable.

There are no existing water connections available to the Bullsbrook site. Existing residential properties in the area are currently supplied by bore water, the centre has a tank supply as an interim solution for potable water supply, which will be transitioned to town mains water following the completion of the 13 kilometre permanent water supply pipeline from Ellenbrook.

PFAS Contamination at Bullsbrook

The Bullsbrook Training Area is not connected to the Pearce Airbase (that has been the subject of community concerns related to PFAS). The Bullsbrook Training Area is approximately three kilometres away across the Tonkin Highway and closer to fruit and vegetable growers to the North of the site than it is to Pearce Airbase.

The particular area has previously been used by Defence for telecommunications infrastructure that is no longer required. Parcels of land adjoining the area are leased to a farmer for grazing.

Independent feasibility engineering firm AECOM found that the site was safe and suitable. The study noted that it was unlikely that PFAS could travel against the direction of groundwater flow, kilometres away uphill to the location of the Centre. The groundwater is tested by Defence on a quarterly basis.

AECOM also had access to previous environmental studies produced for the Department of Defence, including recent environmental investigations by an independent expert.

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SETTLEMENT WITH RACHELLE MILLER

Issue

Settlement between the Commonwealth and Ms Rachelle Miller

Headline Response

The Government takes claims of this nature seriously.

The Commonwealth and Ms Miller reached a settlement on terms agreeable to both parties for claims relating to Ms Miller's employment as a parliamentary staffer.

Talking Points

- The Government ensures claims are managed sensitively and confidentially to respect a claimant's privacy and ensure the integrity of the dispute resolution process.
- The Department of Finance (Comcover) engaged with Ms Miller's legal representatives on behalf of the Commonwealth, consistently with the *Legal Services Directions 2017*.
- Following negotiations, the Commonwealth reached a settlement with Ms Miller on the claims relating to her employment as a parliamentary staffer.
- The settlement is between Ms Miller and the Commonwealth only and was in accordance with the *Legal Services Directions 2017*.
- Release of the settlement deed is a matter for Ms Miller. Publicly available extracts of the settlement deed indicate that:
 - settlement occurred on 19 July 2022
 - the settlement deed is not confidential, and
 - the quantum was \$650,000.

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- Throughout the process, the Commonwealth and its legal representatives engaged promptly and regularly, noting the sensitivity and complexity of the matters involved.
- The parties acknowledge that the settlement is not an admission of liability by the Commonwealth.
- The Government is committed to working across the Parliament to implement all 28 recommendations in the Jenkins 'Set the Standard' Report to ensure Commonwealth Parliamentary workplaces are safe and respectful.

If asked: "Does the settlement include Mr Tudge and Senator Cash?"

- The settlement is between Ms Miller and the Commonwealth as the employer of parliamentary staff.
- The Department of Finance notified Mr Tudge and Senator Cash of the existence of the claim and the Commonwealth's intention to address it for the Commonwealth's purposes only.
- The Department did not brief any former or current ministers on the detail of the settlement negotiations, nor did it engage with other parties on the mediation process.

If asked: "Why \$650,000?"

- The settlement between Ms Miller and the Commonwealth was determined in line with legal principle and practice, in accordance with the *Legal Services Directions 2017*.

If Pressed: "Why won't the Commonwealth release the full deed"

- Finance does not release settlement deeds, to respect the privacy of claimants.
- The *Privacy Act 1988* limits the Commonwealth from using or disclosing personal information it holds on individuals, other than for the purpose (or a related purpose) for which it was collected, or by consent.

If asked: "Why does the settlement have a confidentiality clause?"

- The parties have agreed to only preserve confidentiality over the mediation discussions between the parties.

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- Maintaining confidentiality over the mediation processes is standard practice in dispute resolution processes. Maintaining this confidentiality enables all parties to negotiate freely and openly.
- The settlement deed does not prevent Ms Miller from making public statements sharing her experiences and discussing the substance of her claim.
 - This is consistent with Recommendation 38 of the Respect@Work report which addressed concerns that claimants, if they wish to, should be able to share their experiences and discuss allegations.

If pressed: "Who approved the settlement?"

- The claim was reported to the Office of Legal Services Coordination in the Attorney-General's Department as significant under the Directions in September 2021.
- The Directions require that significant claims cannot be settled without the approval of the Attorney-General or their delegate.
- A delegate of the then Attorney-General considered this matter in accordance with the Directions and approved the settlement.

Policy Commitments

The Government is committed to implementing the Australian Human Rights Commission, 'Respect@Work: Sexual Harassment National Inquiry Report' (2020) and 'Set the Standard: Report on the Independent Review into Commonwealth Parliamentary Workplaces' (2021).

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Background

On 5 September 2022, media coverage indicated that Ms Rachelle Miller released the substantive content of the settlement between her and the Commonwealth of the claim relating to her employment as a parliamentary staffer. (An example of the media coverage is at **Attachment A**).

Also on 5 September 2022, Ms Miller wrote to Parliamentarians, including the Finance Minister, requesting their support to ensure the recommendations of the Jenkins 'Set the Standard' report were implemented. In particular, Ms Miller noted the importance of transparency in the dispute resolution process.

Ms Miller's legal representatives, Gordon Legal, have made comments to the media indicating that they are managing a number of related claims. To our knowledge, Comcover has not received any further claims from Gordon Legal.

History of claim

Ms Miller was employed by the LNP as a parliamentary staffer over a number of years while they were in Government and Opposition.

On 5 November 2020, Ms Miller made a complaint to the Department of Finance alleging she was subject to bullying, harassment and discrimination during her employment as a parliamentary staffer. This complaint was subject to an independent review by Sparke Helmore, which found there was insufficient evidence to substantiate the allegations made by Ms Miller. Ms Miller chose not to participate in the review. Ms Miller was advised of this outcome on 11 June 2021.

On 23 June 2021, Ms Miller made a number of claims to the Department of Finance, including bullying, sexual harassment and sexual discrimination, against Mr Tudge and others. Ms Miller sought damages and legal costs.

Following the release of the Jenkins report (*'Set the Standard: Report on the Independent Review into Commonwealth Parliamentary Workplaces'*) on 2 December 2021, Ms Miller made a public statement alleging that her relationship with Minister Tudge was abusive. As announced by the then Prime Minister on 2 December 2021, a review into these matters was conducted by Dr Vivienne Thom AM. Ms Miller chose not to participate in the review.

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The Thom Review dated 27 January 2022 concluded, in summary:

'...there is insufficient evidence to support a finding on the balance of probabilities that:

- *Mr Tudge bullied or harassed Ms Miller.*
- *Ms Miller's relationship with Mr Tudge was emotionally abusive.*
- *Mr Tudge was physically abusive to Ms Miller during a work trip to Kalgoorlie Western Australia.'*

Media leaks

In March and April 2022, there was media reporting that the previous Government had settled the claim for more than \$500,000 plus costs (**Attachment B**).

s 45



The Department of Finance and the Attorney-General's Department conducted examinations of the Commonwealth's information-handling processes and arrangements. There is no evidence that any information in relation to this matter has been leaked from a Commonwealth source.

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Government pays \$650k in Tudge affair case



By James Massola National Affairs Editor, The Age Tuesday 6th September 2022 at 12:00am | 685 words, 360cm²

Taxpayers will foot a \$650,000 bill to cover former Liberal staffer **Rachelle Miller**'s claims of damage and loss suffered while she worked for former Cabinet ministers Alan Tudge and Michaelia Cash.

After the settlement of her drawn-out legal case, Miller has issued a plea to all federal MPs to fully implement the recommendations of Sex Discrimination Commissioner Kate Jenkins' review of parliament's workplace culture, citing her own "horrendous" experience in making a formal complaint.

The deed of settlement was dated July 19, 2022 and shows the Commonwealth reached the deal with Gordon Legal, Miller's lawyers, but did not admit liability.

The \$650,000 payment from the Commonwealth included \$100,000 for Miller's loss of future earning capacity, \$10,000 for past loss of earning capacity, \$28,000 to reimburse past medical expenses, \$62,000 for future medical expenses, \$300,000 for hurt, distress, humiliation, dislocation of life, loss of professional standing and impairment of personal dignity and \$150,000 for Miller's legal costs.

Miller worked as a media adviser for Tudge for 15 months from August 2016 and then worked for Cash for eight months until July, 2018.

She went public in November 2020 on the ABC's Four Corners program to reveal she had an affair with Tudge while he had been her boss, and filed a bullying complaint with the Department of Finance at the time. The Age revealed in February 2021 that Miller was preparing legal action against Tudge and Cash over her time working for the ministers, who are now the shadow minister for education and shadow minister for workplace relations, respectively.

The allegations against Tudge damaged the Morrison government and triggered two inquiries.

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Tudge stood down from the front bench in December 2021 after Miller publicly alleged he was emotionally abusive and on one occasion physically abusive while they were travelling together for work.

Tudge denied the allegations at the time, saying he had “accepted responsibility for a consensual affair that should not have happened many years ago. But Ms Miller's allegations are wrong, did not happen and are contradicted by her own written words to me”.

The first inquiry was commissioned by the Morrison government but did not find sufficient evidence to substantiate allegations of inappropriate behaviour.

The second inquiry found Tudge had not breached ministerial standards, but Miller did not participate.

In response to questions about the settlement, Tudge released a statement saying: “I was not a party to these matters or any payment sought and have no knowledge of them. I categorically reject these latest allegations, just as I rejected Ms Miller's previous allegations, which I was cleared of by two independent inquiries.”

A spokesperson for Senator Cash said: “Senator Cash strenuously rejects claims of any adverse treatment of Ms Miller and strongly disputes Ms Miller's version of events. At the time of her employment, between late 2017 and mid-2018, Senator Cash and her office understood Ms Miller's personal circumstances which is why support, leave and flexible work arrangements were offered to her.”

In a December 2021 mediation paper provided to the Commonwealth, part of which is included in the deed of settlement, Miller alleged that Tudge had contravened the Disability Discrimination Act by engaging in disability discrimination, contravened the Sex Discrimination Act by sexually harassing and discriminating against her and contravening the Workplace Health and Safety Act by failing to provide a safe work environment.

Miller also alleged that the implied term of her contract that she would be afforded a safe workplace had been breached and that Tudge contravened the adverse action and other provisions of the Fair Work Act by taking adverse action because of Miller's sex and disability.

Cash was also accused of contravening the Disability Discrimination Act, the Sex Discrimination Act, the Workplace Health and Safety Act and the Fair Work Act. On March 16, 2022, Miller and the Commonwealth agreed to settle and resolve all claims and, without admitting liability on behalf of Tudge or Cash, reached agreement.

'I was not a party to these matters.'

Alan Tudge"

Attachment B

The Sydney Morning Herald

Exclusive Politics Federal Workplace culture

Prospective payout to Tudge's former staffer recognises 'major claim'



By **Katina Curtis**

April 13, 2022 — 5.30am

The six-figure settlement the government is expected to reach with a former staffer of Minister Alan Tudge suggests her complaint has been recognised as a “major claim” with “a meaningful prospect of liability” under the bureaucracy’s rules.

Rachelle Miller took legal action over allegations of bullying, harassment and discrimination while she was working for Tudge and cabinet colleague Michaelia Cash, who is now the attorney-general.



Alan Tudge and his former staffer Rachelle Miller. ALEX ELLINGHAUSEN

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She has since gone public about her affair with Tudge, saying it was emotionally and on one occasion physically abusive. He denies those claims but stood aside from the frontbench while an independent investigation took place.

Before taking the legal action, Miller filed a workplace bullying complaint with the Department of Finance over her treatment by Tudge, alleging that he belittled and humiliated her, and a separate complaint about the process that forced her out of Cash's office.

Now Prime Minister Scott Morrison has cleared the way for Tudge – who is still technically in cabinet – to return to the ministry after the election.

The Department of Finance and Miller are in the final stages of settling the suit. The settlement figure will remain confidential but is understood to be more than \$500,000.

As with the settlement the government struck with the High Court associates who had been sexually harassed by former judge Dyson Heydon, the non-disclosure agreement will only cover the amount paid, and won't prevent Miller from speaking about her experiences.

Morrison has said he had "no visibility" over the settlement.

"I can't confirm to you whether a payment has even been made," he told 5AA radio in Adelaide on Tuesday.

"But I know it's taxpayers' money, and those matters are handled by the Department of Finance at arm's length from politicians including, you know, the Special Minister of State."

The government's rules for handling legal matters say any settlement over \$100,000 must be treated as a major claim. This includes seeking written independent legal advice from either the Australian Government Solicitor or an outside law firm that the settlement is in accordance with legal principle and practice.

The legal service directions also warn government departments that settling a claim "requires the existence of at least a meaningful prospect of liability being established" and the amount of a payout must consider the prospects of a claim's success in court.

"In particular, settlement is not to be effected merely because of the cost of defending what is clearly a spurious claim," the rules state.

A spokesperson for the Department of Finance said the department "has been engaging with Ms Miller's legal representatives on behalf of the Commonwealth, in accordance with its obligations under the Legal Services Directions 2017".

"The Department does not comment on the details of any individual claim," they said.

Morrison's department commissioned respected investigator Dr Vivienne Thom to examine the nature of Miller and Tudge's relationship.

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Miller did not participate in the investigation on legal advice. Thom's report, released on March 4, found no evidence Tudge had broken the ministerial code of conduct at the time.

Morrison was asked on Tuesday "does money just fly out of the sky in the Finance Department" without any oversight, given he has no knowledge of the settlement with Miller.

"You're also assuming that there is any wrongdoing on Alan Tudge's part. No matter has been raised with me by the Department of Finance in relation to any of those things," Morrison said.

"We had an independent investigation by Vivienne Thom ... so the suggestion that Alan is in some way being found, you know, it's not supported by the independent inquiry."

Labor says it's not good enough for the prime minister to say he doesn't know how \$500,000 is being spent.

"If Alan Tudge did nothing wrong, why was half a million dollars in taxpayers' money spent in compensation? And if Alan Tudge did do something wrong, why is he still in the cabinet?" Labor frontbencher Jason Clare said.

"This stinks."

Jacqueline Maley cuts through the noise of the federal election campaign with news, views and expert analysis. [Sign up to our Australia Votes 2022 newsletter here.](#)



Katina Curtis is a political reporter for The Sydney Morning Herald and The Age, based at Parliament House in Canberra. Connect via [Twitter](#) or [email](#).

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SNOWY HYDRO PRESSURES

Issue

The Snowy 2.0 project is facing delays and cost pressures.

Headline Response

Snowy Hydro is undertaking a cost and schedule review of the Snowy 2.0 project to ensure it is delivered to support the operations of the National Electricity Market in time with the necessary transmission links.

Talking Points

Remuneration of Snowy Hydro staff

- Remuneration for Snowy Hydro staff, including short-term incentives, is a matter for the Snowy Hydro Board.
- Snowy Hydro made payments totalling \$24.9 million in 2020-21 and \$29.6 million in 2021-22 under its short-term incentive program for staff.
 - Eligible employees in both the retail and generation business participate in the company's short-term incentive programs.
 - The incentive payments were made to around 1,400 staff each year, and averaged \$17,100 per person in 2020-21 and \$20,492 in 2021-22.
- Remuneration is a complex matter for Government Business Enterprises who manage the need to attract and retain suitable talent while operating in a competitive commercial environment.
- To provide greater rigour and transparency, Shareholder Ministers have requested Snowy Hydro provide advice on the rationale for its remuneration policy and how it can be improved, including the application of the Australian Public Service Commission's *Performance Bonus Guidance* and external and independent benchmarking.

CEO resignation

- On 26 August 2022, Snowy Hydro announced that their Chief Executive Officer and Managing Director, Mr Paul Broad, had offered his resignation to the Board.
- The Snowy Hydro CEO serves at the discretion of the Snowy Hydro Board. The Chair of Snowy Hydro's Board discussed the circumstances of Mr Broad's resignation at Senate Estimates on 7 November 2022.
- The Snowy Hydro Board are conducting an executive search to fill the vacancy as per the processes outlined in the GBE Guidelines.
- Roger Whitby, Chief Operating Officer, will lead Snowy Hydro on an interim basis to facilitate a smooth transition.
- The Government thanked Mr Broad for his contribution to Snowy Hydro during his tenure.

Snowy Hydro Scheme Water

- On 27 September 2022, the Canberra Times reported that Shane Rattenbury MLA, ACT Minister for Water, has raised the suggestion of reviewing the operation of the Snowy Hydro Scheme and the Snowy Water Outcomes Implementation Deed with Environment Minister the Hon Tanya Plibersek MP ([Attachment A](#)).
- The Australian Government is not able to unilaterally make amendments to the Snowy Water Inquiry Outcomes Implementation Deed (the Deed). It would require agreement from the NSW and Victorian governments to make any amendments to the Deed.
- Water in the Snowy Hydro Scheme is closely managed through the Snowy Water Licence issued by the NSW Government which is reviewed every 10 years. The last review was in 2018.

- The Snowy Water Licence clearly defines Snowy Hydro's water rights and obligations and strikes a balance between the competing demands for water for hydro-electricity generation to support the National Electricity Market and for the environment.
- The Snowy Water Licence also imposes environmental flow release obligations on Snowy Hydro for the benefit of the Snowy River and other rivers of the Snowy Mountains.

Snowy 2.0

- Snowy 2.0 remains a critical project to ensure sufficient energy capacity is available in the future and to secure reliable electricity for Australian consumers.
- Minister Bowen has publicly indicated that the project is facing up to 18-months of delay and has received a claim from the construction contractor for additional costs (Sky News interview on 6 September 2022).
- As Minister Bowen has publicly stated, he and I are working closely as Shareholder Ministers with the Snowy Hydro Board to reduce and minimise additional costs on the project and mitigate the schedule delays.
- The Snowy Hydro Board is working with the lead contractor, Future Generation Joint Venture, to work through the claim for additional costs and to revise the schedule to deliver the project in line with the availability of transmission links which is currently expected to be available from mid-2026.
- Snowy Hydro advises that it has paid all amounts that Future Generation Joint Venture is contractually entitled to.
- The Government expects updated advice from Snowy Hydro following conclusion of the ongoing negotiations.
- Future Generation Joint Venture consists of WeBuild (formerly Salini Impregilo) (55%), Clough Projects Australia (35%) and US-based Lane Construction (10%).
 - On 8 November 2022, Clough announced ([Attachment B](#)) that WeBuild had entered into an agreement to purchase a 100 per cent ownership stake in Clough following media reports of financial pressures.

- This would bring WeBuild's underlying stake in the Future Generation Joint Venture to 90 per cent.
- Snowy Hydro issued a public statement welcoming the announcement of the transaction and stated that it looks forward to continuing to work with the delivery partner on the Snowy 2.0 project.

Transmission

- Both HumeLink (north toward Sydney) and VNI West (south toward Melbourne) are needed to ensure certainty of electricity supply for Snowy 2.0.
- On 30 June 2022, the Australian Energy Market Operator (AEMO) released its 2022 Integrated System Plan (ISP), identifying both HumeLink and VNI West as urgently actionable projects.
- The optimal delivery dates included in the ISP are July 2026 for HumeLink and July 2031 for VNI West. AEMO notes that earlier delivery could provide additional resilience benefits for the market.

The Hunter Power Project: Election Commitment – Hydrogen Capability

- On 1 February 2022, the Prime Minister and Minister for Climate Change and Energy announced the Government's commitment for the Hunter Power Project to operate on 30 per cent green hydrogen, with the ability to operate on 100 per cent green hydrogen in the future ([Attachment C](#)).
- The Government has asked Snowy Hydro to prepare a business case for the Hunter Power Project to run on green hydrogen in line with the Government's commitment.
- The business case will be considered by the Government as part of the 2023-24 Budget.
- Delivery of the Hunter Power Project continues to progress with significant civil works conducted to support site mobilisation.

Energy Crisis

- Snowy Hydro plays an important role in providing on-demand electricity generation to support the National Electricity Market throughout volatile periods.

- Shareholder Ministers have re-iterated the Government's expectation that Snowy Hydro take all necessary actions in supporting the NEM to deliver reliable, secure and affordable energy across Australia.
- As a Government-owned business, Snowy Hydro is expected to operate its business in a responsible way to enhance the energy security of the NEM and help to lower prices for consumers. This includes responsibly managing its resources, including water and gas, without exacerbating shortages.
- On 29 July 2022, Snowy Hydro issued a media release rejecting claims they were to blame for recent high prices in the NEM or that they had profiteered from high energy prices ([Attachment D](#)).
- On 14 June 2022, the Australian Energy Regulator (AER) issued a compliance notice to all electricity market generators reminding participants of their obligations under the National Energy Rules (NER). Snowy Hydro is not exempt from these obligations and is expected to comply with the decisions by the independent regulator.

Policy Commitments

- The Government intends to enable and support transmission infrastructure through its Rewiring the Nation policy, which may assist in the delivery of HumeLink and VNI West.
- The Government is committed to reducing emissions by 43 per cent by 2030 and to achieving net zero emissions by 2050.

Background

Snowy 2.0

On 21 August 2022, the Australia reported that Snowy Hydro had received more than \$2.2 billion in additional payment claims from Snowy 2.0's lead contractor, Future Generation Joint Venture ([Attachment E](#)).

Snowy Hydro acknowledged its contractors were facing significant cost pressures, but do not accept the reported \$2.2 billion in claims, advising they have paid all amounts that Future Generation Joint Venture are contractually entitled to.

In a 2021-22 performance audit of *Snowy 2.0 Governance of Early Implementation*, the Australian National Audit Office found that Snowy Hydro had appropriate arrangements in place to manage the engineer, procure and construct contract.

On 9 June 2022, the Australian Financial Review and others reported that Snowy 2.0 was 19 months delayed as a result of a series of issues involving contractors and construction progress.

Snowy 2.0 is an expansion of the existing Snowy Mountains Hydro-electric scheme and is expected to:

- increase the Snowy Scheme's generation capacity by approximately 50 per cent, delivering up to 2,000 megawatts of additional renewable energy, enough to power 500,000 homes at peak demand;
- create up to 4,000 jobs across the life of the project and support many more indirect jobs, providing an economic boost to the Snowy Mountains region; and
- address the National Electricity Market's need for large-scale storage and improve the security and reliability of the system.

The Government has committed up to \$1.38 billion in equity to support Snowy 2.0. The balance is funded through a mix of debt and internally generated cash flows.

There are almost 1,800 people currently working on Snowy 2.0.

Hunter Power Project

Snowy Hydro is constructing a 660 megawatt Open-Cycle Gas Turbine Power Plant in Kurri Kurri, NSW, with expected commissioning by December 2023.

The total cost of the project is \$600 million, with the Government contributing the entire \$600 million as equity toward the project. The total cost does not include the costs to construct the APA Group built, owned and operated gas pipeline and storage facility, which will be leased by Snowy Hydro.

The initial business case indicated an Internal Rate of Return (IRR) of 12.3 per cent.

Up to 600 new jobs will be created during the construction phase, 10 jobs during the operational phase and 1,200 indirect jobs across NSW.

On 17 December 2021, the NSW Government provided final environmental and planning approvals for the project. On 12 December 2020, the NSW Government declared the project Critical State Significant Infrastructure.

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ATTACHMENT A

ACT WATER MINISTER SHANE RATTENBURY BACKS CALL TO REVIEW OPERATION OF SNOWY HYDRO SCHEME

The Canberra Times

27 September 2022

Management of the Upper Murrumbidgee has been excluded from legislation to protect Australia's most important river systems, with Snowy Hydro's control of its headwaters putting the ACT water source at risk, environmentalists say. Legislation designed to ensure the Murray-Darling Basin is managed in the national interest excludes structures operated by the Snowy Hydro scheme, meaning Tantangara Dam can capture more than 90 per cent of annual flows of the Murrumbidgee.

Excessive capture upstream has the potential to damage river ecology and water security in and around Canberra, a group campaigning to have Snowy Hydro assets included under the Water Act say.

Campaign manager Andy Lowes said a lot had been learned about better river management since the Snowy Water Inquiry Outcomes Implementation Deed, which limits the harvesting of water from the Snowy and Murray Rivers, was drawn up 20 years ago. The Deed did not place any limits on harvesting of Murrumbidgee River water.

A former employee of the Murray Darling Basin Authority and Commonwealth Environmental Water Office, Mr Lowes directed his attention to the Murrumbidgee during the 2019 drought, when water had to be trucked into Tharwa, 30 kilometres from Canberra. Having grown up in Tuggeranong, Mr Lowes said he watched as the Murrumbidgee dried up and as water was supplied to protect the town from fires raging in nearby Namadgi Nation Park. "I thought, 'that's not really supposed to happen'," Mr Lowes said. "It made me start investigating my own river a bit more."

The Australian River Restoration Centre want downstream water users, as well as cultural and social impacts along the Murrumbidgee, considered in Snowy Hydro's future operations, in addition to its energy production and distribution goals. The group have sought a commitment from Snowy shareholders, Finance Minister Katy Gallagher and Energy Minister Chris Bowen, to review the rules governing Snowy Hydro's water use. In a letter to the ACT senator, the not-for-profit organisation detailed the inconsistency of the Murray-Darling Basin Plan and the Snowy License having statutory review periods of 5-10 years, whereas the Deed governing Snowy Hydro operations has none.

ACT Minister for Water Shane Rattenbury as included in the communication with Ms Gallagher. He said he'd raised the suggestion of reviewing the operation of the Snowy Hydro Scheme and the Snowy Water Outcomes Implementation Deed with Environment Minister Tanya Plibersek.

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Mr Rattenbury said conducting federal reviews would highlight changes required to the Water Act and the Basin Plan to establish appropriate governance arrangements to ensure sustainable operation of the Snowy Hydro Scheme.

"The Upper Murrumbidgee provides critical ecological and cultural functions and water supply for populations in both the ACT and NSW," Mr Rattenbury said. "However, up to 97 per cent of the natural river flow is diverted from the Murrumbidgee River by the Snowy Hydro Scheme for hydropower generation. "The reduced flow, in combination with climate change and upstream water management arrangements, have impacted on Traditional Custodians cultural values, aquatic wildlife and water security for critical human water needs.

"The current operation of the Snowy Hydro Scheme does not create a sustainable future for the Upper Murrumbidgee Region."

Change in river hydrology and the environmental impacts associated with Snowy Hydro diverting more than 90 per cent of river flow was reported by the ACT Commissioner of Sustainability and the Environment in 2019, a government spokesperson said. "Scientific reports highlight significant decline in native fish populations, sedimentation of the Murrumbidgee River channel, and poor water quality entering the ACT," they said.

With the Murrumbidgee a third water source for the ACT, behind the Cotter and Googong, Mr Lowes said another year or two of drought in 2019 could have impacted water security in Canberra. Mr Lowes said he still can't understand why the Upper Murrumbidgee wasn't included in the Water Act. He suggests it could be that rules were already in place and they didn't want to duplicate or impact existing legislative framework.

"I went from working in these government agencies and going out to others to explain how the Murray River works and now I find myself as a community member, trying to work out how our reserve works," he said.

With Ms Plibersek recently declaring nothing was off the table in the bid to return 450 gigalitres of environmental flows for the Murray-Darling, ahead of the 2023 deadline, Mr Lowes said perhaps the Snowy could play a part.

"The problem is they're trying to find 450 gigalitres in an over-allocated system, but nobody's had a look at the Snowy Scheme yet," he said.

ATTACHMENT B

WEBUILD ACQUIRES 100% OF CLOUGH FROM MURRAY & ROBERTS

Clough

8 November 2022

Clough is pleased to announce that Webuild has entered into an agreement with Murray & Roberts for the acquisition of the Clough Group and all its shares.

The deal will see Webuild acquiring 100% of the Clough Group including all its subsidiaries (e2o, Booth Welsh, CH-IV and JJ White) from Murray & Roberts.

Peter Bennett, Clough CEO and Managing Director said “Our business continues to deliver strong growth in key markets, and the combination of Webuild and Clough provides unique synergies into the booming construction sector. We both bring highly valued capabilities to our respective end markets, and our individual cultures and approach to business are complementary, as evidenced by our working relationships on two major projects where we are in Joint Venture together”

This acquisition by Webuild will bring significant operating and financial benefits for the combined Group in the way of integrated management of common projects, implementation of a single commercial strategy, functional optimisation and sharing of best practices.

With their substantial balance sheet, Webuild will provide a strong foundation on which Cloughs’ continued growth is well supported.

Ends –

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ATTACHMENT C

MEDIA RELEASE - LABOR WILL ENSURE CERTAINTY FOR KURRI KURRI

1 February 2022

The Hon Anthony Albanese MP, The Hon Chris Bowen MP, Meryl Swanson MP

An Albanese Labor Government will ensure the future of the Kurri Kurri power station, and provide more secure jobs for its workers. Labor welcomes any investment in the Hunter, and is committed to affordable, reliable power. But Scott Morrison is risking taxpayers' money on a gas plant that experts say will become stranded in an increasingly renewable energy system.

The Government's hand-picked Chair of the Energy Security Board said their gas plant "doesn't stack up, because it's expensive power".

That's why Labor will work with Snowy Hydro Limited to ensure the power plant at Kurri Kurri can transition to green hydrogen – guaranteeing a role for the station and its workers as well as affordable and reliable power for decades to come.

In the first instance, a Labor Government would ask Snowy Hydro Limited to operate the plant on 30 per cent green hydrogen – a commitment which the current Government admits is possible but will not make.

Labor would also ensure Snowy upgrades the plant to 100 per cent green hydrogen as soon as possible. Upgrading the plant to green hydrogen this decade, in line with private sector projects, will mean more secure jobs for its workers. Labor's proposal will ensure investment in the Hunter – guaranteeing the region will power Australia well into the future.

A future green hydrogen plant would underwrite demand for the fuel in the Hunter, helping the region to become a hydrogen hub for Australia and the world. A boost to green hydrogen demand means a boost to renewables like solar and wind, which are needed to create green hydrogen.

There are existing proposals for green hydrogen production in the Hunter, and substantial space for renewables at Snowy's Kurri Kurri site.

And Labor's proposal is consistent with net zero emissions by 2050, as well as our commitment to 43 per cent emissions reductions by 2030. Labor will work with Snowy Hydro Limited and experts on the details of this commitment, and make an additional equity injection to deliver the final project. This is the same approach adopted by the Government.

Labor will also work with Snowy on the mismanagement and delays that have already begun to plague the project under the Morrison-Joyce Government. This investment is part of Labor's Powering Australia plan to create jobs, cut bills and reduce emissions.

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ATTACHMENT D

SNOWY HYDRO'S ENERGY CRISIS RESPONSE

29 July 2022

As the energy crisis in the National Electricity Market (NEM) continues to unfold, Snowy Hydro is being called on more than ever to keep the lights on and prices down. Snowy's role as the NEM's 'insurance policy', providing on-demand energy generation during the crisis, has significantly impacted our business and financial position.

CEO and Managing Director Paul Broad said Snowy Hydro strongly rejected commentary suggesting it is to blame for recent high prices in the NEM.

"These comments misunderstand the cause of the energy crisis, as well as Snowy Hydro and the nature of its generation assets," he said.

Snowy Hydro is a relatively small supplier of energy owing to the fact that its principal source of fuel (water) is limited. In most years Snowy Hydro supplies between 2-4% of the total energy generated in the NEM, operating at critical times of peak demand and when there are unplanned baseload outages.

The current crisis has arisen due to shortfalls from suppliers of bulk energy, including coal, wind and solar. To help manage this shortfall, Snowy Hydro has operated its assets at record levels, effectively as a baseload generator.

"To blame high prices on Snowy Hydro for stepping into the void left by bulk energy providers is absurd," Mr Broad said.

"Were it not for the actions of Snowy, prices would have been significantly higher. Our teams have worked tirelessly and closely with AEMO, the market operator, throughout this challenging period.

"In May this year, generation from the Snowy Scheme was almost double the previous monthly record. This was essential for maintaining security of supply in the NEM, but it is not sustainable.

"Snowy's ability to operate in this manner is constrained by its fuel scarcity - we don't have enough water to manage the 'energy gap' from other generators for extended periods," Mr Broad said.

Snowy Hydro's water resources must be carefully allocated to the highest value periods in order to keep the lights on. In other words, hydro generation has a high opportunity cost.

It is wrong to suggest that high prices could have been avoided, or that Snowy Hydro should have offered its generation at lower prices. Doing so would have caused our hydro assets to be dispatched ahead of other forms of generation with a cheaper cost of fuel. Not only would this not have made economic sense, it would have left the company unable to respond to critical demand peaks this winter and summer, further increasing the risk of blackouts.

The implication that Snowy Hydro enjoyed a financial windfall as a consequence of the crisis is also inaccurate. Most energy dispatched in the NEM is pre-sold to customers under short or long-term contracts. This is essential for stabilising the cash flow of generators and retailers and is part of the market design. It also means that a narrow focus on price outcomes in the NEM reveals little about generator profitability.

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 Contact No: § 22
 Division: Commercial Investments Division
 Date Updated: 22/11/2022
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 PDR Number: QB22-000102

The steps taken by Snowy Hydro to help keep the lights on - depleting its reserves of available water - have in fact been detrimental to the company's financial and risk position. Snowy Hydro rejects any suggestion it has been 'profiteering' from the crisis, or has in any way exacerbated it.

Snowy Hydro will remain focused on ensuring security of supply for the NEM during this challenging period.

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ATTACHMENT E

SNOWY HYDRO 2.0 FACING \$2.2BN COST BLOWOUT

21 August 2022

The Australian

The Snowy 2.0 expansion has been hit with more than \$2.2bn of additional payment claims, with its lead builders blaming the COVID-19 pandemic and surge in material prices for the cost hike. A series of cost variation claims have been lodged with the government-owned Snowy Hydro by the Future Generation venture, comprising Italy's WeBuild and Perth-based Clough, demanding a more than 40 per cent increase due to the spiralling costs.

The venture prepared a document late last year laying out what it believed to be the legal basis for the payment, and asking for deadlines to be extended. The document cited unforeseen COVID-19 delays, productivity losses and surging raw material prices, and asked for an extension to complete the scheme citing a clause under its contract, sources told The Australian.

It is unclear whether that document included a single figure for extra costs on the Snowy 2.0 project, or whether the contractors have been including additional COVID-19 payments in their monthly payment claims. An 18-month delay to the project was confirmed by Energy Minister Chris Bowen in June, with the new timeline blamed on a series of issues including bushfires and the pandemic hitting supply chains and restricting the availability of workers.

Snowy locked in a \$5.1bn budget for the expansion in April 2019 under a turnkey contract which allows little room for major cost changes. While negotiations between the builders and Snowy are believed to be continuing, sources said both WeBuild and Clough faced substantial losses on the development should they fail to offset costs caused by the pandemic and supply chain issues, which had dramatically increased the price of raw materials such as steel, among other things. Snowy acknowledged its contractors were facing significant cost pressures, but said on Sunday it had only paid what the builders were "contractually entitled to": "Snowy Hydro rejects the reported \$2.2bn claim ... Snowy 2.0's EPC contractor, Future Generation joint venture, has been significantly impacted by external events, comprising the COVID-19 pandemic and supply chain challenges," Snowy chief executive Paul Broad said. "Snowy Hydro has paid all amounts that Future Generation joint venture is contractually entitled to."

The joint venture said: "We continue to work closely with our client, Snowy Hydro, towards the successful delivery of this project."

The Australian understands representatives of the contractors lobbied former Morrison government ministers ahead of the May election about cost increases and Snowy's unwillingness to accept variations to the contract based on their changed circumstances, but had little success. Snowy had so far paid less than half of the amount claimed by its builders after assessing that the joint venture was not entitled to receive payment for the items claimed, an Australian National Audit Office report concluded on June 15.

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While the contractors claimed about \$1.7bn in 11 months from August 2019 to September 2021, Snowy paid less than \$500m - or less than a third of the amounts sought by WeBuild and Clough. The payment gap between the two was attributed to an assessment that "the contractor is not entitled to receive payment for the items claimed and information the contractor presents in the claim sheets for calculating payment claims under the rules of credit does not contain the latest performance data", the audit office report found.

But the vast gulf between the contractor costs claimed and Snowy's original budget raises new concerns over the execution of the country's biggest energy storage project, which is needed to ensure the power grid can move from coal to renewables while avoiding blackouts. Cost tensions will sharpen criticism of the expansion, which was first championed by the then Prime Minister, Malcolm Turnbull, to stabilise the power grid and deliver cheaper electricity prices for households.

After locking in the initial price, the lead contractors have endured a perfect storm of challenging conditions, including rampant wage and material inflation, unexpected Covid-19 delays and elevated transport costs. Snowy's \$5.1bn budget includes a \$400m contingency factor but the company put the overall cost schedule under review in mid-April - after contractors are believed to have outlined the legal basis of their claims - with Mr Broad saying Snowy was assessing the impact of the COVID-19 pandemic.

It is understood other claims by the contractors centre around the speed at which the project was originally scoped, and whether subsequent variations to the scope of work are the responsibility of the contractors or Snowy. Documents prepared by the joint venture for Snowy 2.0 show it was preparing to claim a "compensation event" due the imposition of COVID-19 lockdown rules on its staff, and citing a string of extra costs it was forced to meet during the construction period.

The price hike included rewriting management plans to accommodate COVID-19, the cost of incentivising people to work on a regional project in the Snowy Mountains during the pandemic, additional housing and accommodation to allow social distancing and the loss of productivity due to staff working from home.

Inflation hit many key materials needed for the complex expansion, which includes a power station 800m underground, with the builders saying there was an inadequate escalation provision given pandemic-related cost increases.

Snowy expects the project to deliver an 8-9 per cent return for taxpayers from 2025. The facility aims to add a further 2000 megawatts of generation capacity and 350,000 megawatt hours of energy storage to the NSW site in the Snowy Mountains. The Coalition paid \$6bn in 2018 to win control of Snowy after buying stakes owned by the NSW and Victorian governments.

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SUPERANNUATION

COMMONWEALTH PUBLIC SERVANTS' SUPERANNUATION

Issue

What is the Government doing to manage the cost of superannuation provided to federal public servants?

Headline Response

The defined benefit superannuation schemes for Australian Government employees have been closed for more than 17 years and have been replaced with fully-funded defined contribution arrangements.

Talking Points

- The Australian Public Service (APS) defined benefit superannuation schemes have been closed to new members since 1 July 2005. More than 65 per cent of APS employees now have their employer contributions paid to a modern defined contribution scheme.
- The *PSS and CSS Long Term Cost Report 2020* prepared by the scheme actuary estimated that, as a consequence of the closure of the APS defined benefit schemes, projected outlays for these schemes are expected to decline from 0.29% of GDP in 2022 to 0.06% of GDP in 2060.
- The Future Fund was set up in 2006 to strengthen the Commonwealth's long-term financial position by making provision for unfunded superannuation liabilities that will become payable.

If asked about the 15.4% employer contribution rate provided to APS employees who are members of defined contribution schemes

- The employer contribution rate of 15.4% reflects the rate determined by Public Sector Superannuation Scheme (PSS) actuary as the average employer contribution rate for the PSS at the time the PSS was to be closed—announced by the then Minister for Finance, Senator the Hon Nick Minchin (copy at [Attachment A](#)).

If asked why APS defined superannuation benefits are not subject to asset and income tests like the Age Pension

- APS defined superannuation benefits are benefits payable as a quid pro quo for employment.
- Unlike the Age Pension, APS defined superannuation benefits are provided to members as part of their remuneration and terms and conditions of employment.
- The Government does not support any proposal to apply means testing to APS defined benefit superannuation benefits.

If asked about the size of defined benefit payments/pensions

- The amount of an APS defined benefit payment is determined in part by the length of service over which time the benefit has accrued.
 - At 30 June 2020, the average length of eligible service of active defined benefit members was 32.5 years in the Commonwealth Superannuation Scheme (CSS) and 19.7 years in the Public Sector Superannuation Scheme (PSS).
- In the PSS benefits are also driven by significant levels of personal contributions made by members in addition to employer-funded payments.
 - At 30 June 2020, active PSS members, on average, made personal contributions of 7.5% of their superannuation salary to the PSS Fund (paid from their after-tax salary).
- At 30 June 2020 the average pension paid to a CSS member was \$47,384 per annum and to a PSS member was \$36,712 per annum. These are less than the cut-off income limit for the single part-age pension of around \$56,000 per annum.

Policy Commitments

- N/A.

Background

APS superannuation schemes

The two main APS defined benefit superannuation scheme, the Commonwealth Superannuation Scheme (CSS) and the Public Sector Superannuation Scheme (PSS) were established by the *Superannuation Act 1976* and the *Superannuation Act 1990* respectively and subordinate legislation made under these Acts. The rules relating to the provision of benefits under these Acts remain largely unchanged since the schemes' inception.

The CSS was closed to new members on 30 June 1990 and the PSS was closed to new members on 30 June 2005.

CSS retirement benefits

CSS retirement benefits comprise a funded and unfunded component.

The funded component comprises employer productivity contributions of between 2% to 3% and post-tax member contributions usually paid at the rate of 5% of superannuation salary. These contributions accumulate in line with CSS Fund earning rates. The funded component of the benefit can be taken as a lump sum or non-indexed pension.

On retirement, the unfunded component is only payable as a CPI-indexed pension and calculated on the basis of years of service and final salary at retirement.

PSS retirement benefits

PSS retirement benefits are payable as a lump sum by default. A PSS member can elect to convert at least 50% of the lump sum to a CPI indexed pension. The lump sum benefit is calculated by multiplying the member's final average salary (usually calculated over the last three years) by their accrued benefit multiple (ABM) at retirement. A member's ABM depends on the rate of post-tax member contributions (0% or between 2% and 10%) the member makes.

Public Sector Superannuation Accumulation Plan (PSSAP)

The PSSAP is a fully funded defined contribution scheme, opened on 1 July 2005. New APS employees can choose their fund with their default fund being PSSAP. The mandated PSSAP employer contribution rate is 15.4% of superannuation salary. Benefits payable from PSSAP are lump sums. The member can elect to convert some or all of their benefit to an allocated pension.

Unfunded Superannuation Liabilities (UFL)

The Australian Government's unfunded superannuation liability represents the present value of the retirement benefit owed to employees for past service, as estimated by the actuaries of the respective superannuation plans. While employees are required to make regular contributions during their employment, successive Governments have funded the employer component of the benefit from consolidated revenue during the retirement phase.

For Budget reporting a long-term discount rate is used. This rate reflects the average annual rate estimated to apply over the remainder of the term to maturity of the liability and the actuaries' views that short-term deviations are expected to be smoothed out in the longer term. For Actuals reporting, the Australian Accounting Standards require the use of the long-term government bond rate as at 30 June that best matches each individual scheme's liability duration.

Future Fund

The Future Fund was established on 3 April 2006 by the *Future Fund Act 2006*. The Fund is a financial asset fund, set up to strengthen the Commonwealth's long-term financial position by making provision for unfunded superannuation liabilities.

The Future Fund Act provides that from 1 July 2020, the Fund may be used to discharge the Government's unfunded superannuation liabilities irrespective of whether the Fund balance exceeds the TAL. The previous Government announced that Fund drawdowns would be deferred until at least 2026-27.

APS defined superannuation benefits v Age Pension

APS defined benefits are not comparable to the Age Pension. The Age Pension is a means tested 'safety net' benefit. It is not an earned benefit accrued in the course of employment.

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Cleared by: Nathan Williamson
Contact No: (02) 6215 2668
Cleared by Adviser:
PDR Number: QB22-000111

ATTACHMENT A



MEDIA RELEASE

SENATOR THE HON NICK MINCHIN

Minister for Finance and Administration
Deputy Leader of the Government in the Senate

17th October 2003

New Superannuation Arrangements for Australian Government Employees

Minister for Finance, Senator Nick Minchin today announced that the Australian Government would introduce changed superannuation arrangements for new employees who join the PSS from 1 July 2005.

The new arrangements will convert the Public Sector Superannuation Scheme (PSS) from a defined benefit scheme to a fully funded accumulation scheme from 1 July 2005.

The PSS Board, which comprises equal union and employer nominated representatives, this week voted unanimously to support the proposed changes. Over the coming weeks the Government will be consulting extensively with unions and relevant stakeholders in the development of further details of the arrangements.

The changes will ensure that the superannuation arrangements for Australian Government employees continue to be affordable.

The changes will not affect any existing Australian Government employees or people with an existing interest in the PSS or CSS.

The PSS unfunded liabilities are already around \$9 billion after only 13 years of operation. The proposed arrangements will allow the Australian Government to fully fund its superannuation obligations for all new employees. This will slow the growth in the PSS unfunded liabilities.

From 1 July 2005 all new PSS members will receive the same level of employer contribution, a rate of 15.4 percent of salary, which is the actuarially determined average employer contribution rate under the existing arrangements.

This is a major improvement on the current PSS arrangements where employer contributions can vary widely depending on a variety of personal circumstances such as gender, age on joining the scheme and length of membership.

The changes will also allow new employees to have portability of superannuation benefits.

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AUSTRALIA POST - CURRENT ISSUES

Issue

Why is Australia Post increasing stamp prices?

Headline Response

Australia Post has notified the Australian Competition and Consumer Commission that it proposes to increase the basic postage rate by 10 cents in January 2023 – this would be the first stamp price increase in three years. On 11 November 2022, the ACCC released its view that it has no objection to the price increase and that Australia Post is still unlikely to recover its cost for providing the letters service with the increase.

The Government remains committed to ensuring Australia Post is able to maintain essential postal services for Australians. The stamp price increase will ensure Australia Post can continue to provide services for all Australians.

Talking Points

Basic Postage Rate Increase

- On 11 August 2022, Australia Post provided the Australian Competition and Consumer Commission (ACCC) with a draft notification to increase the Basic Postage Rate by 10 cents, from \$1.10 to \$1.20 effective January 2023.
- The increase to the Basic Postage Rate is the first in three years and is estimated to cost households on average an extra \$1.50 per year. Concession and seasonal greetings rates will not be affected.
- On 18 November 2022, Australia Post provided written notice of its proposed determination under the *Australian Postal Corporation Act 1989* to the Minister for Communications.
- The Minister for Communications has 30 days to consider the notice.

Optus Data Breach

- On 13 October 2022, Australia Post advised Shareholder Departments that Optus had notified it that 1,285 Keypass ID numbers issued by Australia Post were exposed during the Optus cyberattack.
 - Keypass ID is a proof of age and identity card issued by Australia Post.

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- No copies of Keypass ID cards or customer images displayed on cards were exposed. Australia Post's data systems and the data collected and stored by Australia Post as part of the Keypass ID application were also not exposed.
- Keypass IDs cannot be used in isolation or to validate an identity online via the Document Verification Service.
- Australia Post is working closely with Optus to provide assistance, including in communications with impacted Keypass ID holders.
- Impacted customers may apply to Australia Post for a free replacement Keypass ID.
 - Australia Post estimates that the cost to replace the impacted cards is likely to be low and are considering cost recovery arrangements with Optus.

Retail Product Price Increases

- Effective 5 September 2022, Australia Post increased the prices of some products and services, including domestic and international parcels, international letters, unaddressed mail, prepaid products and money orders.
- The price increases reflect increases in Australia Post's operational costs, including fuel costs that are affecting businesses across Australia and will help Australia Post maintain and improve its products and services.
- These are not regulated services (unlike the letters business) and the price increases are a commercial matter for Australia Post.

Temporary Cessation of Sea Mail

- Australia Post temporarily ceased accepting incoming international sea mail from 1 October 2022. This service resumed on 21 November 2022.
- The reduction in air mail capacity during COVID-19 saw the doubling of incoming international sea mail, with many sea containers being found to contain a significant amount of illicit goods, such as tobacco.
- The higher amounts of illicit goods detected in sea mail compared to air mail, combined with the stringent inspection requirements introduced in response to foot and mouth disease, resulted in a significant backlog of shipping containers at Australia Post's Sydney Gateway Facility.

- Australia Post imposed the temporary suspension to allow its staff, and border agencies officials, so safely work through the backlog, which has now been achieved and allowed the suspension to be lifted.

Network disruptions and weekend deliveries

- Extreme weather events have caused the Sydney to Perth and Melbourne to Adelaide rail lines to close until at least early December 2022.
- On 23 November 2022, Australia Post announced the suspension of its Parcel Post and StarTrack Road Express services to and from WA.
- A WA Emergency Service came into effect on 28 November 2022 and includes a levy to assist with the significant increase in road transport costs into and out of WA.
- The levy only applies to contracted business customers and is not applicable to retail customers.
- Some items sent to South Australia and the Northern Territory from the east coast of Australia may be delayed as they will be transported by alternative routes.
- Express Post and StarTrack Premium services are not affected.
- In the lead up to Christmas, Australia Post commenced weekend parcel deliveries across Australia from 19 November 2022.

Corporate Post Offices Closures

- On 2 September 2022, the Courier Mail reported that Australia Post is planning to close up to 30 post offices.
- Australia Post must maintain at least 4,000 post offices in Australia as required under its Community Service Obligations. As at 30 June 2022, Australia Post operated 4,310 post offices.
- It is the normal course of business for Australia Post to review the number and location of post offices to ensure that its services meet consumer's needs.
- Australia Post has advised it is considering a small number of closures primarily in metropolitan areas, with all affected staff to be redeployed to nearby corporate post offices.
 - Nepean Business Centre and Frenchs Forest Business Hub post offices closed on 21 October 2022 and Canberra Civic Square post office will close on 30 November 2022.

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Access to Australia Post's parcel and post office network

- On 17 September 2022, the Australian reported that Australia Post had declined a commercial partnership with Team Global Express for access to its parcel lockers and post office network.
- Australia Post currently has commercial agreements with a range of customers, including transport and logistics companies. Australia Post advises that its network is open and available to anyone who pays to use its services, including parcels.
- Access to parcel lockers and Local Post Offices by external carriers is a commercial matter for Australia Post.

Australia Postal Bank

- The Government is committed to ensuring that rural and regional Australians have access to essential banking services.
- Australian communities are well served by Australia Post's existing financial services, including Bank@Post which provides basic banking services for over 80 financial institutions at over 3,500 post offices, including in almost 1,200 communities that have no other physical banking presence.
- Bank@Post ensures that consumers have choice.
- The Government is working closely with the Regional Banking Taskforce members, including banks, Australia Post and other key stakeholders, to identify solutions to maintain or improve banking services and accessibility in regional areas.

2021-22 Full Year Results and Performance

- On 26 August 2022, Australia Post released its results for 2021-22 financial year, with profit before tax of \$55.3 million, down 45.1 per cent on prior year.
 - Letters losses increased to \$255.7 million, up 24.3 per cent on prior year.
 - The cost of delivering its Community Service Obligations was estimated to be \$348.5 million, in line with prior year results.
- Australia Post is forecasting losses in 2022-23.
- Due to the expiry of temporary regulatory relief on 30 June 2021, the transition to a new Sustainable Delivery Model and the impact of COVID-19 on air transport capacity and staff, Australia Post did not to meet two key regulatory performance standards in 2021-22.

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- On-time letters delivery: the target is for at least 94.0 per cent of letters to be delivered within the legislated timeframes (which varies by location). Australia Post achieved 93.5 per cent performance against this target. Performance improved in the second half of the financial year with 95.5 per cent in the third quarter and 95.9 per cent in the fourth quarter.
- Every business day delivery frequency: the target is to service 98.0 per cent of all delivery points every business day. Performance returned to above target at 98.8 per cent in the fourth quarter.
- Australia Post has prepared a Service Improvement Plan, detailing how it will return services to the required standards. The Government tabled the Service Improvement Plan in both Houses of Parliament on 28 October 2022.

If asked about the Hon Scott Morrison MP's involvement in the *Investigation into the proper use of public resources at Australia Post*

- Former Secretary Rosemary Huxtable and staff in the Department of Finance were not aware the former Prime Minister had been sworn-in to administer the Department of Finance.
- Accordingly, the Department advises that the former Prime Minister's appointment as Minister for Finance, and therefore as Shareholder Minister of Australia Post, had no undue influence or impact on the conduct of the Department in respect of the Investigation into the proper use of public resources at Australia Post (the Investigation).
- On 25 November 2022, the Hon Virginia Bell AC released the Report of the Inquiry into the Appointment of the former Prime Minister to Administer Multiple Departments.
- The Report found that the Former Prime Minister did not exercise any of the powers or functions or discharge any of the duties of the Minister for Finance and his appointment had no implications for the functioning of Government Business Enterprises, including Australia Post.

Competitive Neutrality Complaint

- On 24 February 2022, the Australian Government Competitive Neutrality Complaints Office received a complaint from the Conference of Asia Pacific Express Carriers (Australia) Limited (CAPEC) against Australia Post.

- The Competitive Neutrality Complaints Office has accepted the complaint and opened an investigation into Australia Post's compliance with the competitive neutrality policy.
 - Shareholder Departments are working constructively with the Competitive Neutrality Complaints Office to support its investigation.

Policy Commitments

N/A.

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CODES OF CONDUCT – MINISTERS & STAFF**Issue**

Codes of Conduct for Ministers and Staff

Headline Response

The new Code of Conduct for Ministers aims to reinforce the Albanese Government's commitment to being open and accountable by upholding the highest of standards with regard to Ministers' conduct in both professional and personal settings.

Talking Points

- The Prime Minister has approved a new Code of Conduct for Ministers setting out his expectations for the conduct and behaviour of Ministers, including Assistant Ministers.
- All Ministers are expected to abide and adhere to the new code, which reinforces that Ministers must act with due regard for integrity, fairness, accountability, responsibility and the public interest.
- Two important differences compared to previous Government's Statement of Ministerial Standards:
 1. Ministers will not have any direct shareholdings. Ministers are required to divest themselves of shareholdings, except in superannuation and other broadly diversified managed funds. There will be no "blind trust" arrangements.
 2. Ministers will be personally responsible for their private interests. Ministers won't be allowed to delegate that responsibility to anyone else, such as in a "blind trust" arrangement.

Staff Code

- As the Special Minister of State, I am responsible for the Ministerial Staff Code of Conduct.
- The Ministerial Staff Code of Conduct was created between my office and the Prime Minister's Office and covers all staff working for Ministers.

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PDR Number: QB22-000117

- The Ministerial Staff Code of Conduct was updated on 7 July 2022.
 - It was published on the Special Minister of State website on 7 July 2022.
 - On 8 July 2022, the Ministerial and Parliamentary Services website was updated to reflect the new Ministerial Staff Code of Conduct and also update the Ministerial Staff Private Interests Declaration Form.

Policy Commitments

- N/A

Background

Ministerial Staff Code of Conduct

The Ministerial Staff Code of Conduct is prepared by the Special Minister of State's office and the Prime Minister's Office.

The Department of Finance was not involved in the drafting of the Ministerial Staff Code of Conduct, however was provided a draft on 4 July 2022:

- to ensure no adverse MOP(S) Act references, and
- to commence work to update any relevant MaPS website pages and forms.

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