

Session 4

The Role of Opposition Senators - Politics or Auditing

Ms Cornwell The principle underlining the estimates committee process is that it provides an opportunity for all senators to be involved in scrutinising government expenditure. However, the reality is that, with the strong party system we have in Australia, it is really the Opposition members who make maximum use of the opportunity, by detailed questioning of Ministers and departmental officials about matters connected with the spending of taxpayers' money and by scrutinising the efficiency, the effectiveness and the economy of various government programs.

To give you more of an insight into the Opposition's view of the estimates committees, I would like to introduce two senators who play a very prominent role in the estimates process. The first is Senator Peter Baume. Senator Baume has been a strong advocate of the need to improve the quality of budget information supplied to estimates committees. Some years ago, he was Chair of the Social Welfare Committee which produced the report, *Through a Glass, Darkly*, in which the concepts of program budgeting and performance indicators – all of which we are very aware of these days – were promoted. Ten years later, he is still an ardent proponent of these concepts and spends a great deal of time following up these issues with various departmental officers at the estimate meetings. Senator Baume is presently a member of Estimates Committee F and frequently participates at meetings of other estimates committees.

Senator Peter Baume It is true the Senate is sitting. There is a terrible squeeze on, because the business before the Senate is going to end any moment and I will have to get up and run, because I am next. Three hundred years ago, the glorious revolution occurred and last year we celebrated the tercentenary. Either it was incomplete, or we lost it. It was supposed to be a battle between the Crown and the people and it was supposed to have ended with the people being dominant and having power over the Crown. It does not work that way. I will give you an example. This Parliament has never resolved its own funding. The funding of this Parliament is totally dependent upon the executive of the day. The Parliament can only get its funding by way of an Appropriation Bill which has to be initiated by the executive. If Robert Tickner is in the processes of reform, this is one thing he might care to get interested in. Sooner or later there will be a crisis. There is a time bomb ticking away and sooner or later the Crown and Parliament will come back into conflict. Tension between the executive and the Parliament is as old as humankind. Originally, the battle was with the Crown, represented by the absolute monarch. Now the battle is with the executive and you, ladies and gentlemen, are part of the executive. The problems are the same. The Crown, the executive of the day, is seen as secretive, dishonest, misleading, autocratic and arrogant. To be fair, you operate in a completely different culture, a completely different world view and quite often people cannot understand what members of the public are trying to say when they complain.

Parliament, apart from its funding, actually has all the power it needs to assert its role. The problem is Parliament does not use the power it possesses. It is no good people saying that Parliament should have more power to this or that. Let me come back to Robert Tickner's example. There is no reason at all why the House of Representatives cannot alter the form in which references are given to committees. The power is there. The question is to overcome the other great barriers, which are party discipline and party patronage. But we have the power and we will have to address, sooner or later, the willingness or not of parliamentarians to use the power they have to carry out their job. The Parliament has developed some useful tools among which we would include the estimates committees and the estimates process. This is particularly true of the Senate, because the Senate is the House of Parliament in contrast to the House of Representatives, which is the House of the executive. Each of them is a proper chamber, but if you want parliamentary debate you go to the Senate. For example, all the theatre is in the House of Representatives, whereas all we do in the Senate is bring governments down.

What the Senate estimates do in theory is simple enough. I notice, on looking around the room, very many of my friends and jousting partners here, so I need not tell you what we do. But what we actually do is we question Ministers that is to say, we question officers in detail about the purposes and backgrounds of the six Appropriation Bills each year. We do not include questions about the Supply Bills. When Reg Withers, a very wise man, was the Leader of the Government in the Senate, it was six Bills, whereas now it would be eight. In those days, he said, 'Give me six Bills a year and the rest is cream. Just give me the four Appropriation Bills' as they were then 'and the two Supply Bills and you can argue about the rest'.

In fact, it is not a bad thesis. We at least examine what are now six Appropriation Bills. The hearings are formal. The Senate allots time for the process. Ministers are expected to attend. Officers are expected to answer questions of fact, but not to answer questions of policy and may I tell you I have no difficulty at any time in converting questions of policy into a series of questions of fact, and neither should anyone else. Departments produce detailed explanatory notes, which are very good and getting better, and departments that produce poor notes need to think about this. The *Hansard* is kept, and the hearings are public. We all know those sorts of things. The other place has no similar provision. It has what it calls an estimates examination, which is really a series of mini political speeches. I am interrupted by the bells for a division: senators have to go.

Short adjournment

Ms Cornwell Do we have any suggestions as to how to best occupy ourselves until the senators return?

Mr O'Keefe We have about 75 minutes of discussion and crypto-discussion later on in the day. Perhaps we could introduce a little of that now, in the absence of our parliamentary colleagues, and shorten it correspondingly. When they come back, they can carry on with their remarks.

Dr Uhr Perhaps we could go into an open session with answers without questions, instead of questions without answers. Seeing we have a *Hansard* record, we can just table them for the senators to pick them up later on, and they can mail the answers back. I think you have had enough from this end of the room for the moment: I would rather see it flow open, and have our two panellists representing the scrutineers respond to the questions and issues that are raised on the floor, if that seems legitimate.

Mr O'Keefe Maybe I could start it off, and obliquely to what Mr Tickner or Mr Taylor said offer a comment to you which I previously gave to one of the participants. It is a polemical point that, as a result of the changes coming from the new managerial ethic, perhaps starting around about 1983 or 1984, the relationship between the Parliament and the Public Service — particularly the Senate and the Public Service — has begun to break down, because of the increased mobility of public servants who previously used to appear regularly before Senate committees, and particularly Senate estimates committees. What I am saying is that there has been the beginning of a breakdown in the personal relationships and the personal dimension between the two partners who make up parliamentary government: on the one hand the parliamentarians, on the other hand the Ministers and the public servants. I wonder whether anyone would be prepared to comment on that. You are moving so rapidly through different portfolios that it is difficult to establish face to face and personal relationships with senators on a long term basis: to re-establish or initiate that trust that is essential, and which Senator Baume was saying does not exist.

Mr Taylor If I could be allowed to make the comment, *welcome to the real world*. It is not easy for us trying to run our own programs with people changing. Leaving aside my ultimate client, the Parliament, my clients complain because they see a new face every time there is an audit. This is just part of modern society. It is not a very positive answer, I am afraid, but I do feel for the people trying to implement policy and administer it.

Mr Enfield The point you make about relationships between public servants and parliamentarians in the past is not really a valid one. John points to the turbulence that is taking place now. I do not think it is all that much greater than it was in years gone by, but I do think that some themes have come out of the discussions today that really should focus people's attention. The first is that I think there is a lack of definitive definition of the objectives of the parliamentary committees and of the interrelationships between them. I think Senator Coates brought that out. There seems to me to be a lack of clarity in the relative roles and responsibilities of parliamentarians, the executive, Ministers and officers. I think Alan Kerr's contribution pointed out that many of us were brought up in a certain set of beliefs about those relationships. I think they have changed, but I do not think any of the parties have understood and acknowledged that they have changed, and attempted to formulate and formalise them in any way.

The third point I would make is that quite clearly we do need to be understanding and not too thin-skinned about the political nature of the process, particularly the Opposition members. I do think, however, that Mr Tickner's analogy about the relationship between public servants and parliamentarians, and parliamentarians and the public, is not a precise one. Public servants cannot respond to public criticism or to criticism by parliamentarians in the same free and easy way in which a parliamentarian can, either under privilege in the House or in the media. Finally — again, I think Mr Tickner exposed this — there is, it seems to me, a lack of adequate guidelines for officers appearing before parliamentary committees, and this is something to which attention should be given.

Mr Argy I would like to react to a comment Mr Tickner made that some of the officials are a bit evasive in answering questions. I think it is true that most of us, if not all of us, are extremely eager to cooperate and answer questions as fully and informatively as we can, because we have a very deep respect for the Parliament. But some of the questions we get require a lot of fine detail and they also involve policy judgments. They are quite complex, and they are all put to us in a fairly confrontational way. I wonder whether it would help the process since, after all, the aim is to get an answer that is effective and as full as possible, if there was more resort to putting questions on notice to officials before they appear, so they know what kind of questioning they are going to get and they can adequately prepare for it.

Mr Tickner I want to make it clear that I have seen the very best and the very worst, and this is where we can wear our own private political hats. I have a bias towards the public sector and good personal relationships, and I start from that basis. Let me say first of all, in relation to the examples where there is a lack of cooperation, either deliberately or negligently, that I want to reinforce the point that parliamentarians would be remiss in their responsibilities to the public if they did not come down hard in

those sorts of cases. I have some sympathy with the view that there can be questions placed on notice in appropriate cases where the information would be forthcoming; however, that does not necessarily resolve the problems. Members of the Public Accounts Committee are aware of cases in history where questions were placed on notice and information was provided, and discussion then took place within the Committee on the information provided by senior officials who had literally not read the material they had provided. It is probably worthwhile giving examples of the things that I am talking about. For example, the House of Representatives Committee on Legal and Constitutional Affairs has not had happy dealings with the Attorney-General's Department in relation to its inquiry into the regime governing Australia's external territories. Information was sought from the Department by that Committee, and despite meetings with very senior people in the Department and persistent written requests for the information, some five or six months later it had not been provided. In addition, in the course of our inquiry in relation to Veterans' Affairs hospitals, as Senator Bishop would recall, halfway through the inquiry we found that there had been some special reports prepared reviewing the very area, or part of it, that had been reviewed by our Committee.

Those sorts of cases, unfortunately, do happen quite a lot. I could show you some cases in the transcript where attempts to get answers to questions have been met with what I consider to be, in these specific cases, deliberate attempts to avoid answering the question. I think that clarification of this point and a reinforcement of the requirements, the obligations and the duty of people to respond accurately and comprehensively to questions asked by parliamentary committees is one that probably needs to be reinforced.

Ms Cornwell We will come back to our program, and I reintroduce Senator Baume.

Senator Peter Baume On a RAAF plane three or four days ago a member of the House of Representatives sat next to me and used the time to Sydney reading Senate estimates *Hansards*, making the point that he was a shadow Minister and that things he needed to know are contained there and nowhere else.

I want to spend a little time talking about what might be the role of officers who have to attend Senate estimates hearings and what are some of the rules for senators. First, may I say to you that every senator is entitled to attend any and every estimates committee. We have a set membership as the core membership, but other senators can, and do, wander in and out. If any senator is briefed about a particular scandal, problem, disaster, or whatever it might be, that senator is entitled to attend and ask questions and, of course, senators do. For two or three evenings I sat in on a committee of which Senator Bishop was a member. It was, in fact, the Department of the Senate a couple of weeks ago.

Let me take officers: You have been asked the question, 'so where does your duty lie? Is it, as a professional officer of the Public Service, to your Minister and to your Government, or is it to the Parliament?' If the question arises and the choice has to be made, your duty is to the Parliament. I might suggest that officers, first of all, try to anticipate the questions. Many of them are quite predictable and it is quite surprising when some officers do not have prepared answers to questions which they should have expected. Michael, you would have seen that the other day: some of your officers should have anticipated some of those questions and did not.

Secondly, the answer should be brief. The number of officers who talk themselves into trouble is legion. If a brief answer will do, give a brief answer and then shut up, please. Tell the truth because it is usually quite unnecessary for it to be revealed by a line of questioning that the officer has not told the truth. If there is a problem, it is the Government's problem. Having done all that, of course, you must try to protect the Public Service and the Government which you serve.

Another thing that officers might think about doing is speaking to members of the estimates committees before or between the scheduled estimates hearings. Patrick Hunt could tell you a story about some rather terse questions we had about a year ago about performance indicators. His response was to arrange a series of meetings in the months following the estimates, at which we were able to talk about what was worrying me and he was able to talk about what the Department was trying to do. That is remarkably helpful and, as a process, I commend it to you.

From the point of view of senators, it is worth saying a few things about what senators should do and might do — it will help you to become more powerful in dealing with the estimates. By the way, many

senators form their views about officers from the performances they see at the estimates examination. The first thing senators should do is to read the explanatory notes and prepare their strategy. Of course, many do not, but it is a good idea to do so. Secondly, senators should never go fishing, but many do. I actually believe that one should know the answers to all substantial questions before one asks them. I certainly try to do that to have the answers ready. You should try to identify which senators do that. It is very helpful to know if they already know the answer.

The senators should ask short, explicit and single questions, but many senators do not. I know at least one senator who asks seven or eight questions in one go. All the officer has to do is select from those seven or eight questions the one she or he wishes to answer, and ignore the rest.

We should remain absolutely silent on all matters upon which we do not wish to make some major input. I want to say to officers who worry about the fact that we sit silently through many important parts of your department that we do it deliberately. If I do not have any questions on housing, I will not ask any, but it does not mean that I am not interested, or that I have not read the estimates document. There is no point asking questions just for the sake of having something appear in the *Hansard* record.

Some of the officers, and many of the people here whom I know, have been present at the estimates and will know that one can run a single issue every now and then. Last year, with the Department of Community Services and Health, I was able to reveal that a prohibited product was being smuggled into Australia by some unscrupulous doctors that was a very useful exercise. By getting it out in the estimates, not only did it receive publicity, but it was fixed. So there is a point to running particular exercises. A week ago I had occasion to draw attention to the homosexual gentleman who was admitted to the Royal Canberra Hospital. The Royal Canberra Hospital is very embarrassed and something will be done about that. One can run single exercises if one wishes, and it is not a bad idea to do so, at the same time shutting up on other things and then to ask other questions, as one needs, to elicit information.

Further, it is not a bad idea for individual senators to develop themes which officers can expect, so it is no surprise to some department that I ask a few questions about program budgeting and performance indicators. I have had a lot of trouble. For example, Michael Roche has had to sit there while I have asked the people who run his national campaign against drug abuse, 'What is it producing?' or 'How do we measure what it might be producing?'. They flounder all over the place. I am really very reasonable: 'Is it producing anything?' It is very awkward, but they should at least prepare something. If you knew the people who were going to come to your department for example, if you knew that Bob McMullan was always going to ask questions about bus stops, or something you would prepare something about that, would you not? So just work on the people and do not become a department renowned as one which responds with what we in the military used to call 'dumb insolence'. It generally just makes people redouble their efforts next time around.

May I commend those departments that send their permanent head to chair the questioning. I am not in any way denigrating the capacity or the performance of deputy secretaries. But it really was impressive to see Derek Volker bring Social Security, and not only to bring them but to handle all the difficult questions and to try to take the flak. It was also quite apparent that he was learning a lot of things about far flung hidden recesses of the Department that he would not otherwise have learned. You cannot tell your permanent heads this, but if it ever comes up in discussion, it is something that is noted and appreciated very much.

There is a different role for senators who are members of the Government from the role played by senators who are members of the Opposition. I think that has been referred to already. Government senators, to some extent are there, unless they are maverick senators, to protect the Government and to ask very few questions. That does not mean they are not interested, but it means that they regard the estimates procedure and the estimates examination as an opportunity for Opposition questioning. They are also there to make sure that the Government maintains control, as it always has the Chair, and to make sure the Government has the numbers should there be some procedural problem.

I will end by making a couple of observations. The estimates are relatively recent in terms of the history of the Australian Senate. They continue to develop and they continue to evolve. The estimates this year are different from the estimates two or three years ago. They will be different again two years from here. The estimates are different because the Government has decided to move to program budgeting. Thank goodness we are no longer asking about paper clips, indoor plants or tea ladies. We are actually now at

the estimates asking some questions about programs and what programs might be doing or not doing. They will continue to evolve.

I will then end by reiterating and reinforcing something that Robert Tickner said: one of the problems with the Parliament, one of the really deep problems, is that it represents the people of Australia. This should cause you grave concern. It means that bigots have a place in the Australian Parliament. People who are lazy have a place in the Australian Parliament. People who are ignorant have a place in the Australian Parliament and they are all there. People from different walks of life with different world views and some of them ...

Senator McMullan And some of them are all three.

Senator Peter Baume And some of them are all three. Good on you, thank you. And this means that the performance you will get from the parliamentarians will be extremely variable. That is one of the prices you will pay for living in a democracy. So I will end up by saying that as a member of the Opposition I welcome the chance to serve on estimates committees. I welcome the opportunities it gives me to learn about what is really a very complex operation through the Public Service, to get some chance to admire the professionalism of the Public Service, but to be driven to despair sometimes by the inability of the Parliament to get answers to questions to which it is properly entitled. I come back and say, do not forget that the glorious revolution is either incomplete or has failed and those of us who are in the Parliament have to worry about that in the years to come.

Ms Cornwell Thank you Senator Baume. I would like to introduce you to Senator Bronwyn Bishop. Senator Bishop is shadow Minister for Public Administration, Deputy Chair of the Public Accounts Committee and a member of Estimates Committee A. During the current estimates process she has received considerable media coverage for a number of issues that have come out of the probing questioning that has taken place. I would now like to invite Senator Bishop to address the group.

Senator Bishop Thank you very much. I thought I might at the outset say that, on 27 September last, I think perhaps one or two of you might have been there, I presented a paper to the Canberra Branch of the Royal Australian Institute of Public Administration entitled 'Public Administration A Sharpening of the Focus'. Basically, it contains a solid expose of some of the things that I might touch on this morning; so should you like a copy of that paper we can make copies available through my office, or perhaps through Ms Cornwell.

I was interested to listen to the earlier presentations. I enjoyed the analogy that Dr Keating drew, which I might paraphrase as the 'Watchers and the Watchees'. Dr Keating, perhaps, is the major watchee. Peter Baume and I have drawn similar analogies about the problems with democracy. It is like that old analogy that says, 'I could run a very good hospital if it was not for the patients'. The Parliament is very much like that. But there are some specific examples I would like to deal with to illustrate why I will say right from the outset, that I find misleading. The current thrust, both from the executive arm of the Government itself and from operatives within the Public Service is to try to make some artificial distinction between process and outcome, and to laud one and vilify the other. In my view, if the process is improper or corrupted, then very simply so is the outcome or the result. To try to distinguish and separate the two, and say you only need to look at one and not the other, is artificial and misleading: it does not assist in the process of accountability.

We have also heard this morning a lot of discussion about the role of policy making, and the correct degree of scrutiny which the estimates committees ought to indulge in which the Public Accounts Committee and the Regulations and Ordinances Committee also undertake. I have no problem with the proposition that governments are elected to implement their policy: they have the right to set the policy and to say, 'This is what we are going to do'. It is then the job of the Public Service to ensure that that policy is carried out in the most efficient and cost-effective method that can be done, and that is indeed where the scrutiny comes in.

I might give a couple of examples that have come through the recent estimates hearings. The first one that I might deal with is the question of the outcome of a department selling a computer. The outcome is that an obsolete computer was sold, but the process how the money was treated is very important. We heard evidence in Senate Estimates Committee A, that in the Department of the Parliamentary Library, in PISO, so-called obsolete computer equipment was sold for \$88,000. We heard that that money was placed

into what I termed a secret account: in other words, it did not go back into consolidated revenue. We heard evidence that one particular amount of that money had been paid to the Hilton Hotel in Sydney for four individuals who are employed in that department in Canberra to attend a workshop in that hotel. We heard that about one quarter of that money had been expended, but nobody quite knew how. We also heard that the first knowledge that the departmental head had of that was in July, but our good friend the Auditor-General was not called in till September. The Auditor-General is conducting, or has completed his investigation into this matter, and we have an undertaking from the President of the Senate that we will have access to that report as soon as it is available – as soon as it is handed over. I have endeavoured to make inquiries today to see whether or not that report is ready for us to look at, or whether or not we have to await the return of the President. You see, it is the process that makes the outcome improper; and unless some information had not come to me in the manner in which it did, and unless I had used the estimates committees and hearings for the purpose of finding out whether what I had heard was in fact true, that account would have remained secret. You might say that \$88,000 is not much – it does not matter much – but to me it matters a lot. If you listen to the ICAC hearings in New South Wales and you listen about the evidence concerning another Commonwealth public servant, you will find that for \$20,000 he was apparently very easily tempted. So it is not the amount of money that makes temptation for people; it is the fact that it is there and it is available.

If such an account and such occurrences as we have seen with regard to this department here in this place, or with regard to the information that has been given to the ICAC – and it does affect the parliamentary operations here – are not identified, they continue to go on. There has been a great feeling – a myth – that improper behaviour only happens in local government and State governments, here we are all somehow immune to it. I think the rationale very often was that there was not much opportunity anyway so it was really not worth worrying about. But when you realise that there are 3,500 public servants who are each year spending a total of \$8 billion, for the procurement of goods and services, and when you read statements that come out of the industry, for instance, in the computer area, which say that the Canberra public sector is the greatest market for the selling of computer hardware and software in Australia and they have to expend a lot of money to get access to that market, you also realise that the scrutiny process does not need to be made lax but needs to be tightened up.

Another example that I might give you about why it is necessary to sometimes ask the question more than one way again came in the hearing of Estimates A concerning the Department of Industry, Technology and Commerce. There had been a newspaper article written concerning the performance of three partnerships in development. Any of you who are interested in this area would know that both the Public Accounts Committee and I myself, in that capacity, and in the estimates have been particularly interested in the policies about offsets and partnerships in development. My concern and my probing, if you like, does not suggest that there should or should not be a policy that says that we will have offsets in partnerships and development – that is a decision that we can or cannot make according to our being in government. In other words, the Government is entitled to say, 'We will have a policy in those areas'. What I am entitled to ask is whether or not that policy is then administered in the interests of the tax paying Australians, or is their money wasted?

So let us look at an example and one series of questions that took place. We looked at a particular offsets agreement in which there were some \$40 million worth of outstanding offsets which had not been discharged over a period of years. In a Public Accounts Committee hearing I had been able to ask questions which had established that a scheme had been put in place that would enable some \$4 million to be written off as obligations met, but still not one single export had occurred. I then asked, when we took some evidence that a particular offset had in fact been extinguished and a value had been placed on that, how the Department arrived at placing that value on that obligation being extinguished.

The answers came like this: Here is the company which is overseas based. It supplies technology transfer to company X, which is an Australian company, and company X tells the Department that the value of that discharge is Y dollars. I then asked the Department: 'How did you establish that that is a fair and reasonable estimate? Did you go out and get extra corroborating evidence? Did you just accept it?'. The answer was, 'Yes, we accepted it'. I asked, 'Where did company X get that valuation from?', and the answer was, 'From the overseas based company'. So here you have in place an overseas company with an obligation to discharge its offsets. It places a value itself on technology transfer, and the Australian company accepts that value and passes it on to the Department, which says, 'Yes, that will do; that is terrific'.

Similarly, we had a question that related to a press release that was put out by the Minister, concerning the value or the performance of three partnerships in development. By going through the annual report relating to offsets, I discovered that there was a commitment there to set up specific auditing of these partnerships in the pilot audit. So I asked questions about the pilot audit and when it had come in. It was at a time close to the release of this press release and the story was that advice had been given to the Minister that, if he couched the press release in a particular way, he could disguise the fact that people were underperforming. That was the allegation. It was in the course of evidence that we actually discovered the person who wrote the memorandum, who wrote the advice. I asked him the question: At the time that you wrote the memorandum, did you have the reports from the pilot audit? Answer: no. So I asked again: At the time of writing the memorandum, did you have knowledge of what was in the report of the pilot audit? Answer: yes. Had I simply given up on the first question and said, 'He did not know so it is not relevant', a totally different complexion would have been put on how that advice was given and whether it was proper advice and how it was followed. It is not for me to go through today what conclusions will be drawn from that, but I will go to the next step. I am addressing the question of how that information is used. You heard criticism from Senator McMullan earlier today that we engaged in duplication of function. He said that we asked questions in the estimates and then we redealt with material in the committee stages of the Appropriations Bills. Yes, we do. But it is exactly in that second series of debates, where you actually have answers to questions that have been taken on notice, where you have information that has come to hand, where you have the opportunity to go away and compare it with other issues and bring it back, that you have the opportunity to test it further. That process does have to be repeated.

One or two other points that were made this morning and that I think are worthy of being commented on are the slogans of the day: 'let the managers manage', 'value for money', 'can do' and 'should do' management, 'risk management'. They have become catch cries but I am not terribly sure that they mean the same things to different people. A 'can do' manager, I suspect, would be the person perhaps who sold the computer equipment and set up the account or perhaps somebody else set up the account. He decided to sell the equipment and the money did not go off to consolidated revenue because perhaps a decision was made that the money could be better used in the interests of the Department. I do not know; we have yet to see the report. 'Should do' management would be perhaps the management that says, 'If we sell that equipment, then the money must go back in accordance with the regular processes'.

Senator McMullan, I think, and also Senator Coates were obviously speaking as senators who are in government. It is interesting that in the Senate this morning we have had a motion moved by Senator Chaney which arose directly out of the hearings which were held by Estimates Committee B on Wednesday, 11 October, dealing with air safety. On that occasion it is not for me to go through the whole of it Senator Coates was in the Chair and there were questions that Opposition senators wished to ask. There was a question of whether or not the material was *sub judice*. The Clerk of the Parliament gave his advice that in fact there was no problem with *sub judice*. The Chair chose to rule otherwise, and indeed if you read the *Hansard* you can even come across passages where Government senators almost became witnesses for and on behalf of other witnesses who were not allowed to answer the questions which were put to them by Opposition senators. Senator McMullan said that the Government, despite the fact that it had the numbers, did not heavy estimates committees because otherwise they would pay for it in the Senate subsequently. That is exactly what has happened today. But it is important, I think, to realise that the function of government, as we know it in this country, is a system where you do have adversarial relationships between members of the Government and the Opposition. Government has the power to put its policies into operation; the Opposition does not. The Oppositions job is to test whether things are being done properly. In that sense it is to put forward its own propositions and hope to win on the next occasion in the other way.

To say that perhaps the committees of scrutiny should be conducted in a more pleasant way I think one or two people suggested this could be perhaps solved by serving cucumber sandwiches and tea and all having a nice chat. But I do not think that is really going to advance the question of scrutiny or the question of accountability. If the question of public sector accountability is not to the Parliament, then to whom is it accountable? We heard from Dr Keating about the new strategies with regard to GBEs, with regard to companies and statutory authorities and how they were being made accountable in other ways. I must say I find the process of setting up GBEs and I will use that as the generic term is simply a method of pushing them off budget and pushing them away from scrutiny. My answer is: if it is a function better done like a private company, then make it one and put it into the private sector privatise it.

But whilst it is government money and while it is government money that is being expended, then it must be to the Parliament that it is accountable and the degree of accountability is different from that in the private sector. In the private sector you have shareholders and you have a market. When you choose as a shareholder to invest your money, which you have earned, into a company, it is your choice. And if you do not like the way the company performs you sell your shares. If the market does not like the way the company performs it marks its value down. But in the public sector there is no corresponding mechanism. When the taxpayer's dollar goes into an enterprise it is taken from the taxpayer compulsorily by the taxation system and it goes without the taxpayer's knowledge or specific approval into an enterprise and it is then spent according to the ability of the people who are in charge of that enterprise.

The only way it can be accounted for is via the Auditor-General and our report said that the Auditor-General ought to maintain his role as the principal auditor of those organisations. If he wants to use the private sector, then bring consultants in via contract. But he is the link between public sector enterprise, if you like, and the Parliament and he is an essential link. He has a very difficult role because he has to be the policeman, if you like, and he cannot, when he comes in to audit somebody's books, he does not come in as a friend, he comes in as that fellow who is going to scrutinise what we are going to do. In a way, he wears the same difficulties that we wear, and yet he is an integral and essential part of that process. That is why the Public Accounts Committee was so concerned that it is the executive arm of government that sets his resources and determines how well or how badly he can do his job. Senator Baume alluded to the difficulty that the Parliament has in having the executive arm of government set how we are funded. During the estimates committee, when we were dealing with the Department of the Senate, I did ask the Clerk whether or not the situation could arise where the Senate could simply not carry out its committee work because the appropriations were simply not large enough to enable that work to be done. We got an affirmative answer to that question. It has not happened; but the point is that it may happen sometime in the future.

Finally, I cannot believe for a moment that there is any less talent, skill, wish to be recognised, or ability in the public sector than there is in the private sector. It is just that the method of measuring is a different one. The way the public sector is presently structured, I think, gives very little opportunity for people who do very well at various levels in the public sector to have that skill and accomplishment recognised. I think that must be very frustrating. When we are looking at reforms in the area of the public sector, that particular aspect has to be looked at very carefully. Unless you are getting the best out of people who make up the work force of that sector, then the people of Australia will be poorly served.

The committees of scrutiny are adversarial in many ways, and the environment is confrontationist, if you like, from time to time. Although there are times when the information that is given is interesting and there is none of those vibrations at all. But all those things are true. Despite the fact that the Auditor-General has to be regarded by some people as a black hat, the system can only work if the link between the expenditure of public moneys and its administration, and the Parliament is properly served by the committees of scrutiny. The better informed, the better advised and the better researched the members of those committees are, the better will be the information that passes and, again, the better the people of Australia will be served. Thank you for letting me say a few words.