



COMMONWEALTH OF AUSTRALIA

# Official Committee Hansard

## SENATE

FINANCE AND PUBLIC ADMINISTRATION REFERENCES  
COMMITTEE

**Reference: Government advertising and accountability**

FRIDAY, 7 OCTOBER 2005

CANBERRA

BY AUTHORITY OF THE SENATE



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## SENATE

### FINANCE AND PUBLIC ADMINISTRATION REFERENCES COMMITTEE

Friday, 7 October 2005

**Members:** Senator Forshaw (*Chair*), Senator Watson (*Deputy Chair*), Senators Fifield, Moore, Murray and Stephens

**Substitute members:** Senator Carr for Senator Moore

**Participating members:** Senators Abetz, Bartlett, Bishop, Boswell, Brandis, Brown, Carr, Chapman, Colbeck, Conroy, Coonan, Crossin, Eggleston, Chris Evans, Faulkner, Ferguson, Ferris, Fielding, Fierravanti-Wells, Fifield, Ludwig, Lundy, Sandy Macdonald, Mason, McGauran, McLucas, Milne, Moore, Murray, O'Brien, Parry, Payne, Robert Ray, Sherry, Siewart, Trood, Watson and Webber

**Senators in attendance:** Senators Carol Brown, Carr, Fifield, Forshaw, Murray and Watson

Terms of reference for the inquiry:

To inquire into and report on:

- the level of expenditure on, and the nature and extent of, Commonwealth government advertising since 1996;
- the processes involved in decision-making on Commonwealth government advertising, including the role of the Government Communications Unit and the Ministerial Committee on Government Communications;
- the adequacy of the accountability framework and, in particular, the 1995 guidelines for government advertising, with reference to relevant reports, guidelines and principles issued by the Auditor-General and the Joint Committee of Public Accounts and Audit;
- the means of ensuring the ongoing application of guidelines based on those recommended by the Auditor-General and the Joint Committee of Public Accounts and Audit to all government advertising; and
- the order of the Senate of 29 October 2003 relating to advertising projects, and whether the order is an effective mechanism for parliamentary accountability in relation to government advertising.

**WITNESSES**

<b>ABETZ, The Hon. Eric, Special Minister of State, Commonwealth Parliament .....</b>	<b>1</b>
<b>BRYANT, Mr Simon, Acting Chief General Manager Telecommunications, Department of Communications, Information Technology and the Arts .....</b>	<b>1</b>
<b>GRUNDY, Ms Barbara, Director, Campaigns and Publications, Employment Communications Branch, Department of Employment and Workplace Relations .....</b>	<b>1</b>
<b>KINGSTON, Ms Robyn Anne, Principal Adviser, Department of Employment and Workplace Relations.....</b>	<b>1</b>
<b>LEEPER, Mr Geoffrey, Deputy Secretary, Department of Human Services.....</b>	<b>1</b>
<b>McNALLY, Mrs Carolyn, General Manager, Regional Communications Policy Branch, Department of Communications, Information Technology and the Arts .....</b>	<b>1</b>
<b>RYAN, Ms Bernadette, Assistant Secretary, Marketing and Communications, Department of Human Services.....</b>	<b>1</b>
<b>SEARLE, Mr Pete, Assistant Secretary, Working Age Payments and Assurance Branch, Department of Employment and Workplace Relations.....</b>	<b>1</b>
<b>TAYLOR, Mr Christopher Peter, Assistant Secretary, Government Communications Unit, Department of the Prime Minister and Cabinet.....</b>	<b>1</b>
<b>WILLIAMS, Mr Gregory Malcolm, First Assistant Secretary, People, Resources and Communications Division, Department of the Prime Minister and Cabinet.....</b>	<b>1</b>



**Committee met at 8.36 am**

**ABETZ, The Hon. Eric, Special Minister of State, Commonwealth Parliament**

**TAYLOR, Mr Christopher Peter, Assistant Secretary, Government Communications Unit, Department of the Prime Minister and Cabinet**

**WILLIAMS, Mr Gregory Malcolm, First Assistant Secretary, People, Resources and Communications Division, Department of the Prime Minister and Cabinet**

**BRYANT, Mr Simon, Acting Chief General Manager Telecommunications, Department of Communications, Information Technology and the Arts**

**McNALLY, Mrs Carolyn, General Manager, Regional Communications Policy Branch, Department of Communications, Information Technology and the Arts**

**GRUNDY, Ms Barbara, Director, Campaigns and Publications, Employment Communications Branch, Department of Employment and Workplace Relations**

**KINGSTON, Ms Robyn Anne, Principal Adviser, Department of Employment and Workplace Relations**

**SEARLE, Mr Pete, Assistant Secretary, Working Age Payments and Assurance Branch, Department of Employment and Workplace Relations**

**LEEPER, Mr Geoffrey, Deputy Secretary, Department of Human Services**

**RYAN, Ms Bernadette, Assistant Secretary, Marketing and Communications, Department of Human Services**

**CHAIR (Senator Forshaw)**—Good morning. I welcome you all here to this public hearing of the Senate Finance and Public Administration References Committee. We are inquiring into Australian government advertising and accountability. We have had two public hearings so far, and we have also published a number of submissions, which are available on the committee's web site. Today we will be continuing to take evidence from the Special Minister of State—and I welcome the minister this morning—and officers of the Department of the Prime Minister and Cabinet and also officers from other government departments as listed in the program.

I think you are all aware of the rules and obligations regarding parliamentary privilege so I do not need to read through them again specifically. I just remind people that the giving of false or misleading evidence may constitute a contempt of the Senate. If there are matters which witnesses wish to discuss with the committee in private, they should make that request at the time and we will consider it. I welcome to the table the witnesses who are going to be appearing formally from the departments this morning—or is it just you, Minister?

**Senator Abetz**—It depends on how you want to go. Greg Williams and Chris Taylor from Prime Minister and Cabinet will appear in any event. Then when we go into individual

departments then other officers will come and sit at the table but I imagine Chris and Greg should be at the table the whole time.

**CHAIR**—I would like to clarify something. I arranged for advice to be communicated from the secretariat regarding some specific programs about which I know members of the committee, particularly Senator Carr, had questions that they wanted to pursue. Could you advise me which departmental officers will be available today? For example, we have people here from the Department of Employment and Workplace Relations.

**Senator Abetz**—We have Employment and Workplace Relations, Human Services—

**Mr Williams**—They are here to talk about the Keeping the System Fair campaign.

**Senator Abetz**—and DCITA.

**Mr Williams**—They are here to talk about keeping Australia connected.

**CHAIR**—I am not sure whether that is a complete list, because we did get some indication that Tourism—

**Senator Abetz**—It did not fall within our remit.

**CHAIR**—But we did ask that those people appear. We have been advised that those officers are not available today but would be prepared to appear on other occasion. I will open it up for questions.

**Senator Abetz**—I would like to make a very brief opening statement.

**CHAIR**—Yes.

**Senator Abetz**—I have a few observations since last time. First of all, thank you for meeting earlier. That makes it more convenient for me. Since we met last time, the High Court has ruled in relation to the constitutional issue. Since we met last time, Julia Gillard, a senior Labor spokesman, has acknowledged on *Lateline* that there is no evidence whatsoever in relation to corruption. I thought that those two events—the High Court ruling and Julia Gillard's comments—might be worthy of note by the committee. The other thing that I must say does perturb me—and it is a matter for the committee to deal with—is that on 8 September there was a debate in the Senate where members of this committee let forth, as is their democratic right in the parliament, about me and my evidence whilst I was part heard. It hardly makes for the suggestion that this is a fair and unbiased hearing designed to get to information without making prejudgments. Having said that, I take it no further other than to put that onto the public record. We are open for questions.

**CHAIR**—Thank you, Minister. I should welcome again Mr Williams and Mr Taylor, who appeared at the previous hearing. Senator Carr, would you like to proceed with questions? You might indicate which other departmental officers you want to call to the table.

**Senator CARR**—I presume we are doing them in order, as the program suggested. Was that how you intended to proceed?

**Senator Abetz**—I am a continuation from last time. However you want to do it, the people are here.

**CHAIR**—I am open to which agencies or departments you wish to pursue, in the order you choose.

**Senator CARR**—I have quite a substantial number of questions to pursue. It may help if we deal primarily with the Prime Minister and Cabinet officers in the first instance. We can go through them as listed, if you like. I am sure other senators have questions as well.

**CHAIR**—You can start off, and if we get to a point where we need to call other people then we can do so.

**Senator CARR**—Minister, in the High Court proceedings reference was made to a special account administered by the Prime Minister's department. Could you outline to the committee the nature of any special accounts administered by the Prime Minister's department for the purposes of funding advertisements?

**Senator Abetz**—What page of the transcript is it, and in what context is it?

**Senator CARR**—I have here a letter from the senior executive lawyer, Tony Burslem, dated 15 August. It says: 'There are two special accounts administered by the Department of the Prime Minister and Cabinet for the purposes of advertising campaigns.'

**Senator Abetz**—I think we have got the context now.

**Senator CARR**—What are those two special accounts?

**Mr Williams**—Perhaps I can answer that question. There are two special accounts. There is the campaign account and the media commissions account. The campaign account is used to cover those costs incurred by Prime Minister and Cabinet associated with running the central advertising system. The central advertising system is the Commonwealth's single point placement of media operations. All FMA Act agencies are required to place their advertising through the central advertising system. There are two media placement companies contracted to the Commonwealth to place that advertising. One places non-campaign advertising and one places campaign advertising. The funding for that campaign is achieved by a levy of 1½ per cent on the department's media advertising costs. So if a department is running a campaign of \$1 million then \$15,000 of that goes into the campaign account.

The issues associated with administering the central advertising system are contract management of the placement agencies, negotiations with media for pricing or placement of Commonwealth advertising and, in a sense, the ongoing coordination of the central advertising system. There is a second account, the media commissions account. When advertising is placed by the Commonwealth, a rebate is paid by the media to the Commonwealth. That is 10 per cent—I do not think that is a commercial-in-confidence issue. Six per cent of that is rebated to

departments doing advertising and the other four per cent is primarily used to remunerate the media placement company. It can be, and has been, used to pay for some advertising in the past but clearly not on any large scale.

**CHAIR**—I indicate for the *Hansard* record that just prior to the start of today's hearing the Department of the Prime Minister and Cabinet provided some answers to questions on notice that were taken at our last hearing. They have now been circulated to members of the committee. We have not had a chance to go through them. Are there any outstanding questions that you are aware of or is this a complete set of answers?

**Mr Williams**—There are no outstanding questions but, as you will note from one of the answers, we are still waiting on some material from one department to make that answer complete.

**CHAIR**—Thank you.

**Senator CARR**—We have only just received these—is that right?

**CHAIR**—I think they were supplied to the secretary just prior to the start of today's proceedings.

**Senator CARR**—It would have been helpful if we had had a bit of time to read them.

**CHAIR**—That is a fair observation. But I thought we should identify the fact that they have now been provided.

**Senator CARR**—I appreciate that you have done that. It strikes me that it may well be that we will need to have another discussion with the department once we have had a chance to actually read the answers to these questions, particularly since I asked a lot of them. As you know, I like to follow up the answers. So I just draw that to your attention. I want to follow through on two matters. What is the total budget for the special campaign account?

**Mr Williams**—That will vary depending on the level of advertising undertaken.

**Senator CARR**—So what was it last year?

**Mr Williams**—I would have to take that on notice. I was not anticipating a question on that.

**Senator CARR**—And what was it the previous year? Can you give it to me for the last five years?

**Senator Abetz**—We will take that on notice.

**Mr Williams**—It is disclosed in the department's annual report.

**Senator CARR**—Thank you. It will obviously help us in our report if we have that accurately recorded. What about the media commissions account? What was the revenue?

**Mr Williams**—Again, it is contingent on the amount of advertising.

**Senator CARR**—But you would have that from past practice.

**Mr Williams**—It is disclosed each year in the department's financial statement.

**Senator CARR**—You mentioned that some of that rebate went back to the departments. Can you indicate the figure that went back to the departments?

**Mr Williams**—I would have to take that on notice.

**Senator CARR**—You say that four per cent goes to the media placement company. Who is the media placement company?

**Mr Williams**—The campaign media placement company is called Universal McCann.

**Senator CARR**—Will you be able to tell us how much has been paid to that company in recent years?

**Mr Williams**—That has been gazetted in our annual report.

**Senator CARR**—If I could just have that figure, I would appreciate it. You say that some of the revenue is also used for additional advertising. Do you have a figure for that?

**Mr Williams**—Again, I will have to take that on notice.

**Senator CARR**—How long have these two special accounts been operating?

**Mr Williams**—I have been associated in one way or another with the GCU and its antecedent body for some seven years and they were in place well before then, so I would have to take that on notice to give you a definitive answer.

**Senator CARR**—Okay. Can I ask you about the media commissions special account that was established in the department of finance. Is that one and the same as the one you have referred to today?

**Mr Williams**—The minister for finance has a role under the FMA Act in the establishment and approval of the setting up of those accounts.

**Senator CARR**—So is it a separate administrative instrument?

**Mr Williams**—No, it is the one account. It is just that there is an FMA provision. I do not know the detail; I can take that on notice if you wish.

**Senator CARR**—Thank you. I presume that if it is the one account then when it was established will be covered in the answer to the previous question I asked.

**Mr Williams**—Yes.

**Senator CARR**—Can you tell me why it was established?

**Mr Williams**—I would have to go back into the mists of time. I cannot actually tell you why it was established. I have told you how it operates.

**Senator CARR**—I am just wondering what the rationale for it is.

**Mr Williams**—Essentially the major element of the role of the media commissions account is to remunerate the campaign media placement company.

**Senator CARR**—Is it being used on an ongoing basis?

**Mr Williams**—As I said, my association with the process has been for seven or so years, and that is correct. We have used it to remunerate the master placement agency.

**Senator CARR**—Is that the vehicle that is used for all placements or just some?

**Mr Williams**—It is the vehicle used to remunerate the master placement agency. Other arrangements operate for the non-campaign placement agency.

**Senator CARR**—So it is used on all occasions?

**Mr Williams**—It is used continually, yes.

**Senator CARR**—I am just interested to know whether it is used continually or on all occasions. Am I not clear in my question?

**Mr Williams**—I am not sure that I understand the question. If you are asking me if it is used to remunerate the master placement agency, my answer is a definitive yes.

**Senator CARR**—In the High Court proceedings there was reference to this being an additional form of funding for the expenditure on advertising campaigns other than the appropriations of individual departments.

**Mr Williams**—The purpose clause of the account allows funds from the account to be used for the placement of advertising. As such, what was in the material from the High Court proceedings is correct.

**Senator CARR**—So it is an alternative form of funding rather than the main source of funding.

**Mr Williams**—That is correct.

**Senator CARR**—So it is not used all the time?

**Mr Williams**—It is used as required.

**Senator CARR**—My question is: how often has it been required?

**Mr Williams**—I have to take the question on notice.

**Senator CARR**—Thank you. In your answers to questions you have said that, in addition, the Minister for Finance and Administration could make determinations under section 12 of the Appropriation Act No. 1 to make provision for the expenditure for the advance to the minister for finance. So there is an additional source of revenue or funding for expenditure on advertising?

**Mr Williams**—You are getting beyond my realm of expertise.

**Senator CARR**—What I am trying to get to is that in my previous questions I asked: ‘Could you give us a global budget for advertising?’ You said you were not able to.

**Mr Williams**—That is correct.

**Senator Abetz**—We went through that, yes.

**Senator CARR**—What I am trying to establish is precisely how many accounts there are that the government can draw upon. If we were to measure the amount of money spent on advertising, where would we look?

**Senator Abetz**—You have been told this before. Every single government department will advise what they spend, because it is all departmentally driven.

**CHAIR**—I understand that is your answer, Minister, but you would appreciate that the inquiry is into government advertising across all government departments and agencies and it was a decision of the government that, in effect, the representation at this hearing initially, and the single submission, would come from PM&C.

**Senator Abetz**—That is right.

**CHAIR**—In seeking this information—

**Senator Abetz**—But we went over it last time; that is all I am saying.

**CHAIR**—What I am saying is that no other department has actually provided us with that information. They might—

**Senator Abetz**—If I can briefly interrupt, I am not sure which question it was, but Senator Murray asked a question on notice and the tables on the last page may be of some benefit. I do not know. It has just been drawn to my attention.

**Senator CARR**—I am wondering where I would have found about the special media commissions, the two special accounts. Were they referred to in your submission?

**Mr Williams**—I am not sure. Certainly the activities of both special accounts are disclosed in the financial statements in the department's annual report. There is a reference to the media commissions account in the descriptive part of the annual report each year. So they are disclosed.

**Senator CARR**—At the last hearing you made it very clear to me—and you have done it again—that individual departments drive these campaigns, but I understand you are saying to us today that the central agency is the process through which these campaigns are booked, and levies are commissioned from the departments for each of those accounts.

**Mr Williams**—Perhaps I could correct my evidence. The contract arrangement with the master placement agency is in the nature of a standing offer, so when a department is implementing a campaign it will deal with the master placement agency and the payment of moneys would go from the department to the master placement agency for the placement of that media. That is no different to my previous evidence, I would be fairly sure.

**Senator CARR**—I must say you are presenting a different picture to me than what I understood you to have said last time. You have now established that there is a central agency through which these special accounts—

**Senator Abetz**—I indicate, just for the record, that these sorts of statements do not assist if you are genuine about an investigation rather than about making political points. I think the official's evidence has been clear. It has also been disclosed in annual reports. Whilst your understanding may be better—I would accept that fully—to suggest that the officials are now painting a different picture is not helpful.

**Senator CARR**—Let us look at our last discussion. We spoke about the industrial relations account specifically. I do not recall you referring to these accounts, yet they were critical in the matters that you presented to the High Court. You say that my understanding has improved. It certainly has, by reading the High Court documents, but not by reading the transcript of the committee proceedings.

**Senator Abetz**—The evidence that you obtained is largely a result of the questions asked. You cannot blame officials if something has not been drilled down far enough. With respect, I would have thought that if you had done your homework you would have seen the annual reports and these accounts would have been known to you. Especially as a member of the Finance and Public Administration References Committee, you would be aware of and acquainted with the annual reports and you would not have needed the High Court proceedings to tell you that these accounts existed. It is just gobsmacking, quite frankly, that you would be so ill-prepared.

**CHAIR**—Could I ask both senators and witnesses that it might be helpful if we try, wherever possible, to stick to questions and answers rather than getting engaged in a long commentary. Minister, I will make the point that this committee does not directly conduct estimates inquiries into every single department, but certainly under the scope of this inquiry that is open. Whilst the information may be tucked away in annual reports, one would also expect that when a submission is sought from this department, PM&C, and other departments, that sort of

information would be referred to or directions would be given as to how it could be ascertained. We can debate this all morning, but let us get on with questions.

**Senator CARR**—Do individual departments have access to these special accounts, or is it all done through the department of finance?

**Mr Williams**—As I indicated earlier this morning, the media commissions account is primarily there to remunerate the master placement agency. It has the capacity, but not a great capacity, under its purpose clause to pay for some advertising. In terms of departmental access to those accounts, they are administered by the Department of the Prime Minister and Cabinet, and agencies in general do not have access to them.

**Senator CARR**—What is the relationship between these accounts and the minister for finance?

**Mr Williams**—The minister for finance has a role in approving the establishment of special accounts under the FMA Act as far as I am aware, and that is the extent of his involvement.

**Senator CARR**—So the minister for finance approved the establishment of these accounts?

**Mr Williams**—As he does for all special accounts in all departments under the FMA Act. I might stand corrected here—I am not an expert—but that is certainly my understanding.

**Senator CARR**—How much money has passed through to these accounts since November 2004?

**Mr Williams**—As I said earlier, I will take that on notice. It is in the department's financial statements, receipts, expenditure and balances.

**Senator CARR**—How much is in these accounts at the moment?

**Mr Williams**—Again, I will have to take that on notice.

**Senator CARR**—How many campaigns are currently being financed by these accounts?

**Mr Williams**—There are none currently.

**Senator CARR**—These accounts are obviously in your annual report. Are they in the budget papers? Can you show me where I would find them in the budget papers?

**Mr Williams**—I will have to take that on notice.

**Senator CARR**—Has the industrial relations campaign received any money from these accounts? Have these accounts been used to fund any industrial relations campaigns in the last year?

**Mr Williams**—I think the answer to that is no.

**Senator CARR**—Have any other campaigns received money from these accounts?

**Senator Abetz**—When? In the last year?

**Senator CARR**—Yes.

**Mr Williams**—I believe the answer is no, but we will take that on notice.

**Senator CARR**—Where will I find a statement of the activities of these accounts? You say that it is all in the annual reports.

**Mr Williams**—It is all in the annual reports.

**Senator CARR**—So the annual report will give me a detailed breakdown of how these accounts have been used, the purposes for which they have been used and the amount of money that has been used.

**Mr Williams**—It will show you the flow of funds through the account, and from memory there is a reference to the media commissions account, because it is an administered account. If someone gives me the annual report I can probably find it.

**Senator Abetz**—At page 94 of the Australian government Department of the Prime Minister and Cabinet annual report 2003-04 there is a heading ‘Administered item—Media Commissions Account’. It is a nice, big heading.

**Mr Williams**—I will dig out the reference to the accounts in the financial statements.

**CHAIR**—Is this the 2003-04 report?

**Mr Williams**—Yes. Our annual report will be tabled sometime in October.

**CHAIR**—I understand.

**Mr Williams**—On page 217 of the annual report, under note 19, there is a reference to the campaign account, which indicates the opening balance, moneys that have been received and expended and a closing balance. In note 19, continuing on page 218, there is a reference to the media commissions account which shows balances.

**Senator CARR**—That would be very helpful. Will that tell me what the money has been spent on?

**Mr Williams**—Yes, it will. It goes through in some detail. In fact, what you will see on both those accounts is that, where moneys have been accumulated, they have been paid back to the budget by and large.

**Senator CARR**—The minister, in the *Hansard* of 19 August said, ‘Every single department funds its own campaigns and there is no budget per se’ for advertising. So we could not regard this as the budget account.

**Mr Williams**—No, you could not.

**Senator CARR**—In the evidence presented to the High Court, I understand that reference was made to, I take it, the affidavit from the government solicitors.

**Senator Abetz**—What paragraph?

**Senator CARR**—Number 13.1 on page 4. The extract I have says:

There is another appropriation which would authorise moneys to be drawn from the Treasury of the Commonwealth for the purpose of paying for advertising to promote workplace relations reforms, being the Media Commissions Special Account, established by determination of the Third Defendant made on 19 November 2004. Section 20(4) of the FMA Act contains a standing appropriation for the expenditure for the purposes of a Special Account up to the balance of the Special Account.

I take it that is the same account that we are referring to?

**Mr Williams**—Yes, it is.

**Senator CARR**—Was it established on 19 November 2004?

**Mr Williams**—That particular account was established then but it was in a sense a continuation of a previous account.

**Senator CARR**—What was the reason for the establishment of this special account on 19 November 2004?

**Mr Williams**—There was an issue that arose. The department agreed with the department of finance a couple of years ago to return to the budget excess funds that had built up in both that account and the campaign account. It was subsequently discovered that the purpose clause of both accounts did not allow for those moneys to be returned to the budget.

**Senator CARR**—How much money was involved?

**Mr Williams**—It is disclosed in there.

**Senator Abetz**—Bureaucracy at its best.

**Mr Williams**—I do not have the exact numbers in my head, but it is some millions of dollars.

**Senator CARR**—Is that described the annual report as well?

**Mr Williams**—Yes, it is.

**CHAIR**—The establishment of the fund would not be described in this annual report. That is post the—

**Mr Williams**—As I mentioned earlier in my evidence today, the campaign account and the media commissions account have existed for a long time—certainly for the whole of my period of involvement and for some period before that. Funds built up in both accounts that were not required for the purposes for which they were set up, and it was determined that the best place for those funds would be return to the budget. Those moneys were paid back to the budget. It was subsequently found that the purpose clause did not provide for that so, rather than just changing the purpose clauses of the existing campaign and media commissions account, the advice was that under the FMA Act it would be better to close the old accounts and on the same day open new accounts with the same name and just transfer the balances over. So there is no mystery in why all of a sudden we created those accounts in, I think, November last year.

**Senator Abetz**—Bookkeeping at its best.

**Mr Williams**—It was just consistent with the operations of the FMA Act. Once those new accounts were created and the old ones abolished, payments were made back to the budget some time in calendar year 2005 at the same level as those that had been arranged some years previously.

**Senator CARR**—How much money are we talking about?

**Mr Williams**—Perhaps Senator Forshaw could hand me back the annual report and financial statements. It may have been disclosed last year. There was a total of \$5 million from the campaign account and, for the media commissions account, a total of \$7.6 million.

**CHAIR**—Which pages are you referring to?

**Mr Williams**—Page 217 for the campaign account and page 218 for the media commissions account.

**CHAIR**—So \$5 million for the campaign and \$7.6 million.

**Mr Williams**—They were just returned to the budget.

**CHAIR**—Is that information revealed in the portfolio budget statements in any way?

**Mr Williams**—I would have to take that on notice. Certainly it has been disclosed in the financial statements, and the issue that arose—

**CHAIR**—I am talking about the establishment of the fund in November. I appreciate what you said, that those figures are in the annual report for the financial year 2003-04, but is the subsequent action to close the accounts and reopen new accounts—

**Mr Williams**—Simultaneously reopen.

**CHAIR**—noted anywhere or will it appear in the annual report that is coming for the last financial year?

**Mr Williams**—Certainly the action taken will be reflected in—

**CHAIR**—It will now!

**Mr Williams**—The annual report is virtually finalised and is possibly with the printers. What happened during the year will be disclosed in the annual report.

**CHAIR**—But has it been previously disclosed anywhere?

**Mr Williams**—I will probably have to take it on notice, but I am assuming that in the PBSs for the years when the moneys were paid back to the budget—and that is going back a couple of years—that flow of funds would have been described—

**CHAIR**—What I am saying is: would we have found it if we had looked at the PBS for this last budget? In any of that documentation was there any reference to that action being taken to set up that new account?

**Mr Williams**—I would have to take that on notice.

**CHAIR**—Please do. Thank you.

**Senator CARR**—I am interested to try to get an agreed figure across the table on how much money has actually been spent on government advertising.

**Mr Williams**—That is disclosed in the annual report, and we describe this each year. On page 94 it is disclosed that approximately \$143 million in advertising expenditure was placed through the central advertising system. Further up on the same page there is a reference to the major campaigns placed in 2003-04. Those campaigns are listed. The same process will obviously occur in this year's annual report.

**Senator CARR**—For the committee's reporting purposes, there has been a dispute as to how much money has been spent between the period 1996 and 2004. Based on the parliamentary research note on 21 June 2004 and the PM&C's 2003 annual report, the committee has calculated that expenditure on government advertising through the central advertising system, for that period of 1996 to 2004, was \$1.014 billion in 2003-04 dollars. In his submission to this committee, Senator Abetz has said that government expenditure for that period through the CAS was \$929 million.

**Mr Williams**—This amount is in the departmental submission. The figure of \$929 million is in that. That is the figure from the financial year 1996-97 to the end of the financial year 2003-04. That figure can be tracked back to the annual reports tabled over that period. Each year what was spent through the central advertising system is disclosed.

**Senator CARR**—So you are calculating the figure of \$929 million by an aggregation of the figures, as you see them, in each of the annual reports.

**Mr Williams**—That is correct.

**Senator CARR**—So you dispute the figure of \$1.014 billion.

**Mr Williams**—I do not know where it has been sourced.

**Senator Abetz**—They are different figures, as I understand.

**Mr Williams**—They might be different.

**Senator CARR**—They clearly are different figures.

**Senator Abetz**—From different sources. These are campaigns. Is that right?

**Mr Williams**—No. This is all expenditure. The \$929 million includes, as per our submission, \$236 million of non-campaign advertising. The balance, which obviously is \$703 million, was on campaign advertising over the period.

**Senator CARR**—Is there any variation, for instance, in terms of taking these figures at 2003-04 prices? Does that account for the change?

**Senator Abetz**—We can take this on notice for you. I think you might find that Australia Post and a few others are included potentially in the other figure that you have. We can check that up for you.

**Senator CARR**—I am interested to know whether the expenditure through the central advertising system represents only the media spend on government advertising. If it does, in this case, does the media spend refer only to the cost of buying time and space for advertisements to appear in the media?

**Mr Williams**—That is correct. That is the only figure that we hold.

**Senator CARR**—Is it correct that expenditure on advertising for things, such as had agency fees, creating and producing actual advertisements, research, focus group testing, evaluation and direct mail, is in fact additional expenditure?

**Mr Williams**—That is correct.

**Senator CARR**—That additional figure for the cost of putting an advertisement together must include the cost of the creative work, production work, research and focus group testings. Surely you would agree that that would be the total cost of the advertisement.

**Mr Williams**—They are costs associated with advertising campaigns. The individual departments have contracts with the individual suppliers. When we put this submission together, we put together the material that we hold. To accumulate the other would necessitate going to every department and agency to establish those figures.

**Senator CARR**—I ask you to do that, because the cost of the media spend is clearly a proportion of the cost of media campaigning.

**Mr Williams**—It is part of the cost, yes.

**Senator CARR**—The total cost of government advertising would in fact be in addition to, variously, \$929 million or \$1.01 billion. It is an additional figure to either of those.

**Mr Williams**—I cannot comment on the \$1.01 billion because I do not know what the source is and I do not know what it comprises. But I can say that the \$929 million that I am aware of covers expenditure through the central advertising system, which is media.

**Senator CARR**—I understand your point but I am trying to get to the total cost of government advertising. I ask you to take this on notice: can you give me a figure for the total cost of government advertising between 1996 and 2003-04 to cover such things as agency fees, the cost of creating and producing the advertising material, the cost of research, focus group testing and evaluation and direct mail? I want to know the cost of advertising, not just of the media spend.

**Senator Abetz**—Is that only in relation to campaigns?

**Senator CARR**—No. I would prefer it in relation to both figures, but let us agree on one figure—the one that you have used. If you use \$929 million as your base figure, what is the total cost of advertising that leads you to that figure?

**Mr Williams**—We would have to source that information from departments and agencies. I am not sure how good their records will be. We can certainly take that question on notice and refer it to departments and agencies.

**CHAIR**—Why do you say that you are not sure how good their records are?

**Mr Williams**—I do not know; we are talking—

**Senator Abetz**—Because he cannot speak for them.

**Mr Williams**—We are talking about seven or eight years ago. The departments have gone through various transformations over that period of time. They might have splendid records; I do not know.

**CHAIR**—But advertising is a discrete activity inside a department, isn't it? Surely they should be able to fairly quickly—

**Mr Williams**—Different departments organise themselves on different bases. Some integrate the campaign with the program area and some have a more specialised area of communications which links up with program areas when campaigns are to be run. It varies between departments. The best I can do for the committee is to take the question on notice and ask the departments to provide input.

**CHAIR**—We appreciate that you might have to take it on notice. Let us see what the answer provides.

**Senator CARR**—You talk about records. I appreciate the difficulties of record keeping. Your own annual report for 2003-04, at appendix 3 on page 147, I am advised, draws our attention to advertising and market research and includes itemised listings of payments of \$1,500 and above made to external consultancies. The figures provided in the appendices, however, do not include a raft of payments to external consultants who are engaged to provide research and advertising services—for instance, in the National Campaign for the Elimination of Violence Against Women. They are listed separately under consultancies. Under consultancies we see a list of payments, including \$990,000 to Grey Worldwide Pty Ltd for providing the advertising component of the National Campaign for the Elimination of Violence Against Women. That is on page 150. Could you explain to us the basis on which some advertising and market research expenditure is listed under advertising and market research and others are listed under consultancies?

**Mr Williams**—I can attempt to answer this. Table 14 covers payments for advertising—that is, placement of advertising—and payments for market research activities. That is what is disclosed there. The payments to hma Blaze are for the placement of non-campaign advertising. The payment to Universal McCann is the payment for the media placement for the Elimination of Violence Against Women campaign. The payments to Morrison Croxford and to Corporate Diagnostics were payments for market research activities. That is what is required, as I understand, by table 14.

On the other hand, appendix 4 covers payments for consultancy services, and all the activities of the Elimination of Violence Against Women campaign are included there. Payments for the helpline, the non-English speaking background component of the campaign, public relations services, Indigenous services and the advertising agency are all disclosed there. But that is not payment for advertising; it is payment for services associated with campaigns. So I believe we have complied with the guidelines for annual reports.

**Senator CARR**—The annual report talks about payments in excess of \$1,500 made to external consultants.

**Mr Williams**—For advertising.

**Senator CARR**—But you see, you divide them into two categories. Would it not be a more effective and transparent way to describe the activities in this area to group the material together, as the guidelines suggest you should, by declaring all items in excess of \$1,500 to external consultants?

**Mr Williams**—I suggest that you are getting into the structure of the annual report guidelines. I am not competent to comment on that. As another part of PM&C is involved in the implementation of annual report guidelines, it may be able to provide a more comprehensive answer. But we would comply with those guidelines. Looking at the list of organisations in table 14, I believe we have complied with it because we have indicated the cost of advertising in place through external bodies—that is, the hma Blaze references and the Universal McCann references—and, where we have engaged in market research, we have disclosed those. The

guidelines require the disclosure of consultancy contracts above the value of \$10,000. I cannot speak precisely on behalf of the Office of the Status of Women, as it was in the department at the time, but I believe they would have disclosed the payments to the consultants used to put together that campaign. If the Senate believes there are shortcomings in the annual report guidelines, I do not think I am the person to be talking to.

**Senator CARR**—As I say, I was seeking information about the money that had been spent. Given that you are saying you have no trouble following those guidelines, it will not be any trouble producing that material for us.

**Mr Williams**—I have previously said that I will take that question on notice. I will go to the departments and agencies and ask them to contribute to an answer for the committee. I can only do my best.

**CHAIR**—I understand you have some questions, Senator Fifield.

**Senator FIFIELD**—Yes.

**CHAIR**—This is in respect of PM&C only?

**Senator FIFIELD**—Yes.

**CHAIR**—That is fine.

**Senator FIFIELD**—But firstly, if I could, through you, Chair, register with the committee that I also have some concern about the proceedings in the Senate on 8 September when Senator Abetz and his evidence was reflected upon while his evidence was part heard. I do not think the witness is being sensitive and I do not think I am being precious here. We all have a fair idea as to where each member of the committee is heading in terms of their views of the proceedings and recommendations.

**Senator Abetz**—It would be fair to say on that point, and I apologise for interrupting Senator Fifield, that the three speeches of committee members on 8 September studiously avoided the allegations by the Clerk of corruption, and I think nobody could have misinterpreted my evidence before this committee that my disquiet, to put it mildly, was at the allegations of corruption. So my so-called gratuitous and other attacks on the Clerk were severely misrepresented by those committee members. Of course, the interesting thing now is that even Julia Gillard, a very senior Labor member, acknowledges that there is no evidence of corruption. So I would like to think that might now be withdrawn by the witness.

**Senator FIFIELD**—I was going to cite one instance from 8 September where you, Chair, quoted Senator Abetz saying:

Can I respectfully recommend that the Clerk of the Senate should have limited himself to informing the committee of any relevant Senate motion and any relevant debate. To involve himself in the debate demeans his position as a non-partisan official.

You, Chair, said:

Essentially what Senator Abetz does in this huge spray, this vile abuse against the Clerk, is to say he is a note taker and that he should just sit back in his place ...

I should have thought that what Senator Abetz was quoted by you as saying did not constitute a huge spray or vile abuse, and I think that is just one instance of misrepresentation of evidence submitted to this committee. The Committee of Privileges report of June 2005 talks about how purported revelations of committee deliberations which are actually misrepresentations of committee proceedings may still be caught under the provisions of resolutions 6 and 7. Resolutions 6 and 7 actually talk about wilfully publishing false or misleading reports, but nevertheless I think the spirit of those resolutions—that members of this committee should not misrepresent witnesses—should still be observed. At the very least it is important that this committee maintain what could be referred to as ‘the face for liberty’ of its proceedings; it is important that this committee does not give the impression that it has already determined its position before it has actually reported. I just wanted to register those concerns with you.

**CHAIR**—You have registered those. I will not respond to them at this point. I think we should keep on with questions. I also do not resile from or withdraw anything that I have said, and I think we can move on.

**Senator FIFIELD**—Okay. Senator Abetz, I am sure you recall the allegations of the Clerk in his submission of 10 August to this committee, where he referred to the expenditure on government advertising projects subsidising the party political advertising of the government and saying that this is tantamount to corruption. I know you take very seriously any allegations of corruption and I wonder if, since the time of that submission and since this committee last met, you have uncovered any evidence of corruption of that nature?

**Senator Abetz**—No, I have not. Interestingly enough, when Tony Jones on the *Lateline* program questioned Julia Gillard about this allegation, she acknowledged that the Labor Party had no evidence to suggest that corruption was taking place. Given that the Labor Party have dropped that as an assertion—or have acknowledged that there is no evidence for that assertion—I would like to think that those who have made that assertion will now either come forward with the evidence or simply withdraw it.

**Senator FIFIELD**—Just to check, is that the *Lateline* of 19 August, where Tony Jones said, ‘Cross-subsidisation is the word that he,’ referring to the Clerk, ‘uses. Is the opposition prepared to say that? You would not have evidence of that?’ and Julia Gillard responded, saying, ‘I do not have direct evidence of that.’

**Senator Abetz**—Yes.

**Senator FIFIELD**—So that is what you are referring to?

**Senator Abetz**—Yes.

**Senator FIFIELD**—So, in your capacity here representing the government, there is no evidence of corruption—cross-subsidising—and the opposition has no evidence of cross-subsidising or corruption?

**Senator Abetz**—We, of course, deny that assertion about cross-subsidisation. As I think I said on the last occasion, for this sort of cross-subsidisation to be allowed to occur, you would need officials in departments playing along, deliberately loading accounts for agencies and other people, knowing that they are paying huge amounts of money completely unrelated to the market value of the services that are being provided. So, while it is an easy shot to make against a parliamentarian and I have pretty thick skin I suppose and I am willing to wear those sorts of allegations as part of the rough and tumble of political life, it also reflects on the departmental officials who actually do the verification and the vetting of accounts and sign the cheques et cetera—because, for this so-called conspiracy to be able to take place, you would need a lot of willing players right through the system. It is passing strange that in nine years of this government not a single person has come forward to make that sort of suggestion, other than, bizarrely, the Clerk of the Senate.

**Senator FIFIELD**—So the eight officials behind you and the two officials beside you would have to be complicit in such a conspiracy?

**Senator Abetz**—Yes. To make the point fully, it is not fair on those officials to reflect on them in that way.

**Senator FIFIELD**—No, certainly not. I am sure the Clerk was very much tongue in cheek when he said:

The Senate and its committees have found, over many years, that the worst people to talk about large constitutional issues are people who have done law degrees.

The other week a group of lawyers whom we know as the High Court—people with law degrees—were looking at what was presented in the case.

**CHAIR**—Not every one of them has a law degree, but carry on.

**Senator FIFIELD**—Some would have done the barristers and solicitors admissions course in New South Wales.

**CHAIR**—I think he might have an honorary degree.

**Senator FIFIELD**—A law degree or equivalent qualification.

**CHAIR**—That is no reflection on him, by the way; he is a very eminent judge.

**Senator FIFIELD**—I am sure they would not take it as one.

**Senator Abetz**—I am sure it is not. It would be against the standing orders if it were.

**CHAIR**—It is often a trivia question, but I will leave it at that.

**Senator FIFIELD**—It catches people on political trivia nights. Minister, that group of legally qualified individuals, the High Court, have determined the matter put to them in relation to the

government's industrial relations advertising inquiry. In passing, it was interesting to note that in her press release the shadow Attorney-General said:

... it is clear from the Orders that we lost the case.

However, it seems that we lost on a technicality.

**Senator Abetz**—Yes, the legality.

**Senator FIFIELD**—That is right, law is a technical matter. Minister, would you take us through your understanding of the High Court's judgment?

**Senator Abetz**—At this stage we do not have the full detail of it. There is still speculation as to whether the High Court was split and, if so, what the numbers were et cetera. The decision has not been released as yet, but the High Court has determined that the appropriation is appropriate, if I can use that term. I can understand, as a matter of some principle, where the Clerk is coming from, but I think in his submission the Clerk said that about 80 per cent of the budget is being undertaken in a similar way to this workplace relations campaign. He sees parliament working in a different way.

When our Federation and federal parliament first came about, the budgets were a lot smaller and it stands to reason that in those circumstances you would have fewer line items. Now that we have a \$200 billion budget, if you wanted everything as a line item in the budget and specific approval for everything that the government thinks of during the course of its term, the parliament would be sitting 36 hours a day and more than 365 days a year in trying to deal with every single line item. That is why governments of both persuasions have considered it appropriate to lump some of these sums together and give the departments and ministers discretion. With respect to the Clerk, and I think the High Court has decided in the same way, we in fact live in a parliamentary democracy, not a Clerk democracy, and therefore what the parliament says, passes and determines becomes the law of the land—the proper way of doing things. I imagine that the High Court quite rightly thought it would not be appropriate for it to try to tell parliament how to sort out its accounts.

With respect to the Clerk, he can give advice on that but, at the end of the day, advice is only advice and it is for hearings of parliament—the elected officials—to make the decisions. His response to you, Senator Fifield, when you made a comment to him about advice not being taken, was: 'That's silly. What do you pay me for?' If that is the case, what on earth do we have senators for? The Clerk might as well make all the decisions. So I think there is a misunderstanding of what the actual role of the Clerk might be. When it comes to Senate matters and other things, I think he is a very fine official, so do not get me wrong. But, when he starts suggesting he might have better knowledge than constitutional lawyers on constitutional matters and that his advice ought to prevail over decision making by senators, then I think he misunderstands his role.

**Senator FIFIELD**—And advice, once given, is either accepted or not, and that is the end of the matter.

**Senator Abetz**—And the people who face the Australian electorate are, of course, the senators who decide whether or not they accept that advice. It is not the Clerk of the Senate or, indeed, the advisers who I have in my office.

**Senator MURRAY**—But you would agree that he is entitled to stand by his advice, even if it is rejected by the Senate or by anyone else.

**Senator Abetz**—Of course. But to suggest that people are ‘silly’, as he did on the record, for rejecting his advice because he is a paid adviser—to say, when his advice is rejected, ‘That’s silly because I get paid to advise’—takes the role just that little bit far.

**Senator FIFIELD**—Advice is given to decision makers who decide. Advice is not something which is endlessly reiterated.

**Senator Abetz**—Exactly.

**CHAIR**—I do not want to stifle the questioning, but I think it would be more relevant if we focused on issues to do with government advertising. I take the point that you make and I have allowed the questions because the Clerk has made a submission, you have responded and there has been debate in the chamber and publicly about it. We are actually now discussing the role of the Clerk in advising the Senate and the committees, so let us try to return to issues to do with government advertising. I think we have covered a lot of that ground.

**Senator Abetz**—Chair, I think you are quite right. Let me just quickly say that it is the unfortunate situation that the Clerk got a huge load of publicity for his gratuitous statements and attacks on the government and now that some of these things have fallen around him, such as the High Court decision and Julia Gillard’s acknowledgments, I think it might be appropriate for him to reconsider.

**CHAIR**—That is not for this committee to necessarily direct itself to at this point in time, if at all. You have indicated that you want to leave at a certain time. It is my view that that would not prevent the committee from continuing on with evidence from other witnesses, but we will deal with that at the time. But let us get back to some questions on the terms of reference.

**Senator FIFIELD**—Sure. Thank you, Chair. You are right—it is indeed distracting. Minister, as you mentioned we do not actually have the judgment of the High Court as yet, so the best we have to go on at the moment are the transcripts of the comments of the court. His Honour Justice Heydon said on 29 July:

This may get you into a firmer wicket, as it were ... . One problem is—it may not be fatal legally, but this is really a political dispute. Courts tend to be reluctant to interfere in political disputes. You cannot treat the second plaintiff as just having a purely academic airy-fairy sort of disinterested concern, can you? She is in the eye of the storm; she is leading part of the cavalry.

It sounds very much as though in the view of the High Court there was no real constitutional issue here; this was a political dispute, a political stunt. Are you aware of any constitutional hook for bringing this before the High Court?

**Senator Abetz**—I unfortunately have a law degree, so according to some I am very ill advised to comment on these sorts of these things. I would have thought that—

**Senator CARR**—You really have a terribly thin skin, haven't you—and after all those years of student politics! Poor little petal!

**CHAIR**—Order, Senator Carr!

**Senator Abetz**—the decision was basically a foregone conclusion. I can accept Senator Carr's concerns that the ACTU and his mates have to pay about \$200,000 in legal costs coming out of workers' pockets, so I can understand that he is upset about that. But let us get on with the questions.

**Senator CARR**—What we are worried about is workers' pockets paying for your advertising campaigns; that is the problem.

**CHAIR**—I thought we were doing pretty well until now.

**Senator FIFIELD**—Cheer up, I am done with line of questioning.

**Senator CARR**—You have done well!

**Senator Abetz**—He has done very well.

**Senator CARR**—It was a brilliant intervention. Is that it?

**Senator FIFIELD**—I am always mindful, Chair, of the needs—

**Senator Abetz**—He actually reads the annual reports so that he does not have to ask as many questions.

**Senator CARR**—I bet it is bedtime reading for him.

**Senator FIFIELD**—I would not want to be accused of taking up time that the opposition senators could use.

**CHAIR**—Senator Carr, you have further questions.

**Senator CARR**—I certainly do.

**CHAIR**—I might make the point, as somebody who has qualified as a lawyer as well—but has never practised, I might say, directly but in certain jurisdictions—

**Senator Abetz**—That qualifies you more, according to some!

**Senator FIFIELD**—I am not a lawyer, so I would quickly qualify.

**CHAIR**—But I think the very fact that the High Court heard the case and that it was a five-member bench of the High Court suggests that there might have been an issue to be considered.

**Senator CARR**—There are a couple of historic questions regarding the GST campaign. Do you have expertise in that area?

**Senator Abetz**—I will try. We still obviously do need some corporate knowledge.

**Senator CARR**—Tell me how many advertisements were prepared for that campaign.

**Senator Abetz**—I think that will have to be taken on notice.

**Mr Williams**—Yes.

**Senator CARR**—Would you be able to tell me the number of advertisements that were actually put to air?

**Senator Abetz**—In respect of some of these questions, there were TV, radio and newspaper ads and then, during the GST—even after it was introduced—there were ongoing reminders about putting in your BAS et cetera.

**Senator CARR**—I am interested to know whether or not there were any advertisements prepared or commissioned that were not run—they were not actually put to air.

**Mr Williams**—We would have to take that on notice.

**Senator Abetz**—That is a very difficult question. In the making of advertisements, there may well be some that are partially developed and then dropped halfway through or a concept put forward. Does that constitute an advertisement or not? It really does make it very difficult. When does an advertisement become an advertisement? I would think only when it is actually run. Otherwise, where would you draw the line?

**Senator CARR**—I want to go to the question of the evaluation process. It was put to me that there was at least one advertisement which was not put to air, but apparently some \$600,000 was spent on the production of that advertisement. Can you confirm that?

**CHAIR**—Do you mean in relation to GST?

**Senator CARR**—Yes, in relation to the GST campaign.

**Mr Williams**—I would certainly have to take that on notice. I certainly cannot respond to that.

**Senator CARR**—Has there ever been an occasion when there have been significant expenditures of moneys for advertisements which have not subsequently been used, in terms of your general media campaigning?

**Senator Abetz**—It really depends what you mean by that. As you are aware from the chart that was given to you about the process, different companies will put in a pitch. They will get paid for that pitch—is that correct, Mr Williams?—

**Mr Williams**—They get a modest amount, yes.

**Senator Abetz**—And they do some concepts in relation to what their advertising campaign may or may not include. We actually spend money on that. When they do not get the contract, would you consider that to be money spent on advertising that in fact does not get shown? Those who do win the pitch may well put forward a raft of advertisements for consideration and testing. It would stand to reason—and I am sure the Labor Party and all political parties do this for election time—that people come up with good ideas, they put them together, they test them to see what the reaction is and then they might not run them. Whether you say that is a fully developed advertisement or just a concept—

**Senator MURRAY**—In terms of accounting balance, would it be true that amounts of money spent in conceptualising the advertisement in any way—for research, consultancy or thinking it through; things that cost you money—would come off the same line item as advertising expenditure? That is true, isn't it?

**Senator Abetz**—That is right.

**Senator MURRAY**—So the aggregated line item from an accounting perspective includes both, shall we say, 'failed concepts' as well as successful concepts?

**Senator Abetz**—That is right. For example, somebody shoots 10 ads in a day for different ideas and concepts and says, 'We didn't run this particular ad because it did not test well or whatever.' Trying to disaggregate and detail exactly how much was spent on that particular ad would be a very difficult task for any department to try to undertake.

**Senator MURRAY**—If I can continue the interjection, the point is that the answers to my questions dated 13 September very helpfully have a tabular layout of the actual spend, by media. To that you would add research, conceptions, failed or discarded ideas and so on, which is perfectly reasonable and you are entitled to do that. You add that to the gross figure. So if the gross figure is \$100 million and conceptually the rest came to \$20 million, \$120 million would be the cost of that advertising spend in the line item for accounting, in the aggregated sense. Is that correct?

**Mr Williams**—That is correct.

**Senator Abetz**—Going back to Senator Carr's question about trying to disaggregate, basically agencies do a job lot.

**Senator CARR**—I see. So is it the case that the evaluation for an advertising campaign is the responsibility of the individual department or is it the responsibility of the GCU?

**Mr Williams**—It is the responsibility of the individual department.

**Senator CARR**—Do you have any involvement? Is there any central involvement in the evaluation process, through the ministerial committee or through the GCU?

**Senator Abetz**—Yes, there is.

**Mr Williams**—There is. Evaluation reports, when they are available, will come to the MCGC.

**Senator CARR**—So are you automatically informed of the results of campaign evaluations?

**Senator Abetz**—Wait a minute. Sorry, I thought you were still talking about the development of a campaign. Are you now talking about after the campaign has gone to air or into the newspapers and when we are now evaluating how successful they were? There might be confusion.

**Senator CARR**—Let us do it in two levels. In the prepublication process, are you involved in any of the decision making processes about, for example, the standard of them?

**Mr Williams**—Yes.

**Senator Abetz**—Yes, and I think the sheet shows you that.

**Senator CARR**—Is it the custom and practice for you to be involved in most of the campaigns at that level?

**Mr Williams**—Regarding the campaigns that come before the committee, as the concepts are developed they are tested and researched and the results of that research go back to the committee, as indicated in the flow chart that we put in our submission.

**Senator Abetz**—The MCGC process is shown at attachment A.

**Senator CARR**—After the material has gone to air, it is custom and practice for you to receive the evaluations?

**Mr Williams**—Tracking is done generally as a matter of rule and the results of that tracking will be provided to the committee when available.

**Senator CARR**—So it is not custom and practice?

**Mr Williams**—It is the practice—

**Senator Abetz**—To give you an example, say, with quarantine, if tracking suggests that community concern about quarantine is starting to slip a bit after a particular campaign, we would not know about that until the department came back to us suggesting that we should have another bout of quarantine campaigning to lift the level of community awareness about their responsibility to protect Australian agriculture, wildlife and environment. We would not normally be given a monthly tracking on that, but the department would come back to us and say, ‘We think we need another refresher on quarantine or, indeed, national security because there might be some community drop in interest or concern in a particular area.’

**Senator CARR**—Are those reports available?

**Mr Williams**—They are held by departments. I could not answer on behalf of departments as to their availability.

**Senator CARR**—What about those that are held by you?

**Senator Abetz**—It is the departmental documents that we have.

**Senator CARR**—I see. Will you take the question on notice?

**Senator Abetz**—We will consider it. I am not sure that it is normal practice to release that information, but we will consider it and take the question on notice.

**Senator CARR**—I turn now to the Health Insurance Commission's 'dob in' campaign for the PBS and Medicare. Are there officers here that can help with that?

**Senator Abetz**—I do not know.

**Mr Williams**—I am not quite sure what the status of the Health Insurance Commission is, but up until recently it was an organisation covered by the Commonwealth Authorities and Corporations Act and as such did not come through the GCU or the MCGC.

**Senator CARR**—Okay. Does the Department of Human Services have responsibility for the 'dob in' campaign? For instance, do they administer the fraud tip-off line?

**Senator Abetz**—Are we going to get into Human Services now?

**Senator CARR**—Yes. Can I ask about the fraud tip-off line. Was that campaign originally run to cover a number of agencies in Human Services?

**Mr Leeper**—Can I just clarify exactly what you mean by the tip-off line?

**Senator CARR**—It has been described to me as a campaign to identify fraud.

**Mr Leeper**—The department has recently introduced a single number covering Medicare Australia, Centrelink and the Child Support Agency, whereby members of the public are able to call in and report issues or matters of concern that they may have in relation to people receiving government payments.

**Senator CARR**—Did it include the PBS?

**Mr Leeper**—Potentially it could, yes.

**Senator CARR**—What do you mean by 'potentially?' Was that part of the scope—

**Mr Leeper**—It is a number that is available for people to call if they have concerns about matters relating to Human Services agencies. If a person has a concern relating to Medicare or the Pharmaceutical Benefits Scheme that could be raised. It is not a thing that we are particularly targeting.

**Senator CARR**—Did it include the Health Insurance Commission?

**Mr Leeper**—The Pharmaceutical Benefits Scheme is administered by the HIC, now Medicare Australia as of Saturday morning, so yes.

**Senator CARR**—Have any of these agencies been withdrawn from the campaign?

**Ms Ryan**—I would not call it a campaign. It is simply a single tip-off line that has been set up and the only place it is advertised is on the individual agencies' web sites. The click-on button on their web sites explains the type of fraud issues we are looking at. There has been no advertising around it.

**Senator CARR**—Your branch, the media, marketing and communication branch, is obviously responsible for it.

**Ms Ryan**—The communication side of it, but other areas within our agency are responsible for setting it up and operating it.

**Senator CARR**—Were the equivalent officers within the HIC involved with this as well?

**Ms Ryan**—Yes.

**Senator CARR**—What aspects of the campaign was the Health Insurance Commission involved with?

**Mr Leeper**—We worked with the staff of the HIC, Centrelink and the Child Support Agency to bring together the necessary technical support to enable phone calls answered at a single number to be transferred to relevant operators. So when a person rings the number—I wish I could remember what the phone number was, but I am afraid I cannot—they are given the option, through an interactive voice response unit, of selecting a number, such as: 'Choose button 1 to report a Centrelink issue, choose button 2 et cetera.' Where relevant, the call is transferred to the necessary agency operator. If a person calls in to the single tip-off line and indicates that they have a concern they want to express about what was then an HIC, now Medicare Australia, payment, they will be transferred to a Medicare Australia operator.

**Senator Abetz**—Chair, I am not sure that this is really in the line of government advertising.

**Senator CARR**—This is the point I was coming to.

**Senator Abetz**—All right.

**CHAIR**—I was starting to come to that sort of conclusion, but let us see where this leads us.

**Senator CARR**—Can I ask this question? Was it ever proposed that there be any government advertising for this line?

**Mr Leeper**—For this tip-off line? No.

**Senator CARR**—None at all?

**Mr Leeper**—No. This is an administrative response to a request by a minister to bring together in a single place a tip-off and fraud reporting capacity for people concerned about other people who may be abusing government assistance.

**Senator MURRAY**—It is published in the normal government sense.

**Mr Leeper**—As Ms Ryan has indicated, it is publicised on a web site, but there is no campaign that we are running to publicise this number or the tip-off line.

**Senator CARR**—And it was never proposed that there be a campaign.

**Mr Leeper**—For the single tip-off line, no.

**Senator CARR**—What about your antifraud campaign? Was there an antifraud campaign proposed?

**Mr Leeper**—There was a budget measure, I think two budgets ago, where the government invested in a range of compliance and targeting measures to do with the Pharmaceutical Benefits Scheme. There may have been a component of that which was intended to publicise to people their obligations to use medicines wisely and not to, for example, export them illegally from the country. I do not know whether or not that was intended to result in a campaign. I will have to take that on notice.

**Senator CARR**—If you would, please. It has been put to me that a communication strategy was devised and that it was cancelled. You are saying to me that that is just not true.

**Ms Ryan**—There was a communication strategy for the fraud tip-off line to examine how we would publicise the fact that there was now a single number to cover three agencies. It was decided that it would not be an advertising campaign; it would simply be on web sites and in relevant products like brochures and things like that. There has been no review of the tip-off line. It has only been in operation for just over two months.

**Mr Leeper**—Five weeks.

**Ms Ryan**—So there are no plans at this stage to change any of that strategy.

**Senator CARR**—So there were never any plans to have an advertising campaign.

**Ms Ryan**—No.

**Senator CARR**—With regard to the budget measure two years ago, there were no plans.

**Mr Leeper**—I have indicated that I will have to take that on notice, because I do not want to mislead the committee. I know that there are a range of antifraud and better use of medicines measures in that package. I would need to check whether or not a specific campaign was intended as part of that.

**Senator CARR**—Clearly there is a major difference of opinion here. I will need to get further advice and come back to you.

**Senator Abetz**—Can you do that on notice?

**Senator CARR**—There is such a fundamental difference of view about what is happening.

**Senator Abetz**—Not all leaks are accurate, Kim.

**Senator CARR**—That is absolutely right, Minister. I take it that the Government Communications Unit at no point proposed a communications campaign on the issue of fraud within the human services department or any of the agencies that currently make up the human services department.

**Mr Williams**—Not to my knowledge.

**Senator CARR**—No dob-in campaign was ever proposed.

**Mr Williams**—Not that I am aware of, no.

**CHAIR**—Are there any other—

**Senator Abetz**—related questions for Human Services?

**CHAIR**—Senator Carr, do you still have further questions for the witnesses?

**Senator CARR**—There is clearly a miscommunication here somewhere that I need to establish.

**CHAIR**—Are there other campaigns—

**Senator CARR**—No, not of Human Services.

**CHAIR**—There are no other campaigns or issues you want to pursue?

**Senator CARR**—No.

**Proceedings suspended from 10.06 am to 10.21 am**

**Senator CARR**—I am seeking advice on an antifraud campaign run by the Department of Human Services and the HIC. Have you had a chance to check your records?

**Mr Leeper**—Yes, I have.

**Senator CARR**—What can you tell me?

**Mr Leeper**—During 2005, the HIC had intended to run with—I will not call it a campaign in the media sense. They were intending to raise awareness amongst people through paper based forms—for example, flyers in Medicare offices and inserts in Medicare cheques to people—of the importance of ensuring that Medicare and pharmaceutical outlays were received by people properly entitled to them. Some consultation was done, I understand, with some stakeholder groups around the possible focus of such an activity but, in the event, that activity, that campaign—if I can use that word loosely—was overtaken by the single tip-off line that we have implemented administratively through the department.

**Senator CARR**—So there was a campaign?

**Mr Leeper**—No. A focus on ensuring the importance of proper use of Medicare and the Pharmaceutical Benefits Scheme was under development by the HIC but it was never put into play. There were consultations with some stakeholder groups around the concepts but it was never brought into production, if I can use that term.

**Senator CARR**—Was it intended that the campaign would be undertaken by way of postcards?

**Mr Leeper**—The advice I have received is that, as I have just stated, leaflets and flyers would have been used in Medicare offices to draw people's attention to it during face-to-face transactions. Otherwise, in the Medicare cheques that are mailed out in some millions each year, from time to time a flyer would have been included with those cheques, as other flyers are included from time to time to publicise different activities of the commission.

**Senator CARR**—And when was it decided not to proceed with this campaign?

**Mr Leeper**—I do not have an exact date but, in the context of us putting in place a single tip-off line for all of the Human Services agencies, a decision was made that HIC's separate activity would not be required and that they would come under the umbrella of the single tip-off line.

**Senator CARR**—I have correspondence here that suggests to me that the two proposals were in fact one and the same.

**Mr Leeper**—As far as I am aware, that is not right.

**Senator CARR**—The correspondence reads:

Thank you for the opportunity to comment on a campaign undertaken by the Health Insurance Commission and the Dept of Human Services. While I note that the tip-off line will cover Centrelink, Medicare and Child Support, the postcards are for both Medicare and PBS.

I am happy to table these letters.

**Mr Leeper**—I do not have the piece of paper that you have, I am sorry.

**Senator CARR**—This is in August 2005, so it is quite apparent that both were running simultaneously up until at least 22 August 2005.

**Mr Leeper**—Planning for both of them would have been running at that stage because, as we pointed out before the break, the single tip-off line has only been in operation for the last five weeks.

**Senator CARR**—Right.

**Senator Abetz**—If Senator Carr is happy to table them, can we see the letters?

**Senator CARR**—I will do that but I need to get copies of them because I want to refer to them. There is another one here.

**CHAIR**—Senator Carr, can you state what the documents are for the record?

**Senator CARR**—There is a series of letters from various interest groups regarding the HIC and Department of Human Services Medicare and PBS fraud campaign.

**Senator Abetz**—So were they the stakeholders?

**Senator CARR**—Yes.

**xCHAIR**—The one that you have just provided to the secretariat is from the Chronic Illness Alliance in Camberwell, Victoria. And you have a number of other, similar documents?

**Senator CARR**—That is right. I will provide them. The point I am going to is that I asked before about a campaign which the department officers did not know anything about.

**CHAIR**—I just wanted to have the documents properly recorded and identified.

**Senator CARR**—There is a series of letters that I will table pointing to the existence of this campaign, around the question of fraud. I would like to know whether Miss K Sykes prepared a brief outlining a broader campaign concerning this question of fraud within these agencies.

**Mr Leeper**—I point out that in preparation for this hearing we were advised that our appearance was required in relation to the Support the System that Supports You campaign, so I apologise if we do not appear to be briefed on this particular issue. We are doing the best we can. I will confirm, however, that we gave correct evidence before the break. This was not a separate campaign in the sense that it was running and was stopped. Preparation work was being done. I am happy to say that the single tip-off line activity, an initiative from our minister, came over the top of this. A decision has obviously been made at some point that the single tip-off line is the only way we will pursue this particular set of activities.

**Senator CARR**—It is unusual for me to have a situation where I have put information to officers and they have said that it does not exist.

**Senator Abetz**—Not that unusual, but we will not go there.

**Senator CARR**—You have been caught out often enough—

**CHAIR**—We have just been there, so let us not go there any further.

**Senator CARR**—I certainly do not like to be caught out myself. If I am making statements to an estimates committee which are supported by evidence, I have decided that I will table the evidence.

**Senator Abetz**—This is not estimates.

**Senator CARR**—No, it is not but the same processes apply. This is a references hearing. I would like to know the process by which the decisions were made to establish a campaign. Was there a feasibility process? And what was the process by which you decided to call it off? Was it at the point at which the minister said, 'We're going to stick to the fraud tip-off line as the sole mechanism for our antifraud activity'?

**Mr Leeper**—I have to say that I do not have that information with me and, again, we will have to take it on notice. I apologise for that, but we were not advised by the committee that this was an area of examination that you intended to pursue. Otherwise, to be frank, I would expect to be briefed on this.

**Senator CARR**—Was the GCU ever consulted on this matter?

**Mr Leeper**—I have spoken to an officer in Medicare Australia and, as far as that person is aware, there was no requirement for GCU to be consulted. There was never intended to be any media spend.

**Mr Williams**—While HIC was a CAC body, they were not required to come through the GCU or the MCGC.

**Mr Leeper**—In any event, there was never intended to be any spend on anything other than paper based promotion of such a line.

**Senator CARR**—But it is still government advertising, whether it is paper based or electronic. How much was the intended budget for this campaign?

**Mr Leeper**—I do not know, I am sorry. I will have to take that on notice.

**Senator CARR**—I will also table copies of the proposed Medicare and PBS fraud communication messages, the communications group feedback reports, which might help you with your inquiries on that matter. Perhaps when we have a look at your answers we can come back to that matter. Can I table those two, Chair?

**CHAIR**—Yes. The tabled documents are, firstly, a letter with the heading *Cystic Fibrosis Victoria Inc* dated 18 August 2005 and, secondly, a document from ISEPICH—Inner South East Partnership in Community and Health, dated 22 August 2005.

**Senator CARR**—When I have had a look at your answers we will obviously have to follow up on that. Can I ask you about the Keeping the System Fair campaign. Is that one you have been briefed on?

**Ms Ryan**—Yes. DEWR are the lead on that campaign. DHS has an involvement.

**Senator CARR**—I understand that Minister Patterson claimed that this was a campaign which would save \$219 million over four years. Is that correct?

**Mr Searle**—I believe it was \$214 million, but of that order, yes.

**Senator CARR**—How was that to happen?

**Mr Searle**—That was to happen through a mass media campaign that would encourage people to—

**Senator Abetz**—Wait a minute. Are you asking how the campaign was to happen or how the savings were to be made?

**Senator CARR**—I am asking about how the savings were to happen and how you are going to achieve that outcome.

**Mr Searle**—That was to happen through a mass media campaign that would encourage people to comply voluntarily with their obligations to notify Centrelink of changes in their circumstances. Through that voluntary compliance their fortnightly payments would be corrected relative to overpayments that would have otherwise been taking place in the absence of that voluntary compliance. As well as the fortnightly corrections for future payments that flow from that, it was anticipated that there would also be debts identified from past overpayments for those individuals.

**Senator CARR**—So how were these savings to be achieved? How does the campaign work?

**Mr Searle**—The campaign began about a month ago and the process is that through a series of television, radio and newspaper adverts and some direct mail from Centrelink, people, as I said, will notify Centrelink of changes in circumstances that they would not have otherwise notified Centrelink of. That will then be tracked through Centrelink processes and by DEWR to measure the savings that flow from those notifications.

**Senator CARR**—This is a campaign that was announced in the 2004 budget, isn't it?

**Mr Searle**—The 2004-05 budget, that is correct.

**Senator CARR**—Why did it take so long? It only started, as you say, on the grand final weekend, didn't it?

**Mr Searle**—Yes, that is correct: on 4 September. It was delayed, and partly the intention was that there would be development work to bring it to fruition in the first place, so it was always going to take some time. There were further delays caused by the federal election and, to be frank, it just took us longer than we had anticipated to get the concepts right.

**Senator CARR**—I will come back to that. Was it in any way linked to the antifraud campaign that was being run within Human Services?

**Mr Searle**—Not to my knowledge, no.

**Senator Abetz**—Human Services was after the election; this was already being prepared before the election.

**Senator CARR**—Yes, but it does not mean they are not linked—that is why the question was asked. Was there any linkage between the two departments?

**Mr Searle**—I was not aware, before your earlier questions to colleagues here, that the other campaign existed, to be honest. So I am not aware of any link.

**Senator CARR**—When did you submit the strategy to the GCU?

**Mr Searle**—I should say that, as part of the machinery of government changes following the administrative arrangement orders, responsibility for this campaign transferred formally to DEWR on 1 July this year; prior to that it was the responsibility of Family and Community Services. So that original preparation of the strategy and the sharing of it with GCU would have been when FaCS was in the lead in the first half of this calendar year, I think.

**Senator CARR**—Can the officers help me here? When did you first hear about this campaign?

**Mr Williams**—I might have to take that on notice; I will just have to check and see if I have got any material here on that.

**Mr Searle**—My colleague has just shown me that there was an integrated communication and marketing strategy that was prepared in March this year by FaCS, but I am not sure at what stage that was shared with GCU.

**Mr Williams**—The committee considered the strategy in March this year.

**Senator CARR**—So, in March this year, presumably there was a campaign already underway within Human Services on—or there was a proposal. That was never considered by GCU? Did you know about the Human Services campaign that was being run on fraud?

**Senator Abetz**—No.

**Mr Williams**—Well, as I said earlier, it was an HIC initiative. I do not know anything about—

**Senator CARR**—It is not. That is the point: it is not. It is a HIC and Human Services initiative.

**Mr Williams**—Can I just say that while HIC was a CAC body—and I think it only lost that status at the end of—

**Mr Leeper**—Last Friday night.

**Mr Williams**—last Friday night. While it was a CAC body, it did not come under the remit of the MCGC. So we would not know what HIC was doing, for that reason.

**Senator CARR**—But you would know what Human Services were doing, surely?

**Mr Williams**—We would. Well, we would generally expect to know, but I am just saying that we are not aware of this issue. We would only know if they came and told us about it.

**Senator CARR**—That is right. I am just trying to get the sense of it. Clearly, officers from the other department do not know what Human Services are doing, because the campaigns are not related; they are running simultaneously; and GCU do not know about it.

**Mr Williams**—We know about Keeping the System Fair; we do not know about the other issue that you have been talking about this morning.

**Mr Searle**—Could I add, as well, that, as I said, DEWR became involved in this towards the middle of this calendar year, and took the lead in July. So it is possible that officers in FaCS, who were leading at the time, had considered this issue—

**Senator CARR**—There is nothing on your file to suggest that, is there?

**Mr Searle**—I have not seen anything in the file.

**Mr Leeper**—The single tip-off line idea only started in July. So, between July and the end of August, the idea came up and it was implemented.

**Senator CARR**—Just like that? It came up, and it was done just like that?

**Mr Leeper**—It is just an administrative linking of a phone number; it is an easy thing to do. And it has been deliberately—

**Senator CARR**—The postcards? They just came up like that, too?

**Mr Leeper**—No. With respect, you are confusing the two points I am making.

**Senator CARR**—But I am not; that is the point. The documents—

**Mr Leeper**—The single—

**CHAIR**—Order! It is important that—

**Senator Abetz**—Do you want to get—

**CHAIR**—Excuse me, Minister—that only one person speaks at a time, please.

**Mr Leeper**—Thank you. The single tip-off line is an idea that came out of a broad-ranging discussion with our minister on ways to improve fraud and compliance across the six agencies. And one of the ideas that came up was that, rather than ask people to decide which agency they want to go to report possible concerns, one could just have a single number and we would handle the business of routing the person to the correct agency past that point. So between July and the end of August was all the time it took to put that in place. It was unrelated to the broader DEWR campaign that they picked up from FaCS. It was just an administrative response by our department to a request from the minister.

**Senator CARR**—What I am saying to you is that in the documents in August two things are clearly identified as running simultaneously. So in the consultations that you were having with various stakeholder groups—I believe that is the current jargon you are using—they still thought it was contemporaneous but the officers from another department did not seem to know about it.

**Mr Leeper**—I agree that the first paragraph in the Chronic Illness Alliance letter does certainly make it clear that they were being consulted on two things. One was a possible approach to fraud postcards in relation to Medicare and PBS activities.

**Senator CARR**—And a list of other things are mentioned in there too—

**Mr Leeper**—And it appears that they were being consulted about a possible name for this single tip-off line that we have now implemented. The rest of the letter, having read it, makes it clear that they think the whole set of things are a very poor idea.

**Senator CARR**—They think it is piss poor all round—that is right.

**Mr Leeper**—I am not sure I saw those words.

**Senator CARR**—We will get to evaluations later on. Can I ask then, with regard to the Centrelink campaign: was it amended in any way in the period from its announcement in 2004 to the point at which the advertisements ran on grand final weekend?

**Mr Searle**—The campaign is now led by DEWR. As to whether it was amended, the basic proposition back in the 2004-05 budget was to run an education and awareness campaign around voluntary compliance, and that developed over the period between that budget announcement and the production and going live of the campaign one month ago. It was a continuous development process, so I would not say it changed in any way.

**Senator CARR**—Are you able to provide me with a copy of the original communication strategy and the subsequent communication strategy?

**Mr Searle**—I will have to take that on notice.

**Senator CARR**—Were any ministers or their staff involved in the development of this campaign?

**Mr Searle**—At key decision points we would have sought decisions from DEWR ministers and, before DEWR was involved, from FaCS ministers and then obviously we went to MCGC at the appropriate stages, so in that sense, yes.

**CHAIR**—I would like to interrupt, just to clarify something. You indicated, Mr Searle, that you would take the request Senator Carr made a moment ago on notice. Minister, you indicated you would take it on notice and consider it. Can you clarify, Minister, who is going to make a decision about whether or not this material or a response to this question will actually be provided? We now have a situation where you are here as the Special Minister for State and as chair of the MCGC.

**Senator Abetz**—It is a DEWR document and therefore ultimately the DEWR minister, Kevin Andrews, will be making the decision.

**CHAIR**—That is what I wanted to clarify. So it is being taken on notice on the basis that it rests with the minister for the department?

**Senator Abetz**—Yes.

**CHAIR**—Thank you. I just was not sure whether you were going to have a role in deciding whether it would be—

**Senator Abetz**—I could try and override a cabinet minister, but I doubt I would get very far, so I will leave it to Kevin Andrews.

**CHAIR**—I do not doubt that you might try, but I just wanted to ensure we understood the process.

**Senator Abetz**—Yes.

**CHAIR**—Thank you.

**Senator CARR**—I am interested to know how these campaigns develop. That is the point of my question. I am interested to know what the basis from which you make changes to the strategies you are pursuing is. Are you able to assist me by telling me about the considerations that were made that led you to making changes in this strategy over that period?

**Mr Searle**—As I said, there were not really any changes in the strategy, but I can help you see how the campaign was developed. To start with, this campaign built on an earlier campaign from 2002 called Support the System that Supports You. That campaign was evaluated and found to be very successful. Through ongoing tracking of the level of awareness following that campaign it was found, as I think someone alluded to earlier, that awareness levels had dipped one year or more after that campaign had run. Therefore, within FaCS it was considered that it might be appropriate to run a further campaign to build on that initial one. That led then to the budget announcement in the 2004-05 budget.

From there, there was a process of working through how this campaign might work that led to research with income support recipients into various concepts, levels of awareness and so on to see what sorts of approaches might best get across the messages we wanted to get across and achieve the outcomes we wanted to achieve. So, through a series of focus group research exercises over the course of this calendar year, the concept evolved until we felt we had got it right and had a concept that would achieve what the government was seeking to achieve through this campaign.

**Senator CARR**—If you could respond to that question on notice, I will be able to establish just what the changes have been and we can take it from there. You say that this will lead to savings of \$214 million—I think that was the figure you used.

**Mr Searle**—I believe the budget paper said \$214 million net of costs.

**Senator CARR**—What is the cost of the campaign?

**Mr Searle**—The overall cost of the campaign is made up of two large components: one is the DEWR budget, which is media buy and development costs, and the other is Centrelink costs to deal with contacts from customers, make the reviews and change the payments. The overall cost of the campaign was outlined in the FaCS PBS of 2004-05. The total over four years from 2004-05 to 2007-08 was \$56.4 million, the majority of which, around \$35 million, would be Centrelink operational costs—

**Senator CARR**—Operational costs?

**Mr Searle**—The operational costs of manning the help lines, reviewing cases when someone's circumstances change, pursuing debts and those sorts of issues.

**Senator CARR**—It has been put to me that up to 25 per cent of Centrelink pensions and benefits are paid in error. Is that a figure you are familiar with?

**Mr Searle**—No, that is not a figure I am familiar with. Of the payments for which DEWR is responsible, I believe around 4.2 per cent in 2004-05 is our estimate of the number of dollars that should have been paid that were not paid correctly.

**Senator CARR**—So you think 25 per cent would be far too high?

**Mr Searle**—In terms of dollars, absolutely, yes.

**Senator CARR**—That is the figure I was given. How much of the \$35 million do you think will actually go towards improving the IT systems?

**Mr Searle**—I am not sure.

**Senator CARR**—Would you pick that sort of issue up in your evaluations? Would it actually be cheaper to spend the money on IT improvements rather than on public relations campaigning?

**Mr Searle**—Our evaluations of this campaign will focus on the extent to which the campaign achieved its desired outcomes.

**Senator CARR**—It will not actually pick that up at all, will it?

**Mr Searle**—It will not look at what alternative approaches might have achieved, but we would continuously be reviewing with Centrelink and DHS how effective the overall strategy is in achieving compliance and ensuring payment integrity.

**Senator CARR**—The original guidelines for government advertising were set back in 1995, and I understand the current government still maintains them. Is that right?

**Senator Abetz**—Yes.

**Senator CARR**—The guidelines say that there is a requirement that particular attention be given in government advertising campaigns to the needs of young people, rural communities and those of non-English-speaking backgrounds. At what point in the process did you consider those groups for this particular campaign?

**Mr Searle**—Those groups would have been considered throughout the campaign, particularly those of a non-English-speaking background. I know we have had ongoing discussions with GCU about how best to reach that group, amongst other groups, and ensure that the campaign meets their needs.

**Senator Abetz**—There is a required percentage, isn't there?

**Mr Williams**—Yes, there is a required percentage. Of the campaign spend in newspapers, 7½ per cent is required to be spent in non-English-speaking background newspapers, and 7½ per cent of the total radio budget is required to be spent on non-English-speaking background radio.

**Senator CARR**—What about the other categories, such as rural communities and young people? Do you have any sense of what emphasis was given to those groups?

**Mr Searle**—Young people were one of the three key audiences for this because they are a group that have a greater tendency to fall into Centrelink debt. So they were one of the three key groups that we focused on for this campaign. I would need to take on notice exactly how we considered people in rural areas, but I am confident that we would have considered their needs.

**Senator CARR**—Did you want to add something, Ms Ryan?

**Ms Ryan**—I was just saying to Pete that those categories of target audience were included in all research groups throughout the campaign. That is often how they are taken into account.

**Senator CARR**—I see. That is part of the actual targeted research program?

**Ms Ryan**—Yes.

**Senator CARR**—As you have indicated, the campaign changed over the period. You said that it took longer to reach the goals than you anticipated, so I take it that there were changes in the program.

**Mr Searle**—It was evolution and development, rather than change. There were some concepts that we tested at an early stage that did not work as well as we would have liked, so we changed direction slightly. It was about developing an effective campaign to achieve the objectives.

**Senator CARR**—Is there any way you can show me how meeting the needs of these particular groups affected the campaign over that period and actually led to changes in the campaign?

**Mr Searle**—I could take it on notice to provide you with information about how we have ensured the campaign takes account of the needs of those groups, yes.

**Senator CARR**—Thank you. I obviously may need to come back to you with some other questions when I have your answers. I think we have about half an hour left.

**CHAIR**—The minister has said that he would like to leave by 11.30. Whether or not we carry on beyond that is yet to be resolved. That depends upon how many further questions senators have. Do any other senators have questions of the Department of Employment and Workplace Relations and the Department of Human Services? I think you can be excused. We appreciate your attendance this morning.

**Senator CARR**—Did you say the industrial relations people are not available?

**CHAIR**—The people from the Department of Employment and Workplace Relations relating to the industrial relations advertising campaign have advised the committee that they are unable to be here today but they have indicated that they are very willing to appear before the committee and answer questions. The same position holds for the people relating to the tourism campaign. As I said earlier, we will need to have a short meeting at the conclusion of today's proceedings to look at further programming.

**Senator CARR**—Are the officers here from DCITA?

**CHAIR**—Yes, there are. They have been here since the commencement, and we appreciate their patience.

**Mr Bryant**—It might be useful if we describe our relationship to the particular campaign.

**CHAIR**—Before we do that, I need to formally say that you have been here since the start of the proceedings and you are of course very much aware of the requirements of appearing before a Senate committee with regard to parliamentary privilege and other related matters. Is that true?

**Mr Bryant**—Yes.

**Ms McNally**—Yes.

**CHAIR**—Please make an opening statement.

**Mr Bryant**—I will clarify our relationship to the regional telecommunications campaign. At the time of the campaign—certainly at the time of the advertising element of the campaign, which was April to June 2004—I was General Manager, Regional Communications Policy Branch, so I had, if you like, the line area responsibility for that campaign. Mrs McNally took over the position of General Manager, Regional Communications Policy Branch in August last year, so there are a number of activities that have flowed through that she has had responsibility for. We had hoped to have had officers here from our corporate communications area who had the responsibility of the detailed liaison with the contractors, the GCU and the MCGC, but they have left the department since that campaign was run, so we are unable to provide those offices. There may be some matters of detail that we will have to take on notice.

**CHAIR**—Thank you very much.

**Senator CARR**—Is this the keeping Australia connected campaign?

**Mrs McNally**—Yes.

**Senator CARR**—This campaign ran from May until July 2004. Is that right?

**Mrs McNally**—That is correct.

**Senator CARR**—When was the campaign first recommended by your department?

**Mr Bryant**—The genesis of the campaign goes back to the Regional Telecommunications Inquiry, which was held in 2002. One of the key findings from that inquiry—finding 5.7—stated:

Awareness of consumer rights and commercial products in non-metropolitan Australia is still relatively low. Ongoing Government support for increasing awareness would be valuable.

As a result of that, there was a decision made in 2003 to have an information campaign to raise awareness of those matters, and funding was sought in the additional estimates of 2003-04 for the funds for that campaign.

**Senator CARR**—How much was the funding?

**Mr Bryant**—\$6 million.

**Senator CARR**—When did you submit the campaign to the GCU?

**Mrs McNally**—On 2 September 2003 a strategy was provided to GCU.

**Senator CARR**—In that strategy, when did you suggest that the campaign be run?

**Mrs McNally**—It was suggested that the campaign be run as part of what was announced following the additional estimates process.

**Senator CARR**—So when were you expecting the campaign to run? What was your proposal to the GCU?

**Mr Bryant**—I would have to take the detail on notice, but I would expect, given the time line we had to develop the campaign, it would have been in the first half of 2004.

**Senator CARR**—At the point when you proposed the campaign, what materials had been prepared?

**Mrs McNally**—There was some work undertaken as part of a previous telecommunications services inquiry—some campaign work was undertaken as part of that—and a strategy was provided which built on a number of those elements.

**Senator Abetz**—Senator Carr, the records that I have might indicate something different to those that Mrs McNally has and so we will take that on notice. The dates that you have just been provided with may have some flexibility in them. The MCGC records suggest a different date to when it was actually put to us. We will try and resolve that for you.

**Mr Bryant**—As I said, a lot of the detail around the development of the campaign was undertaken by our corporate communications area. It is all on file. If there is that sort of detail, we are happy to take it on notice and get back as quickly as we can.

**Senator Abetz**—For the record, I can indicate that we believe that it was mid-February that the communications strategy et cetera were first on the MCGC agenda. Our records may be wrong. I am willing to accept that MCGC or GCU records may be wrong or, potentially, DCITA records.

**Senator CARR**—DCITA obviously will need to check.

**Senator Abetz**—We will liaise and come back to the committee.

**Senator CARR**—I am interested in not just the date, which you say was 2 September—

**Mrs McNally**—That was the date that I had been advised to provide a draft communication strategy.

**Senator CARR**—The draft strategy was provided then, according to your records. You also indicated that some campaign work had already been undertaken within the department.

**Mr Bryant**—Not in terms of developing materials for this particular campaign. A previous campaign had been undertaken following the telecommunications service inquiry in 2000, so there were some learnings from that campaign, but that was quite discrete from this particular one.

**Senator CARR**—All right, but I would like to know about the nature of the work that you were drawing upon. You may be able to help me with this by providing me with a copy of the draft campaign strategy document that you presented on 2 September.

**Senator Abetz**—We will take that on notice. Just for the record, Minister Coonan will make the decision as to whether that is made available.

**Senator CARR**—Mrs McNally, could you help me with what the nature of the material was that you were able to draw upon for that campaign strategy document?

**Mrs McNally**—I would have to take that on notice. I have not actually been briefed on the specific nature of the material.

**Senator CARR**—There was a previous campaign. Was it market research?

**Mr Bryant**—Market research was undertaken in 2001. That and, as I said, the regional telecommunications inquiry informed the case.

**Senator CARR**—So it was 2½ years old at that point?

**Mr Bryant**—The 2001 research was, but, as I said, the regional telecommunications inquiry was undertaken in 2002 and that reported on 6 November 2002.

**Senator CARR**—So you have that inquiry. I am interested to know whether any creative work had already been undertaken or any concept work had been prepared?

**Mr Bryant**—No.

**Senator CARR**—So the only market research you had were the findings of the reports. Were any separate consultancies associated with that report?

**Mr Bryant**—No. As I said, the key genesis of the campaign really was the finding of the regional telecommunications inquiry. It was not just that finding but other findings and commentary throughout that report indicated that there was a low level of awareness of both legislated consumer rights and government programs to support development and services.

**Senator CARR**—I understood that Mrs McNally was talking earlier about the materials you were able to draw upon. You are now saying that there was only that report.

**Mr Bryant**—There was the report and, as I said, market research was done after the previous campaign. There were certainly no creative or conceptual materials.

**Senator CARR**—There was no other creative work, no conceptual work, no preparations, no market research other than the 2001 report?

**Mr Bryant**—That is my understanding.

**Senator CARR**—Could you check that for me?

**Mr Bryant**—I am certainly happy to take that on notice.

**Senator CARR**—Was any other work undertaken to support the strategy document? That is what I am interested to know.

**Mr Bryant**—Yes. I will take that on notice and get back to you.

**Senator Abetz**—I might be able to resolve something by going through these documents further. Our records indicate that a consultants list was developed and a market researcher was appointed on 12 November 2003. So the chances are that the department would have gone to GCU with a very basic concept—a skeleton—and then, through the GCU process, a market researcher was made available and appointed on 12 November, who then would have done some research to inform the actual strategy, which was presented in February 2004. So the chances are that there is no actual inconsistency and that it all fits in together now.

**Senator CARR**—That is fine. I am interested in getting to the nub of this and that is why I asked you to double-check your records.

**Mrs McNally**—The November date agrees with my records.

**Senator Abetz**—Good.

**Senator CARR**—On 12 November 2003 a consultant was appointed. Is that right?

**Mrs McNally**—That is correct.

**Senator CARR**—But the draft strategy was presented on, you think, 2 September.

**Ms McNally**—A draft outline of the sorts of things that we thought.

**Senator Abetz**—To GCU.

**Mr Williams**—It would not have gone to the MCGC.

**Senator Abetz**—But not to the MCGC.

**Senator CARR**—That is fine. I thought I did mention the GCU.

**Mr Williams**—I would want to confirm that. It is likely that the department came to GCU and said, ‘We’re contemplating a campaign.’ Clearly the first step is to do some developmental research, and that is clearly what happened. A researcher was appointed in November. That would then inform the development of the communications strategy, which, as the minister has said, was considered by the MCGC in February.

**Senator CARR**—So how much money was spent on the campaign?

**Mr Bryant**—Total funds were \$6 million.

**Senator CARR**—That was the appropriated amount, but how much was actually spent on it?

**Ms McNally**—\$5,712,698.

**Senator Abetz**—And how many cents?

**Ms McNally**—I have not got that.

**Mr Bryant**—That was to April of this year.

**Ms McNally**—That is right.

**Senator CARR**—So there is more money to come?

**Ms McNally**—The funding is due to be completed as of 30 June. The campaign actually ran in two components. There was a media campaign, which was the first half. Following completion of that, a number of public relations activities took place.

**Senator CARR**—What were they?

**Ms McNally**—They included things such as regional briefings on broadband and a number of printed materials, particularly targeting Indigenous people. They included the development of things of like case studies. We had a national forum in Alice Springs targeting Indigenous telecommunications. So there was a wide range of public relations activity.

**Senator CARR**—And when were these additional public relations activities?

**Mr Bryant**—Most of that information would have been around the time of the media campaign, the advertising campaign. But the Indigenous telecommunications forum that Ms McNally referred to was held, I think, in May this year in Alice Springs.

**Ms McNally**—That is correct.

**Mr Bryant**—So a number of activities flowed through, as we said, to the end of the last financial year.

**Senator CARR**—Your records can perhaps help to give me an explanation for why the money spent on this promotional material in this period was very much higher in the 2004 period than in the 2003-04 period. Why did the department decide to spend so much more money on advising people of their rights at this time? Was there any special reason?

**Mr Bryant**—Perhaps you could clarify that. As I said, the time frame for the media campaign—and most of the information material was associated with that—was from May to July 2004. That would have shown up in the 2003-04 spending, I would have thought.

**Senator CARR**—I will put it to you straight. A proposition was put to the GCU in September and \$6 million worth of advertisements went to air six weeks before a federal election, explaining to people the great benefits of their rights. Six weeks before an election—that was the real reason for the campaign, wasn't it?

**Senator Abetz**—That is an outrageous question. But the election was on 9 October, wasn't it?

**Senator CARR**—When did this campaign end?

**Ms McNally**—The media campaign ended on 2 July 2004.

**Senator CARR**—So how many weeks before the election was that?

**Senator Abetz**—July, August, September.

**Senator CARR**—Eight weeks, was it?

**Senator Abetz**—No. Four weeks in July, four weeks in August, four weeks in September and one week in October—and you do the numbers for the Left in Victoria!

**Senator CARR**—But when was the election called?

**Senator Abetz**—Oh, now we are moving the goalposts.

**Senator CARR**—No, we are getting the facts right. You cannot spend money after the election is called.

**Senator Abetz**—Early September, wasn't it?

**Senator CARR**—Six weeks before the election was called, you put \$6 million on the table to kickstart the campaign.

**Senator Abetz**—1 or 2 September?

**CHAIR**—Order, everyone! Maybe people want to joust across the table, but let us at least give our Hansard reporters some opportunity to record everything.

**Senator Abetz**—They will be able to take their headphones off soon.

**CHAIR**—Senator Carr, I think you were asking a question.

**Senator CARR**—At what part of your decision-making process was the timing of this campaign determined by the government ministers or by the officers?

**Mr Bryant**—I think we have explained when the process began. From the point where it began it was a process of developing the materials, going through the GCU and MCGC

processes and implementing the campaign. I might point out as well that the protocols around the caretaker period were observed.

**Senator CARR**—Of course they were. I am not questioning you on that issue.

**Mr Bryant**—I just wanted to make that clear.

**Senator CARR**—I am saying, though, that it is remarkably convenient that an eight-week, \$6 million campaign—a blitz—was put together—

**Senator Abetz**—This is for press releases. This is the sort of commentary that does not assist.

**Senator CARR**—based on a campaign that you drafted in September but it was actually held over.

**Senator Abetz**—No, that is completely incorrect, Chair. That is why I suggested to you that you might like to guide Senator Carr in making those commentaries. It was not held over. The bare bones were presented to GCU in September. Then a market researcher was appointed. Of course, if that had been hurried then there would have been criticism of that process. But, within a month or two, we had a market researcher appointed through an appropriate process. They went away, did their research and came back in February. To have it running in May, as I think it was—

**Mrs McNally**—That is correct.

**Senator Abetz**—was nothing untoward.

**Senator CARR**—You can clear this up, Minister. You could advise the committee of what date the department advised the GCU that they wanted the campaign to be run. What was their proposed date? You say it was not held up. It was not held up for political purposes, to give maximum benefit for the government of a blitz campaign on telephone rights.

**Senator Abetz**—Here we go again with the hysterics!

**Senator CARR**—At what point did the department recommend that this campaign should run, given that it was, as I understand from what you said, based on a report tabled on 6 November 2002?

**Mr Bryant**—We did not get the funding for the program until additional estimates in 2003-04, so we obviously had to fit in—

**Senator Abetz**—Of course, if it was not through additional estimates then there would have been other criticisms laid. That is the argument; you never win in this game.

**CHAIR**—But there has been a question asked. You might repeat the question, Senator Carr, but my recollection was that it was: what date did the department recommend?

**Senator CARR**—When the department put its submission to the GCU on 2 September, did they recommend a date at which this campaign should run?

**Mr Bryant**—I do not have that detail. I think the best thing to do might be for us to take on notice a chronology of the events that took place leading up to the implementation of the campaign.

**CHAIR**—It would be helpful if you could provide that chronology and time line.

**Mr Bryant**—Yes, we are happy to do that, but as I said I do not have that full detail.

**Senator CARR**—I turn to the question of the campaign booklet, *Your phone services, your rights*. What was the purpose of the booklet?

**Mr Bryant**—The purpose of the booklet was to provide information to regional consumers about a range of legislated rights.

**Senator CARR**—Do you have a copy of that there?

**Mr Bryant**—Yes, I think so. I am happy to table it.

**Senator CARR**—Thank you very much; that would help.

**Senator Abetz**—It is a well-written booklet, might I add.

**CHAIR**—Could you identify the document you are tabling.

**Mr Bryant**—The document is entitled *Your phone service, your rights: working to keep the country connected*.

**Senator FIFIELD**—Very insidious!

**Senator CARR**—In the context of an election campaign—

**Senator FIFIELD**—It is called sarcasm.

**Senator Abetz**—It is printed by Union Offset Printers. There is a conspiracy for you!

**Senator FIFIELD**—Telling consumers of their rights.

**Senator CARR**—How many of these booklets were printed?

**Mr Bryant**—I will have to take that on notice.

**Senator CARR**—How were they distributed?

**Mr Bryant**—Mrs McNally might have that detail.

**Mrs McNally**—They were distributed through various stakeholder groups and through newsagencies—a fairly broad circulation.

**Senator CARR**—So right across the country.

**Mrs McNally**—In regional, rural and remote areas.

**Mr Bryant**—Another channel was the tel:info hotline where consumers could ring in and request a copy of the booklet be sent to them.

**Senator CARR**—So it was \$73,000 worth of mail-outs, was it?

**Mr Bryant**—Production was \$72,000, but I think that would also include the pamphlets for the HiBIS program and, perhaps, the Indigenous as well. We can take that on notice and get the split if you are keen to get that.

**Senator CARR**—Thank you. Are you able to tell me how many copies were mailed out in that process?

**Mr Bryant**—Again, it would be useful for us to take that on notice.

**Senator CARR**—What I am trying to get at is whether they were just distributed through newsagencies or home delivered.

**Mr Bryant**—I do not believe they were home delivered.

**Mrs McNally**—They were not home delivered;

**Mr Bryant**—I think they were distributed through newsagencies and through those other channels we have mentioned.

**Senator Abetz**—If people rang up they got one sent out.

**Mr Bryant**—That is right.

**CHAIR**—A moment ago you mentioned HiBIS.

**Mr Bryant**—The Higher Bandwidth Incentive Scheme. There was a pamphlet produced for that as well as part of the campaign.

**Senator CARR**—Obviously they were distributed through the offices of members of parliament as well.

**Mrs McNally**—I do not know if they were formally distributed there. They may have been made available to some people that were interested.

**Senator CARR**—Can you tell me which members of parliament received copies of that?

**Mr Bryant**—Again, we will take that on notice.

**CHAIR**—Does that include senators?

**Senator CARR**—They are members of parliament, aren't they?

**CHAIR**—Yes. I just wanted to be clear. I do not remember getting it.

**Senator CARR**—I do not remember getting it either.

**CHAIR**—It is very insidious!

**Senator Abetz**—I do not either and I wrote it, allegedly.

**CHAIR**—It is not unusual.

**Senator CARR**—I understand the cost was \$73,000, but you cannot confirm that at this point.

**Mr Bryant**—We have an aggregated cost of productions.

**Mrs McNally**—There are a number of campaign booklets and brochures.

**Mr Bryant**—There are at least three and there are also some posters.

**Senator CARR**—What is your aggregate?

**Mr Bryant**—It is \$72,228.

**Senator CARR**—That is only a very small amount of the \$6 million. I take it that is all part of the same appropriation.

**Mr Bryant**—Yes.

**Senator CARR**—The Attorney-General said on 7 May in a press release on telecommunications rights, 'The booklet *Your Phone Service, Your Rights* is a key element of the Australian government's regional telecommunications information campaign.' How does that fit with spending such a small amount of money out of the total budget?

**Mr Bryant**—It was an important component of the campaign. A large number of copies were distributed.

**Senator CARR**—How many copies were distributed?

**Mr Bryant**—A large number. As I said, we will take that on notice to give you exact—

**Senator CARR**—Have you got a print run there?

**Mrs McNally**—I have not got details on that here. I can take that on notice.

**Senator CARR**—How was the balance struck between expenditure of \$72,000 on the brochures—there are a number of brochures there—and the rest of the \$6 billion budget?

**Senator Abetz**—As with any campaign, I would anticipate expert advice is obtained for market cut-through, how to get through to people living in a particular area. If it is a project that is more for regional Australia, then that is where you get the experts in. They provide advice and suggestions as to how it ought to be divvied up.

**Senator CARR**—Is it currently on the department's web site?

**Mr Bryant**—The booklets?

**Senator CARR**—Yes.

**Mr Bryant**—I think so. On the tel:info site.

**Mrs McNally**—That is right.

**Senator CARR**—When was the tel:info helpline established?

**Mrs McNally**—On 9 May 2004.

**Senator CARR**—I have seen a response to a question on notice from Senator Faulkner and I am wondering if I read it correctly. Did the helpline, as of 1 June 2004, receive 971 calls? This is printed question No. 107.

**Mr Bryant**—We have got updated numbers on that that indicate the total calls to that help line up until April 2005, if they would be useful.

**Senator CARR**—What is it now?

**Mr Bryant**—Eight hundred and sixty-two requests for the consumer rights booklet, 850 requests for consumer advice, 2,013 requests for the HiBIS brochure, 2,211 requests for advice on the HiBIS program and two requests for advice about Indigenous issues. That is a total of 5,938 calls.

**CHAIR**—Are you aware if there is duplication in those figures—that is, one person or one entity making a request for a number of those documents?

**Mr Bryant**—They are separate calls, I think.

**Senator Abetz**—The total is 5,938 calls. If all those figures you just read out add up to more than 5,938, there would undoubtedly be a bit of duplication.

**Mr Bryant**—On my rough mathematics, it does add up.

**Senator CARR**—So it is about 6,000 people all up—with some duplication.

**Senator Abetz**—Potentially.

**Mr Bryant**—I think they would be separate calls.

**Senator CARR**—And the help line is still open?

**Mrs McNally**—Yes.

**Senator CARR**—How many staff have been working on the help line?

**Mrs McNally**—Different numbers of staff at different periods of time. It was a shared responsibility between a number of staff, where they might do some other tasks while they were also doing calls. During peak periods, there may have been about four or five staff. During the most peak period, when it first started off, we actually outsourced some of the work to a Cooma call centre.

**Mr Bryant**—The way that worked was that the call centre would take basic requests for the booklet and for the brochure. With any more complicated requests, they would provide details to us and we would ring the customer back.

**Senator CARR**—What was the total cost of the help line?

**Mr Bryant**—About \$10,000.

**Mrs McNally**—The Cooma call centre was \$37,515. There were different components. It was \$37,515 for the Cooma call centre and we spent about 2½ thousand dollars on some staff training.

**Mr Bryant**—And then that amount to build the web site.

**Senator CARR**—How much was the web site construction?

**Mr Bryant**—About \$10,000.

**Senator CARR**—So it is just under \$50,000?

**Mr Bryant**—Yes.

**Senator CARR**—Just for the web site?

**Mr Bryant**—And for the operation of the call centre.

**Senator CARR**—How effective do you think the expenditure on television advertising was? It now amounts to, what, \$1 million?

**Mr Bryant**—No.

**Senator CARR**—How much was spent on that?

**Mr Bryant**—Quite a lot more than that. The media placements, through Universal McCann, were \$3,483,743.

**Senator CARR**—Is that all media—television and newspapers?

**Mr Bryant**—Yes.

**Senator CARR**—So that was about \$3½ million, and there was \$50,000 on the web site—

**Mr Bryant**—And the call centre.

**Senator CARR**—Were there any other costs associated with this campaign?

**Mrs McNally**—We spent about \$25,000 on conducting some regional briefings. We travelled to about 34 locations across Australia and met with community leaders. There was also some other funding that was spent on doing various research activities.

**Senator CARR**—How much was that?

**Mr Bryant**—We might just go through the key points of expenditure.

**Senator CARR**—If you could, please. I am trying to get the cost of this project.

**Mr Bryant**—As we said, it was five million—

**Senator CARR**—But there are additional costs. There is an advertising cost—nearly \$3½ million dollars on advertising—

**Senator Abetz**—That is all part of—

**Mr Bryant**—Yes. The overall cost of the campaign, as I think we said at the beginning, has been \$5,712,698. The major component of that, as we just said, is the advertising and media placements, which, as you say, is close to \$3½ million. The other significant amounts of expenditure were for market research, which was about \$350,000; production costs, which were about \$690,000; and public relations fees, which were about \$295,000. There were a range of other costs as well.

**Senator CARR**—The most recent figures show that in that period possibly 6,000 people have contacted the hotline.

**Mrs McNally**—That is correct.

**Senator CARR**—In terms of your evaluation, what can you point to to indicate the benefits of expending nearly \$6 million?

**Mr Bryant**—As part of the market research, activity was undertaken to track the increase in awareness. That was undertaken in two waves.

**Mrs McNally**—We undertook a number of evaluation activities, including a telephone survey. We looked at a range of issues that people were concerned about, such as consumer concerns about their awareness of rights, whether the advertising—

**Senator CARR**—When was the survey undertaken?

**Mrs McNally**—In December 2004.

**Senator CARR**—Do you have the evaluation of that survey? That would be part of the cost here, too, wouldn't it? Or was that an additional cost?

**Mrs McNally**—That was part of the expenditure under the campaign.

**Mr Bryant**—The market research tracking the outcomes of the campaign showed a marked increase in awareness of the HiBIS program, so that was valuable, and an increase in awareness of legal rights. One of the key messages we were trying to get across in the campaign was to raise awareness of the operation of the Telecommunications Industry Ombudsman. That was partly as a result of information we had had from the ombudsman about poor awareness of his role in regional Australia. The feedback from the TIO has shown that there has been a greatly increased awareness of the operation of the TIO and a greatly increased call on his services from regional Australians, which has been a benefit.

**Senator CARR**—Do you have a chart showing when the contacts with the web site were made? The figures you gave me before were for 6,000 people.

**Mr Bryant**—They are not contacts to the web site; they are contacts to the call centres.

**Senator CARR**—The response to the campaign. We can say that 6,000 people responded. We think there is some duplication. We do not know how much. From what date are the last available figures that you have drawn upon?

**Mr Bryant**—They would be up to April 2005. We have the spread on file. I think you are interested in the spread of those numbers—

**Senator CARR**—That is right. I am.

**Mr Bryant**—and at what times they have come in. We are happy to provide that.

**Senator CARR**—I appreciate it. It strikes me that there seems to be a very large expenditure of money running up to the federal election campaign. Most of the contacts with the call centres and the help line appear to have concluded by April this year. Would that be right?

**Mr Bryant**—Yes.

**Mrs McNally**—The help line still exists, so we still get calls. We get only half a dozen a day at the moment. We are not out there promoting the call centre at this point in time but it is used very much—

**Mr Bryant**—But that is correct.

**Senator CARR**—Have the requests for the booklets dried up as well? How many copies of the booklets do you have in stock, for instance?

**Mrs McNally**—I would have to check that.

**Mr Bryant**—We are happy to take that on notice.

**Senator CARR**—Can I have a look at your evaluations for the effectiveness of this campaign?

**Mrs McNally**—I would have to check that as well.

**Mr Bryant**—I think, as we have indicated, there have been a number of ways of measuring that, but we will take that on notice, go back and get something detailed back to the committee.

**Senator CARR**—It just seems to me to give the impression that this campaign was focused very much towards the middle of last year.

**Mr Bryant**—Yes. That was a key focus because there were a couple of key events happening at that time. One was the beginning of the HiBIS program, which was a large program focusing on supporting consumer access to broadband. There was a real need to get information out about that program. That is why it was one of the key focuses of the advertising element of the campaign.

**Senator CARR**—Do you have any plans for any other campaigns on consumer rights?

**Mrs McNally**—Yes. We are planning another \$5.9 million campaign, which was announced on 17 August as part of the Connect Australia package.

**Senator CARR**—When did that go to the GCU?

**Mr Bryant**—It has not been to the GCU yet.

**Mr Taylor**—I have not heard of it.

**Mr Bryant**—It has just been announced. It is part of the Connect Australia program.

**Senator CARR**—It is not part of the privatisation campaign?

**Mr Bryant**—The Connect Australia package of measures was announced on 17 August.

**Senator CARR**—When do you intend this particular campaign to be launched?

**Mrs McNally**—We hope to commence it in the second half of 2006.

**Senator CARR**—Not in 2007?

**Mr Bryant**—The majority of funding will be available in the 2006-07 financial year.

**Senator CARR**—You do not think about the electoral cycle when you prepare these campaigns, do you?

**Mrs McNally**—No, not really.

**Senator CARR**—Because we do know when the election will be held, and it will be in that particular period—August through to December 2007.

**Senator Abetz**—No—

**Senator CARR**—You disagree with me?

**Senator Abetz**—About the Prime Minister taking his advice from Senator Carr.

**Senator CARR**—Do you disagree with me that the election will be held in that period? You are the Special Minister of State, and you disagree with me.

**Senator Abetz**—I am not postulating like you are.

**Senator CARR**—I just wanted to know whether the department consider the electoral cycle when they prepare their bids.

**Senator Abetz**—Of course they do not.

**Mrs McNally**—What we considered in this campaign was that there are a number of programs that are due to start in July 2006, so we would like to make people aware of those programs. We also have a complementary initiative that we are looking at in terms of consumer rights awareness, where we are going to look at industry's obligations in that regard. We would like to run the work we are doing on community information in parallel to that.

**Senator CARR**—How much will that campaign cost?

**Mrs McNally**—That is not a campaign. That is actually a review to look at whether industry are complying with their requirements under legislation and regulation to make people aware of their rights.

**Senator CARR**—So they are the only campaigns you are proposing at this time?

**Mrs McNally**—That is correct.

**CHAIR**—I thank everyone for their attendance this morning. As I indicated, there will be a need to have a further hearing to finalise tourism, industrial relations and any other matters that need to be dealt with, including matters that might arise out of answers to questions on notice. We will let you know when that hearing date will be.

**Committee adjourned at 11.34 am**