



COMMONWEALTH OF AUSTRALIA

# Official Committee Hansard

## **SENATE**

FINANCE AND PUBLIC ADMINISTRATION LEGISLATION  
COMMITTEE

ESTIMATES

**(Additional Estimates)**

MONDAY, 16 FEBRUARY 2004

CANBERRA

BY AUTHORITY OF THE SENATE



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**SENATE****FINANCE AND PUBLIC ADMINISTRATION LEGISLATION COMMITTEE****Monday, 16 February 2004**

**Members:** Senator Mason (*Chair*), Senator Murray (*Deputy Chair*), Senators Brandis, Faulkner, Forshaw and Heffernan

**Senators in attendance:** Senator Mason (*Chair*), Senator Murray (*Deputy Chair*), Senators Bartlett, Brandis, Collins, Conroy, Crossin, Faulkner, Ferguson, Forshaw, Hill and Ray

**Committee met at 9.04 a.m.**

**PARLIAMENT**

Senator the Hon. Paul Calvert, President of the Senate

**Department of the Senate**

Mr Harry Evans, Clerk of the Senate  
Dr Rosemary Laing, Acting Deputy Clerk of the Senate  
Mr Cleaver Elliott, Clerk Assistant (Procedure)  
Mr Richard Pye, Acting Clerk Assistant (Table)  
Mr John Vander Wyk, Clerk Assistant (Committees)  
Ms Andrea Griffiths, Usher of the Black Rod  
Mr Joe d'Angelo, Chief Finance Officer

**Department of Parliamentary Services**

Ms Hilary Penfold QC, Secretary  
Mr John Walsh, Group Manager, Corporate and Strategic Development Group  
Ms Judy Konig, Chief Finance Officer  
Dr June Verrier, Assistant Secretary, Information and Research Services  
Mr Rob Johnston, Assistant Secretary (Resource Management Services)  
Ms Nola Adcock, Deputy Head, Information and Research Services  
Ms Roslynn Membrey, Head, Resource Development  
Ms Val Barrett, Group Manager, Client Services Group  
Mr Peter Ward, Group Manager, Technical Services Group  
Mr Peter Crowe, Executive Leader, Security and Facilities  
Ms Maggie Barnes, Director, Facilities  
Mr Andrew Smith, Executive Leader, Operations  
Mr John Nakkan, Director, Maintenance Services  
Ms Tooley Elliott, Director, Strategic Planning  
Ms Louise Dauth, Director, Art Services  
Mr Adrian Purnell, Chief Engineer

**CHAIR**—I declare open this public hearing of the Senate Finance and Public Administration Legislation Committee. On 11 February 2004 the Senate referred to the committee for examination the following documents: particulars of proposed additional expenditure in respect of the year ending on 30 June 2004, [Appropriation Bill \(No. 3\) 2003-](#)

2004; particulars of certain proposed additional expenditure in respect of the year ending on 30 June 2004 *Appropriation Bill (No. 4) 2003-2004*; particulars of proposed additional expenditure in relation to the parliamentary departments in respect of the year ending on 30 June 2004, *Appropriation (Parliamentary Departments) Bill (No. 2) 2003-2004*; statement of savings expected in annual appropriations made by Act No. 55 2003, Appropriation Act (No. 1) 2003-04 and Act No. 56 2003, Appropriation Act (No. 2), 2003-04, together with the final budget outcome 2002-03 and issues from the Advance to the Finance Minister for the year ended 30 June 2003.

The committee is required to consider these documents insofar as they refer to the portfolios allocated to this committee by the Senate on 13 February 2002 and to report to the Senate on or before 24 March 2004. The committee may also examine the annual reports of departments and agencies at this time, even if no additional appropriations have been sought. Agencies which are not listed on the program may have written questions on notice directed to them. The committee has set Wednesday, 31 March 2004 as the date for the submission of written answers to questions that are taken on notice. The hearing today will commence with the parliamentary departments, followed by the Prime Minister and Cabinet portfolio. Examination of the Finance and Administration portfolio will commence tomorrow, 17 February.

#### **Department of the Senate**

**CHAIR**—I propose to proceed by opening with general questions and then calling on the outcomes and outputs in the order listed on the agenda. I remind officers that the Senate has resolved that there are no areas in connection with expenditure of public funds where any person has the discretion to withhold details or explanations from the parliament or its committees unless the parliament has expressly provided otherwise. I further remind officers that an officer of the department of the Commonwealth or of a state shall not be asked to give opinions on matters of policy and shall be given reasonable opportunity to refer questions asked of the officer to superior officers or to the minister. Evidence given to the committee is protected by parliamentary privilege. I also remind you that the giving of false or misleading evidence to the committee may constitute a contempt of the Senate. This morning the committee welcomes the President of the Senate, Senator Calvert, and officers from the Department of the Senate. Mr President, do you wish to make an opening statement?

**The PRESIDENT**—I do have a brief opening statement. I would like to point out to the committee that, last year, the government agreed to fully supplement agencies for increases in Comcover insurance premiums for 2003-04. In the case of the department of the Senate the supplementation for 2003-04 is \$23,602, which is less than 0.1 per cent of the department's appropriation. Ordinarily, significant changes to an agency's appropriation require the preparation of portfolio additional estimate statements, especially where a budget measure is involved. The Department of Finance and Administration advised the department that the preparation of the portfolio additional estimate statements would not be necessary, given the small amount involved and the fact that this change did not stem from a budgetary measure. On 8 October the Clerk of the Senate advised me, as the Chair of the Appropriations and Staffing Committee, and Senator Mason as the Chair of the Finance and Public Administration Legislation Committee that, unless these committees considered otherwise,

the Department of the Senate would not prepare a portfolio additional estimates statement and that the department will disclose this small change in its 2004-05 portfolio budget statement this year.

**Senator FAULKNER**—Mr President, could you indicate to the committee where we are up to in terms of the impact on the department of the Senate of the amalgamation of the parliamentary departments? Perhaps you could outline any savings that are proposed or if there are any cuts planned.

**The PRESIDENT**—With respect to the amalgamation of the new departments: as you know, this is the first time the joint services of the department will be looked at. I understand that savings will result from the amalgamation of the three joint departments. However, these savings are unlikely to match the full costed security measures that were identified last year. The Department of Finance and Administration notionally attributed the offset savings over each of the then five parliamentary departments but the composition of the next budget, as you would be aware, is a matter for the government. It is my view—and I stress it is my view—that security savings should come from the department responsible for security and not from the chamber departments, which do not have the capacity for such substantive savings. At this stage, and it is early days, we understand that savings will result from the amalgamation of the three departments and that these will become more evident as time progresses.

**Senator FAULKNER**—I am trying here to concentrate on any impact on the Department of the Senate. Perhaps you or the Clerk could give us some more detail on that.

**The PRESIDENT**—The Clerk might wish to do that.

**Mr Evans**—As the President said, the department of finance had this notional allocation of their notional savings across the parliamentary departments, but of course any savings that are going to result from the amalgamation of the three departments will appear in the new department. At this stage there should not be any impact on the Senate department.

**Senator FAULKNER**—Do you believe as far as the Department of the Senate is concerned that the impact of the amalgamation is as expected?

**Mr Evans**—There should be no impact of the amalgamation on the funding of the Department of the Senate, because the amalgamation involves only the three joint departments and the savings will come out of the areas of responsibility of those joint departments.

**Senator FAULKNER**—So everything is on track as far as you can see?

**Mr Evans**—No, I would not say that. Nothing is on track until we see the budget.

**Senator FAULKNER**—Have you kept in close contact with the department of finance? Have you, Mr President, been able to receive assurances from government that impacts will be minimal?

**The PRESIDENT**—Senator, as you would know, both the Speaker and I have to front the government closer to estimates and I will be putting my thoughts to them. I have spoken to the minister for finance and the Treasurer and told them that we, as presiding officers, are very happy with the way the amalgamation process is heading, particularly with the

performance of the new secretary of that department. I have not had an opportunity yet to formally put the case—as I did last time—for the funding of the extra security work to be supplemented, in this year anyway, by the government but I will be doing that.

**Senator FAULKNER**—Are you aware of any major changes in relation to the security works that impact on the Department of the Senate at all?

**The PRESIDENT**—The security arrangements are ongoing, as you would be aware. I and most members and senators have been concerned about the temporary measures, particularly about what are affectionately called the ‘LEGO blocks’. We have had from the security management group some very good recommendations, and from the joint department there are some strong proposals to make a more permanent solution to the barriers. I understand that this matter has been referred to the National Capital Authority for their concurrence. The Black Rod might like to add to that.

**Senator FAULKNER**—It might be better to deal with this when we deal with the Department of Parliamentary Services.

**CHAIR**—I think it probably would.

**Senator FAULKNER**—I am happy to do that if that would assist the committee. I do want to return to it, but let us do it then so we get the appropriate officials at the table. Can you give us the normal update, Mr Evans, on the second volume of the dictionary of biography?

**Mr Evans**—The second volume is with the publisher. It should be released in early June.

**Senator FAULKNER**—I suppose you will be arranging a very dramatic launch of the volume, will you?

**Mr Evans**—Not a dramatic launch; a modest launch, as in the past.

**Senator FAULKNER**—Modest is all you can afford these days, isn’t it?

**Mr Evans**—Yes, indeed.

**Senator FAULKNER**—If I could ask one question that I think relates to the Black Rod’s office, I saw a newspaper article which no doubt the Black Rod would be aware of. It was in the *Age* newspaper in mid-January this year, which apparently went to two original black rods, supposedly from the federal parliament when it was sitting in Melbourne. They had been unearthed by someone or other and were up for auction at a gallery in Melbourne. Are you aware of that story, Ms Griffiths?

**Ms Griffiths**—Yes.

**Senator FAULKNER**—There was a view or a belief that black rods were not used until the opening of the parliament here in Canberra in 1927. So are these things authentic or not?

**Ms Griffiths**—When I found out about the supposed rods, I rang Old Parliament House and they ended up purchasing them. I viewed them last Friday, and they are about the same length as the current black rod but they are made out of cedar, very light, and on the top is a silver ball with the coat of arms and a garland around it. We know that the coat of arms was post 1912. We still do not know the provenance of them because, in the old photos that we have of the first sittings of parliament, Black Rod was not seen to be holding a stick, so we do not think that they are black rods. They look as though they are a pair, so Old Parliament



House are going to do a little bit more research. They are going to ask the High Court whether tipstaff in those days had those sorts of things to bring in a judge or whatever. There is just a bit of mystery about them because the family who handed them in apparently really did not want to go into details about where they came from.

**Senator FAULKNER**—So the plot thickens.

**Ms Griffiths**—Anyway, they are down at the Old Parliament House. They are going to be put on display down there, and they are hoping that some member of the public may know something about them.

**Senator FAULKNER**—So they have been purchased for Old Parliament House. That is what I was interested in. There is obviously a serious question about their authenticity, but I had wondered whether someone with an interest had taken any steps to procure them for the parliament. That is good to hear, and no doubt you will be able to keep us informed of what the provenance might be. Who is now the owner?

**Ms Griffiths**—The Department of the Environment and Heritage, through Old Parliament House.

**Senator FAULKNER**—Thank you.

**Senator MURRAY**—There has been a heightened set of security gateways for the use of the parliamentary computer service and other matters coming through from DOFA; I copied you an email recently on the matter. When DOFA do this sort of thing, do they consult with the Clerk's office?

**Mr Evans**—I will ask Ms Griffiths to respond that.

**Ms Griffiths**—No. They normally go through the old information systems area, which is in the new joint department now. They would not consult us directly about those security issues; although, my director of IT would be at meetings where that is discussed.

**Senator MURRAY**—You are aware of the matter I have referred to, aren't you?

**Ms Griffiths**—Yes.

**Senator MURRAY**—You have responsibility for senators and senators' offices, so why is there not a consultation?

**Ms Griffiths**—My director was on those things, Senator. I have to say that those personal questions that you were asked are not new. They were a part of the old laptop system previous to OneOffice, and they are just a verification for the help desk. When you ring in remotely, they need some verification that you are who you say you are before they can give you access.

**Senator MURRAY**—Except that anybody could answer those questions that they ask.

**Ms Griffiths**—Yes.

**Senator MURRAY**—The information is publicly available so it seems pretty daft to me.

**Ms Griffiths**—Perhaps Mr Ward might be able to give you more details as to why they need to ask so many questions, Senator.

**Senator MURRAY**—It is not the number of questions. I am not going to put the questions on the record, because the whole idea of security systems is that questions should not be on

the record, but, frankly, the questions are stupid. For most senators, anybody in the public domain could have found out the answers to at least three of the five questions that were asked.

**Mr Evans**—I would just comment that this is a computer system that we are talking about, so Senator Murray's conclusion is not surprising. Your electorate office is, of course, the responsibility of the Department of Finance and Administration, and there has to be contact between the department which looks after your electorate office, the joint department here and the house departments. But, basically, the responsibility for your electorate office facility lies with the Department of Finance and Administration.

**Senator MURRAY**—The reason that I am asking these questions is that, unless senators form a senators association or something—which would be just foolish—the only way we as a body can have someone look after our interests is through the President's office and through the Clerk's office. This is one of those occasions where senators are subject to a bureaucratic system that has not been thought through, in my view.

**Mr Evans**—We certainly endeavour to assist senators in their dealings with other bodies that have responsibility for senators' computer systems. Certainly I thought that, as you say, those matters were rather inane. I have become accustomed to pointing out these things over the years, with nothing resulting from my pointing them out. Certainly, if there are problems with senators' electorate office systems, we attempt to sort them out as best we can.

**Senator MURRAY**—Is there a need for any reminder to DOFA in particular that they need to automatically liaise with you on matters to do with senators?

**Mr Evans**—I do not know that reminders are necessary, but we certainly remind them of our existence from time to time.

**Ms Griffiths**—They would do it through the joint department and the Department of Parliamentary Services would pass it on to us. But you think that they should be doing it directly. I would have to liaise with the Department of Parliamentary Services anyway.

**Senator MURRAY**—It just struck me as odd that we were getting a request directly which had not been cleared in some way and had real deficiencies attached to it.

**Mr Evans**—I think there is a very valid point there. It would be valuable, I think, if we were to look at things like that involving senators because we do have some knowledge of senators' operations and should be able to assist on things like that from time to time. The answer is yes, we would encourage the other departments to do that.

**The PRESIDENT**—As you would be aware, we have a House Committee and a Joint House Committee representing members and senators and any grievances they have or matters they wish to raise are raised at that meeting. There is an opportunity there for concerns of a general nature to be addressed, but I take the point about the other computer problem. I was not aware of that, but no doubt the Usher of the Black Rod was.

**Ms Griffiths**—POITAG, which is the President's committee on information technology, is another avenue where those matters can be raised and often are. DOFA officers are present at that meeting.

**Senator MURRAY**—I thought it was odd that we received a kind of fait accompli which had not been cleared and had inadequacies.

**Senator FAULKNER**—With the amalgamation of the Joint House Department, are there any plans to change the name of the Joint House Committee?

**The PRESIDENT**—I must admit, Senator, it is something I have not thought about. I suppose there is a good case for doing that, but the service will operate in the same way. We would certainly look at that. We have not had a meeting since the amalgamation. I will put it to the members to see if that is what they wish to do. We cannot have a committee representing something that does not exist, can we?

**Senator FAULKNER**—Oh, I don't know. Parliaments are capable of doing anything. I am sure there is a precedent for it, Mr President.

**CHAIR**—I thank officers from the Department of the Senate.

[9.29 a.m.]

#### **Department of Parliamentary Services**

**CHAIR**—I welcome officers from the Department of Parliamentary Services, in particular Ms Penfold. Welcome to estimates; I am sure you will enjoy the experience. Would you like to make a statement before we commence?

**Ms Penfold**—We have no opening statement.

**The PRESIDENT**—Can I clarify a matter, Chair. Concerning the subject that Senator Faulkner raised about the Joint House Committee, I have been reminded that we have a House Committee for the Senate, which I chair, and we have a House Committee for the House of Representatives, which the Speaker chairs. When the two committees meet together we call it the Joint House Committee. The name might sound the same but it is a little different from the old joint service—

**Senator FAULKNER**—What was the original name of the joint house department?

**The PRESIDENT**—The Joint House Department.

**Senator FAULKNER**—No, I do not think that is right.

**The PRESIDENT**—It wasn't?

**Ms Penfold**—We could take that question on notice, Senator, because I know there is some information that has been collected about that. My very vague recollection is that it started life as a joint house committee.

**Senator FAULKNER**—Exactly. I think you are quite right, Ms Penfold. So there you are, Mr President: you can take that on board as you make these considerations.

**Ms Penfold**—Would you like the rest of the information that we have tucked away?

**Senator FAULKNER**—No, I think I know some of it. If you would like to give it to committee members, feel free. My question was just about the nomenclature. I also welcome you, Ms Penfold, to the committee.

**Ms Penfold**—Thank you, Senator.

**Senator FAULKNER**—Could I ask where we are up to with the appointment of a Parliamentary Librarian. Could you give us a status report on that?

**Ms Penfold**—We are at the point where I will be briefing the President and the Speaker early in March, I think, about where we have got to. A variety of issues need to be thought through before we can come up with a package of information and decisions. We need to work out the charter for the Parliamentary Librarian. I have a brief here with the list in it. We need to work out a charter for the library. We need to do some work on the strengthening of the terms of reference of the Library Committee that was recommended by the Podger report. We need to work out where the Parliamentary Librarian fits into the structure of the new department and, following on from that, the sort of level that the position might be before we can even think about advertising, as far as I can see. Once we have worked those things out there will need to be amendments of the Parliamentary Services Act. I do not think we need to wait until those amendments have gone through before we proceed to advertising and so on.

**Senator FAULKNER**—This is because the Podger report recommended that it be a statutory position, didn't it?

**Ms Penfold**—That is right.

**Senator FAULKNER**—That would mean it would require amendment to the act.

**Ms Penfold**—It needs to be in legislation somewhere, yes.

**Senator FAULKNER**—Are you able to say—I think you would be particularly expert in this—whether there have been any proposals to draft such legislation? By the way, I am not asking you to answer that wearing your previous hat.

**Ms Penfold**—Sure.

**Senator FAULKNER**—I would not do that. I am just asking in relation to your current responsibilities.

**Ms Penfold**—There has been a bit of work done within the department on what might be in the drafting instructions. The assumption in that, interestingly, was that it would go to the Office of Parliamentary Counsel, but I am not so sure about that. In the past—and I am speaking with my previous hat on now—we have not generally drafted legislation for the parliamentary departments, apart from the appropriation bills. The Parliamentary Services Act itself was drafted by a consultant who I think was engaged by the Senate. My recollection is that there have been occasions in the past when people have come to us and the Office of Parliamentary Counsel have had to say, 'This is not on the government's program.'

**Senator FAULKNER**—But what you are saying is that you think it is possible that some of the process can be undertaken. It is viable for it to be undertaken without the legislation being in place.

**Ms Penfold**—I think we can start the process, yes. I suppose how far we take that process might depend on how controversial the arrangements that are being proposed for legislation would seem to be. At the moment it looks to me as if they will not be particularly controversial—pretty straightforward appointment and resignation provisions and so on. I think at the moment the view is that we will need to refer to the library charter and possibly the resource agreement that is supposed to be made on whatever basis between the

secretary—that is me—and the Parliamentary Librarian. Both of those should be referred to and should possibly be disallowable instruments.

**Senator FAULKNER**—What does the timing look like? It seems to me that this is all in pretty early stages as we speak.

**Ms Penfold**—I think that is a fair statement. I would expect that within the next month we will have a much clearer idea of where that is going. We will have a meeting of the Library Committee on 11 March, and I would hope that a package of proposals will go to that committee. Depending on how controversial that appears to be when the committee looks at it, we may be able to go ahead not long after that with at least starting to look for the person.

**Senator FAULKNER**—Are you able to indicate to us a timetable? Are you able to say when it would be reasonable for this committee to expect an independent Parliamentary Librarian to be appointed? I would not hold you to it, but given that one of the important benefits of the amalgamation was an independent Parliamentary Librarian—it might even be one of the few benefits, for all I know—which is something that we have missed in this place for a considerable time, when are we likely to see it?

**Ms Penfold**—I would hope that this committee can look forward to being aware of quite a lot of action by the time it next meets. We may not have got right to the point of an appointment—because once you start advertising and interviewing and so on it can drag out, depending on the sort of person you are looking for—but, yes, I would expect you to see distinct signs of progress.

**Senator FAULKNER**—Mr President, are these issues being canvassed now with the Library Committee?

**The PRESIDENT**—I am expecting some recommendations. I have already spoken to the secretary about this. We will have some recommendations to put to the Library Committee on 11 March. Once the Library Committee has had a chance to look at them and agree or disagree, we will then move forward.

**Senator FAULKNER**—Ms Penfold, have you given any consideration to how the relationship between you and the Parliamentary Librarian will work? According to Podger, it is appropriate for the Parliamentary Librarian to have independence from the secretary in respect of the library's confidential and impartial client service function. Has any thought been given at this point as to how that might develop and evolve?

**Ms Penfold**—I have been giving quite a bit of thought to it. Indeed, I am hoping to talk to Andrew Podger fairly soon to see if there is anything behind what was in the written part of his report and whether he has any further views. I think it will be quite a tricky thing to manage, which is why I say there is a bit of thinking to be done about where that person fits into the departmental structure. I think the independence that you referred to is relatively narrowly expressed in a sense and relates perhaps to the content of the library's work and the library's dealings with its clients—I do not see it as necessarily relating to things like staffing issues. However, the other constraint on how that relationship will work is in the resource agreement, which will have to be set up so that, year by year, the Parliamentary Librarian is guaranteed some level of resources to run the library. That is the other thing, obviously, that will protect against the library being squeezed in any way.

There is a bit of an issue as far as I can see between having a resource agreement that guarantees the library that sort of independence and any need to find efficiencies across the department. At the moment I am thinking along the lines of a resource agreement that sets a level—and ‘minimum level’ perhaps gives the wrong impression—that does not necessarily represent the full amount that the library has been spending up until now but does give access to the Parliamentary Librarian to another bundle of more discretionary funding that might depend on where the funds seem to be needed and where things can be saved within the department.

**Senator FAULKNER**—I accept it is a tricky one to get this right, and I am pleased that you are giving it that level of thought and consideration. On the other hand, I also think there is some urgency in trying to move it along. One hopes that those two imperatives are not in conflict. Obviously this is going to be a matter dealt with by the Library Committee. Mr President, is it likely to be the subject at some point in the future of a statement from you to the Senate as well?

**The PRESIDENT**—That is what I would expect to be doing. We would be looking for help from the Library Committee. As you know, we have appointed a senator and a member to be part of that independent process. Once we are clearer in our minds as to what is going to happen I will be making a statement to the Senate. Initially I guess it will be, if there is any need, on the progress but I, like you, think that the sooner we get this matter resolved the better.

**Senator FAULKNER**—I might flag this and at the next estimates round I might take a closer interest in how this matter is progressing. I accept obviously that these are matters that the Library Committee has some responsibility for, though I suspect you will find this committee taking a closer interest than the Library Committee in these sorts of issues. Having served on both committees, I think I am in a position to at least make that judgment. I will move along, unless someone else has an issue on the Parliamentary Librarian. In answer to a question I asked in the last estimates round, Mr Crane informed me that part of the cost of the Bush and Hu visits was \$625 for a tow truck, which I think was borne by the Department of Parliamentary Services. Correct me if I am wrong. That would be right, wouldn't it?

**Ms Penfold**—Mr Crowe might be able to tell you. If it was engaged by Joint House at the time, then it would be our problem now.

**Senator FAULKNER**—I think that is the case, but I might be incorrect. Perhaps Mr Crowe could let me know.

**Mr Crowe**—That was the quote we received for it. I believe at this stage we have not actually received an invoice for the job, though.

**Senator FAULKNER**—What was the tow truck for?

**Mr Crowe**—We had it standing by in case anybody attempted to block the motorcade by parking and abandoning a vehicle somewhere on the course of the motorcade.

**Senator FAULKNER**—Where did you park the tow truck in readiness?

**Mr Crowe**—It was parked in the Melbourne Avenue car parks, the razor blade car parks.

**Senator FAULKNER**—At what point did the responsibility for towing become yours?

**Mr Crowe**—From the entry into Melbourne Avenue into the precinct area itself; we were just looking after the precincts.

**Senator FAULKNER**—Which was blocked, wasn't it?

**Mr Crowe**—There were police at that stage, yes.

**Senator FAULKNER**—So this would be for a vehicle of some description that managed to get through the police barricade?

**Mr Crowe**—That had entered the precincts on an earlier occasion, yes.

**Senator FAULKNER**—At a cost of \$625, but at this stage you have not received the invoice.

**Mr Crowe**—I do not believe we have. It is something I could check out and confirm.

**Senator FAULKNER**—No, I just wondered what it was for. As you would be aware, last time I raised some issues in relation to the working conditions of APS guards on point duty outside the building here, including reasonable shelter and the like. Mr Crane at the time indicated that he would make some inquiries about those issues. I wonder if you would be able to report to the committee what the outcome of those inquiries was.

**Mr Crowe**—The union representatives of the APS are currently negotiating a point allowance for the APS who are stationed here at Parliament House, as recompense for the fact that they do the majority of their work outside in the elements. Having said that, they are also perhaps the best equipped element of APS in Canberra as far as wet weather gear and equipment for the climate they are exposed to goes.

**Senator FAULKNER**—So this is being worked through between the relevant officers and the union, is it?

**Mr Crowe**—Yes.

**Senator FAULKNER**—Are you making progress in those discussions or negotiations?

**Mr Crowe**—I understand a monetary amount has been mentioned, has been agreed, and that is what they are currently negotiating around—so, yes.

**Senator FAULKNER**—This will be in the terms of allowance?

**Mr Crowe**—Yes.

**Senator FAULKNER**—Thank you for that. I am not sure, Ms Penfold, who this precisely falls to with all the changes that have been made, but I suppose there have been no changes or refurbishments to the Prime Minister's office since we last trawled through this. It seemed at the time that they were very loathe to make any further changes because they were so embarrassed about what was done there before, but I just thought I would check. You can never tell.

**Ms Penfold**—I think there have been some small changes.

**Mr Smith**—There has been one minor change made through the Prime Minister's staff area. That was the removal of part of a cupboard which was making it difficult for the staff to access an egress from their office area, so it was an OH&S issue. The total cost of that was less than \$5,000.

**Senator FAULKNER**—I see. Are you aware of any equipment or furniture changes or upgrades in that area where the government members secretariat are placed as part of the responsibilities of the Government Whip in the House of Representatives? Are you able to help me with that at all?

**Mr Smith**—My staff are not aware of any changes, but if we can take that on notice we will get back to you.

**Senator FAULKNER**—I would appreciate that. Tell me, Ms Penfold, who is responsible in the new department for choir censorship?

**Ms Penfold**—We do not actually have an area called choir censorship. We have an area called ‘facilities’ which is responsible for approving functions and performances in the building.

**Senator FAULKNER**—I think my questions now will be going to the facilities area, if that is okay. But you would be aware yourself I suppose, Ms Penfold, of the notes that went out from the facilities management area to a group called A Chorus of Women, which is a women’s choir, about their request to hold a public performance in the main foyer of Parliament House on Friday, 6 February?

**Ms Penfold**—I am.

**Senator FAULKNER**—When did you become aware of that directive?

**Ms Penfold**—By ‘directive’ do you mean that letter?

**Senator FAULKNER**—Yes.

**Ms Penfold**—Some time on the afternoon of Friday the 6th, after the performance had been held and the choir had circulated the letter bound into their songbook.

**Senator FAULKNER**—I see; so after the event. How does this work? Let us be clear: your department had been established by then?

**Ms Penfold**—On 6 February, yes, but not on 15 December—it was the Joint House Department at that stage that wrote the letter.

**Senator FAULKNER**—That is right; so it is on Joint House Department letterhead. That letter went from the facilities management element of Joint House on 15 December. What authority does the facilities management area have in relation to these sorts of matters?

**Ms Penfold**—There is a policy and procedures manual which covers, among other things—it is a very big one—approvals for functions and performances in Parliament House. It is issued I gather under the authority of the Presiding Officers and it confers responsibility on what was then Joint House people for giving permission for functions and performances to be held. That manual contains a set of guidelines for determining whether performances and functions are appropriate. One of the complicating factors is that when we started looking at this it emerged there were two different versions of the guidelines in that document, and that is perhaps part of the significance of me saying it is a very big folder. One part of it deals expressly and in detail with approving functions and has all sorts of material about how you organise the audiovisual requirements and that sort of thing. At the front there is an executive summary which identifies who has the authority to apply these guidelines and, unfortunately,



sets out a slightly different version of the guidelines. Each of the guidelines refers to functions and performances not compromising—I am not sure of the exact word—the dignity of Parliament House. That is consistent across the way. One version suggests that the function or performance needs to be likely to be approved by a majority of senators and members and the other version suggests that it needs to be acceptable to a majority of senators and members, which seemed to me to be quite different tests. There is then a third criterion which relates to being not likely to cause offence to a significant proportion of the community. At least one version of those guidelines was what was being relied on by the Joint House staff who gave, as it were, conditional permission for that A Chorus of Women performance.

**Senator FAULKNER**—How did this work in this case? I assume—we know from the letter that was made public—that the choir A Chorus of Women sought permission to hold a public performance. Can someone tell me when that occurred?

**Ms Penfold**—I think that occurred on about 28 November. I think there was a phone call, and then that was followed up by an exchange of emails.

**Senator FAULKNER**—So the first request was a phone call followed up by an email?

**Ms Penfold**—That is my recollection, yes.

**Senator FAULKNER**—From the choir?

**Ms Penfold**—Yes. I should mention, and you are probably aware, that there was an earlier performance by the choir, which arose out of a request by Senator Greig. One of the complicating things about our files is that the two sets of requests were going ahead almost at the same time initially involving different members of the choir. There was the one that Senator Greig pursued, which was done quite quickly. There was a letter from him and then there were some email exchanges and a letter, and I think that performance was on about 2 December. Before that was held, and I think even on the same date as some of the emails relating to that performance, we got a separate approach from another member of the choir about the 6 February performance.

**Senator FAULKNER**—But the letter of 15 December from facilities management in the Joint House Department was a response to the phone call and email from the choir?

**Ms Penfold**—Yes.

**Senator FAULKNER**—How was the Joint House Department aware of these unacceptable songs—*Children of Iraq* and *Your Cry, Our Cry*? How did that come to the knowledge of the Joint House Department?

**Ms Penfold**—It came to their knowledge because the choir member volunteered them in one of the emails. She said, ‘It occurs to me you might like to look at our songs. Here are the words.’ They were in the email.

**Senator FAULKNER**—So they were just being honest and frank, obviously?

**Ms Penfold**—They were volunteering the songs in a situation in which, as I understand it, the facilities management people would not have asked to see them if they had not been volunteered.

**Senator FAULKNER**—They provided the lyrics of the songs. Who put the red pen through the unacceptable stanzas? Who made that decision?

**Ms Penfold**—An officer who was at that stage responsible. The letter, as you would have seen, was signed by a member of the facilities management area under the signature block of another member.

**Senator FAULKNER**—Yes.

**Ms Penfold**—It is my understanding that that letter was signed, in effect, on the instructions or advice of the executive leader who was responsible at that stage—the SES officer.

**Senator FAULKNER**—Sorry, could you say that again?

**Ms Penfold**—The letter was signed by a relatively junior officer in Joint House but on the advice of the SES officer responsible for facilities.

**Senator FAULKNER**—You are saying that the SES officer concerned put the red pen through the unacceptable stanzas. Is that correct?

**Ms Penfold**—Metaphorically speaking. We have nothing on our file with a red pen through it.

**Senator FAULKNER**—But we do know that a letter went to the choir saying that two identified songs—*Children of Iraq* and *Your Cry, Our Cry*—should not be sung. We know that.

**Ms Penfold**—Yes, we do.

**Senator FAULKNER**—Or could not be sung. And we know that other songs relating to personal and political freedoms must not be performed. We know that too.

**Ms Penfold**—We do.

**Senator FAULKNER**—Unnamed songs. So, yes, metaphorically the red pen is put through unacceptable songs.

**Ms Penfold**—It was put through unacceptable songs on that occasion.

**Senator FAULKNER**—You are saying that that was the responsibility of an SES officer in the Joint House Department?

**Ms Penfold**—Yes.

**Senator FAULKNER**—Were you consulted on this, Mr President?

**The PRESIDENT**—No, but I was made aware of the media reports, and there was no direction from my office or from the Speaker's office about this. My understanding was that a member of the Joint House Department had misapplied the procedures manual that exists and that the department are looking at revising that part of the manual so it becomes clear and these sorts of things do not happen again.

**Senator FAULKNER**—Because there are a lot of controversial lectures and so forth that take place here, aren't there, that the vast majority of parliamentarians might find offensive—or whether they find them offensive or not, they would not agree with them, that is for sure.

**The PRESIDENT**—I have requests from time to time for films to be shown and for other things to happen, and we deal with those on their merits. This particular case was dealt with by an officer of the department who obviously misapplied the procedure manual.

**Senator FAULKNER**—Has there been a record of other groups being censored, be they political or artistic in nature?

**The PRESIDENT**—I would have to take that on notice. I do recall from time to time we have requests, for instance, for exhibitions of art which could be seen to be commercial. Sometimes people want to do commercials in Parliament House and have applied for that type of thing and we have refused.

**Senator FAULKNER**—So if the choir wanted to sing the Aeroplane Jelly song, for example, they would not be allowed to. Is that right?

**The PRESIDENT**—Yes, exactly. We do not believe that Parliament House should be used for commercial purposes.

**Senator MURRAY**—There was that famous showing of pornography in the parliamentary theatre, I understand. I did not attend. That was not censored.

**Senator FAULKNER**—Were you invited?

**Senator MURRAY**—All of parliament were invited by, I understand, some people with a strong view about the content of pornography.

**Senator ROBERT RAY**—I thought that showing was only for Lyons Forum members.

**Senator MURRAY**—I understood everyone was invited.

**Senator FAULKNER**—It was compulsory for Lyons Forum members! The rest of us did not attend, Senator Murray.

**Senator MURRAY**—The point being that pornography was allowed but not something about war and violence.

**Senator FAULKNER**—We know that the letter goes from an SES officer back to the choir saying that two songs could not be performed and other songs relating to personal and political freedoms must not be performed, but at the end of the day that is not what happened, is it? There were actually some unacceptable stanzas that did not make the cut. Isn't that right?

**Ms Penfold**—I am not sure what you mean. I understand that when the performance took place some things were not sung, they were hummed. But I do not know whether they should have been the songs that the choir had been told not to perform or whether they were parts of other songs.

**Senator FAULKNER**—The two offending songs were cut from the performance. That is right, isn't it?

**Ms Penfold**—That is my understanding.

**Senator FAULKNER**—And other parts of songs which might have been seen to breach the Joint House Department guidelines were hummed.

**Ms Penfold**—That may well be how it happened.

**Senator FAULKNER**—Who made that decision? That was self-censorship from the choir, was it?

**Ms Penfold**—That must have been the choir.

**Senator FAULKNER**—It was a pretty embarrassing effort all round, wasn't it?

**Ms Penfold**—I think it was a little unfortunate. I am comfortable saying that I cannot personally see how the guidelines in the manual could properly have been applied to require the two named songs not to be sung. Perhaps even more significantly, I cannot see how the criteria set out in the guidelines could be interpreted as meaning: 'No songs relating to personal and political freedom.'

**Senator FAULKNER**—So you are basically saying that the then Joint House Department made a mistake?

**Ms Penfold**—I think a mistake was made in the then Joint House Department at that stage, yes.

**Senator FAULKNER**—What, if anything, have you done—this is a question either to you, Ms Penfold, or to you, Mr President—to ensure that this sort of embarrassing mistake does not occur again?

**Ms Penfold**—We have done two things—

**The PRESIDENT**—I do not believe that the mistakes are intentional. I understand that the secretary and the department are looking at revising the system.

**Senator FAULKNER**—I have never gone to motivation. I have just established that Ms Penfold believes a mistake was made. You do not disagree with Ms Penfold in that regard, do you?

**The PRESIDENT**—I certainly do not.

**Senator FAULKNER**—It seems everyone is in furious agreement that a mistake was made. No-one has suggested that it was an intentional mistake. No-one has suggested, as far as I am aware, that it was a deliberate act of bastardry—unless you can tell me that that was the situation. So a mistake was made. I am just assuming it was not particularly ill motivated—I do not know; I just make that assumption. It is usually a reasonable assumption to make in these circumstances. The issue is: what happens now? That is what we are trying to get to, given that you both agree—Mr President and Ms Penfold—that a mistake has been made.

**Ms Penfold**—What happens now is that first of all in the short term I will be looking for any refusal decision—any decision to refuse or to perhaps give conditional refusal—to come to me before it is finalised. The area that makes these decisions is in a different part of the department with a different SES supervisor. Those are, if you like, the short-term responses. It may be that there are no more refusal decisions, but if there are proposals that staff think are a bit iffy I would expect them to come to me and we will talk fairly carefully about what the criteria say and what the performance or the function involves. We certainly will not be going out soliciting words of songs or scripts or whatever. In the longer term we have a project to rewrite the manual to clarify the provisions that apply to this area, to make sure that they are

consistent across the manual, and there will probably be a little scope for guidelines on the guidelines to expand the sorts of areas that people need to look out for when they get applications for functions or performances.

**Senator FAULKNER**—Are you saying that the two administrative actions you spoke of and the re-examination of the manual arose directly out of this incident?

**Ms Penfold**—The revision of the manual certainly does. My requirement that refusal decisions come to me does. The reorganisation reallocation of the responsibility into a different group within the department happened before all this blew up as a result of the retirement of one of our SES officers. In Joint House we went from having three SES people each heading a group to having two SES people. The corporate services part of the responsibilities of the SES person who retired have gone to another corporate services area in the department. The other responsibilities, which included the facilities management area, went across to what is known as the Security and Facilities Group. That was part of the reorganisation required by the amalgamation and it happened before this blew up.

**Senator FAULKNER**—Were any officers counselled as a result of this?

**Ms Penfold**—I suppose it depends what you mean by ‘counselled’. I did have a discussion with the officers involved—not including the SES person, who had already left the department—about whether the decision that was made was a sustainable one, having regard to the criteria. We had a discussion about applying the rules to the facts. It did not seem to me that anyone needed counselling directly in that situation, given the lines of responsibility.

**Senator FAULKNER**—What about follow-up contact with the group, A Chorus of Women, after this embarrassing episode? Has there been any contact with that group subsequent to the performance?

**Ms Penfold**—There has been contact; in fact, it was initiated by the group. I do not know if you saw the *Canberra Times* the day after the performance. I was quoted as saying that I did not think such a decision would be made in the future.

**Senator FAULKNER**—Except for the *Canberra Times*, Ms Penfold, I suspect that I would not even be asking the question.

**Ms Penfold**—Indeed. That brought a phone call from one of the choir members on the Monday. I was unable to speak to her myself, because I was tied up with something else, but there was a phone call thanking us for that comment. That is where it stands now.

**Senator FAULKNER**—Mr President, have you taken any further action?

**The PRESIDENT**—As I said, the manual is being reviewed and revised. I am waiting to hear from the secretary of the department.

**Senator FAULKNER**—I mean action in relation to the embarrassing incident with the women’s choir, A Chorus of Women. Has there been any thought of apologising or expressing some regret on an official basis at what occurred?

**The PRESIDENT**—I have not.

**Senator FAULKNER**—At the end of the day, the buck stops with you, doesn’t it?

**The PRESIDENT**—The matter was not brought to my attention in the first place. If it has been embarrassing to the choir, then I think that deserves an apology. But I think the matter has been handled very well by the secretary to the department.

**Senator FAULKNER**—I am not suggesting that it has not. When you say that it was not brought to your attention in the first place, it was brought to your attention, wasn't it?

**The PRESIDENT**—It has now, yes.

**Senator FAULKNER**—When was it brought to your attention?

**The PRESIDENT**—The article in the *Canberra Times* was brought to my attention last week. That was the first I had heard of it. We do not get the *Canberra Times* in Tasmania, unfortunately.

**Senator FAULKNER**—That might be the case but, as you can see, your officers have been dealing with this issue and the reaction to it for some time. I would like to ask about another issue. I read an article in another newspaper that Mr President would not have seen because it was in Sydney's *Daily Telegraph*, so he would not be aware of this either. The article suggested that there had been changes to the reception for the Wallabies after the Rugby World Cup final. I do not know if you are aware of this, Ms Penfold.

**Ms Penfold**—Absolutely not.

**Senator FAULKNER**—Would someone indicate to the committee when the booking was made for the Great Hall or the parliamentary foyer for the Wallabies function on 25 November last year?

**Ms Penfold**—I think we will have to take that question on notice. I am sure we can find the answer, but no-one here has that information at their fingertips.

**Senator FAULKNER**—I would like to know when that booking was made, I would like to know who made the booking and I would like to know whether there were any changes to the booking after it had been made. I refer you to an article in the Sydney *Daily Telegraph* of 1 December, 2003 in which it was suggested that, after the booking was made, this function was cancelled briefly, basically because of the ungraciousness and churlishness of the Prime Minister at the result of the Rugby World Cup final. If such a cancellation was made, however briefly, I would appreciate it if you could give me the details. I point you to an article written by the eminent gallery journalist Malcolm Farr on 1 December 2003. I assume that, if it is in the *Daily Telegraph* and not written by Piers Akerman, it must be right.

**Ms Penfold**—We will examine our files.

**Senator FAULKNER**—This is perhaps the appropriate time to return to the issue that we were starting to canvass in the estimates relating to the Department of the Senate. Mr President, you were indicating to the committee that some changes might be made in relation to what you described as the Lego barriers around Parliament House. Can you give us a quick update on that?

**The PRESIDENT**—At the last meeting of the Joint House Committee, we viewed a display of a possible solution to the current white plastic barriers. I am hoping that a permanent solution which will have much less visual impact will be achieved. You would be

aware, Senator, that the temporary approval for the plastic barriers arises in March. Before I agree to a motion before the Senate extending that approval, I expect that there will be significant progress towards a permanent solution. As I indicated earlier, suggested permanent changes are with the National Capital Authority for their consideration. Perhaps Mr Crowe or the Secretary might like to add some more to that as to where we are at the moment.

**Mr Smith**—The work to remove those white plastic barriers and place a permanent set of barriers there is being progressed at the moment by the department. A project team has been nominated to handle that project. We are in negotiations with the NCA for an extension of the March 2004 approval to next year. We are looking at potentially 31 March 2005 because we believe it will take us that long to get final designs and approval from Finance for the funding for the project.

**Senator FAULKNER**—So we are talking about permanent barricades of some description, are we?

**Mr Smith**—We are talking about a new system of bollards and cables which will prevent vehicle access to the building but will certainly give pedestrian access across the top of the building.

**Senator FAULKNER**—I see. There is a range of design issues as well. One of the issues raised about the current barricades is that they are a bit of an eyesore. Do you agree with that? I know you know far more about these things than I do. I always let you make these sorts of judgments.

**Mr Smith**—They were only ever placed there to be a temporary barrier, and certainly they do not meet our design integrity principles for the building. In the design process for these new barriers, we are using the original architect, MGT Architects and Romaldo Giurgola, to ensure that we come up with a satisfying result.

**Senator FAULKNER**—So you are trying to keep some architectural and design integrity, are you?

**Mr Smith**—Yes.

**Senator FAULKNER**—When would you hope that the new barriers would be in place?

**Mr Smith**—We are hoping the projects will be completed by 31 March next year, although we are going to try and bring that forward as far as possible. There are some critical dates in the program for those works, and those require parliamentary approval before the parliament rises for the winter recess. The works are external to the building and therefore it is a requirement that parliament approves both works.

**Senator FAULKNER**—Yes, that is right; it requires parliamentary approval. Have you planned any other works that might require parliamentary approval?

**Mr Smith**—There is a series of works associated with the barriers. A group of seven projects on security that will be external to the building will therefore require parliamentary approval.

**Ms Penfold**—The basic issue is that, once the permanent bollards go in to provide public access again to the roof of the building, there will be other things around the building that will

need to be dealt with from a security point of view. It may seem like a long time to build some bollards; it is not such a long time to deal with the other things that we will need before we can allow unchecked public access back to the roof.

**Senator FAULKNER**—Mr President, have you any proposals for consulting about any of these works?

**The PRESIDENT**—I believe the management board has received a report from ASIO on these matters. It is ongoing.

**Senator MURRAY**—Can you trust their report?

**The PRESIDENT**—We get advice from all sorts of people. I think that review of security arrangements was carried out last November, and was mentioned in the November estimates. We have had some preliminary comments on that report. The sooner we can get a permanent solution to these matters the better, as far as I am concerned.

**Senator FAULKNER**—It is true to say, isn't it, Mr President, that you took an opportunity to report to a Senate committee—albeit pretty confidentially—about a range of issues in relation to security enhancements in the building? I get the impression from your answer that you do not intend to do so in relation to these proposed changes.

**The PRESIDENT**—I do not think these security matters in that detail should be discussed openly in this venue, but I am more than happy to give you a—

**Senator FAULKNER**—You misunderstand me. We adopted a procedure previously in relation to certain security issues, so they would not be discussed in committees like this, such that other fora were used. You have not taken the initiative on this occasion to use those other fora to outline or receive any views or comments about what is being planned here?

**The PRESIDENT**—As I indicated at the beginning, the Joint House Committee viewed a display of the enhancements that were planned. If any other issues needed to be raised I would use that committee as a way of communicating to senators and members what we had planned. At this stage we are progressing the proposals that were put to the Joint House Committee.

**Senator FAULKNER**—Let me be very direct, then, in my question to you, Mr President. Are you or are you not planning to convene a meeting of the Senate Appropriations and Staffing Committee to receive a briefing on these matters?

**The PRESIDENT**—I have been doing that on a regular basis, and I intend to continue to do that. It is no good coming to the Appropriations and Staffing Committee if I have not got any firm proposals or progress proposals and currently, until we get some replies from the appropriate authorities, apart from the proposals we showed to Joint House Committee, there is not a lot to report. When I consider that there is enough, I will certainly be doing that, as I have in the past.

**Senator FAULKNER**—So the replacement of the plastic barricades around Parliament House with bollards and chains is not a firm proposal? Is that right, Mr Smith?

**Mr Smith**—It is a concept proposal which will be developed throughout the design phase of the project.



**Senator FAULKNER**—Have any moneys been expended on developing the concept?

**Mr Smith**—The concept has been developed in-house using in-house resources, so there is some staff time only.

**Senator FAULKNER**—And what about your engagement of the building architects and so forth?

**Mr Smith**—The contract with them has not been signed as yet, but we are expecting to sign that off this week. There has been a preliminary allowance of about \$100,000 to get the project from concept stage to what we call the preliminary sketch plan stage.

**Senator FAULKNER**—So you are signing a contract this week for about \$100,000 for something that is not a firm proposal?

**Mr Smith**—It needs to be firmed up by the architects in their design phase.

**Senator FAULKNER**—I would hope that you, Mr President, would not be allowing such a contract to be signed if you did not have serious intentions of proceeding with it. That would be right, wouldn't it?

**The PRESIDENT**—I missed your question, Senator.

**Senator FAULKNER**—You are aware that a \$100,000 contract is being signed with consultants outside the building for developing this concept?

**The PRESIDENT**—I was not aware of the amount involved at this stage, but I would bring any further appropriations to the Appropriations and Staffing Committee.

**Ms Penfold**—I think the problem with this is that there are various steps in the process and, in particular, various approval steps that we have to do. We have to do work to get the project to a certain point, but because there are these further approval processes we cannot absolutely guarantee that that will be the end result. We cannot, as I understand it, get final approval from the NCA until they have got a series of properly designed proposals. We cannot get final approval from the department of finance until we can give them a sensible idea of what sort of money it is going to cost, and we cannot get that until we have got a proposal that we can put to a builder or whatever. So inevitably we have to do the preliminary design stages before we can get the next lot of approvals. As far as I am aware, the uncertainty about this proposal is not because people have got some other ideas that maybe they would prefer to do or because there are people who do not really want to go ahead with this; it is just that it is not at a stage yet where we have the approvals that will guarantee that it will go ahead.

**Senator FAULKNER**—And my point to the President is that there has been a lot of cooperation and goodwill about the enhanced security measures at Parliament House. One of the reasons for that, of course, is that these matters have been discussed, albeit not necessarily at public hearings such as this but at least at a range of other available fora which are more private in their nature. I would have thought that it might be prudent for that to occur on this occasion also.

**The PRESIDENT**—I have already indicated that, as I have in the past. You know that this is a Joint House Department matter and our Appropriations and Staffing Committee only applies to the Department of the Senate. There is no expenditure planned in that area. But I

will give you a commitment, as I have in the past, to keep the Appropriations and Staffing Committee briefed on where we are at and what we are doing with security matters. I think that is important.

**Senator FAULKNER**—I suppose you have been pretty busy with the complete foul-up in the computers around the building last week. Can you tell me about that?

**CHAIR**—Excuse me, Mr President. Is this a convenient time, Senator, for morning tea?

**Senator FAULKNER**—I think more than convenient.

**Proceedings suspended from 10.31 a.m. to 10.48 a.m.**

**CHAIR**—Before we resume questioning, Ms Penfold has indicated that Mr Smith may have some material for the committee that corrects earlier evidence.

**Mr Smith**—Earlier I was asked a question by Senator Faulkner about works in the Prime Minister's office. My answer to that question gave the impression that the work had already been completed; the work is only scheduled to be completed by 30 June. It has not been completed at this stage. Also Senator Faulkner asked a question in relation to work in a government whip's office. I have consulted with my staff during the break and there is certainly no evidence that we have that work is being done or planned to be done in a government whip's office; however, we have done some work in a opposition whip's office in the Senate where we constructed a new door for access to the corridor.

**Senator ROBERT RAY**—This is to get into the deputy whip's office without having to go through the whip's office.

**Mr Smith**—Yes.

**Senator FAULKNER**—Before the break we just got to the unhappy issue of the computer servers here in Parliament House. The President was about to explain to us what the problem was and how he was planning to deal with it.

**The PRESIDENT**—With my expertise in computers, I can assure you my answer will be very brief. As President, I can tell you—as I think everybody is aware—that it was probably one of the most significant breakdowns or computer malfunctions we have had in this place. In some ways it has probably been a good exercise, because we do rely so much on computers here now. It did cause great inconvenience to the Senate departments. Our backup performed around the clock to get services back as soon as they could. That happened at 3.30 p.m., I think, on the 12th. Peter Ward is the expert on all this and I am sure he can brief you on exactly what happened and perhaps why it happened, but I understand it was the most serious breakdown in computer equipment we have had in this place since it has been installed.

**Senator FAULKNER**—Before we go to Mr Ward, why was it a good exercise? Sorry, I missed that.

**The PRESIDENT**—I believe it was a good exercise to see how quickly we can respond to a major failure. In other times there have been minor breakdowns and minor malfunctions that have been attended to pretty quickly. In this particular case, I note that they were getting backup from the UK and the US. Whilst it did take quite a while to fix, I understand it was the

most major problem we have had and the fact that we are able to cope with that is a good exercise and backs up that our systems, even though they did fail—

**Senator FAULKNER**—How long is quite a while?

**The PRESIDENT**—It was a day and a half, wasn't it?

**Ms Penfold**—About that.

**The PRESIDENT**—To get it totally fixed, but parts of it were back online sooner than that.

**Senator FAULKNER**—I beg to differ with you. I think it was not a good exercise but a dreadful exercise. This sort of massive systems failure on sitting days is completely unacceptable. Our system ought to be bulletproof, frankly, on days of high demand like we had last week, and that certainly was not the case.

**Senator ROBERT RAY**—Can I put this to you, President: of all the complaints I hear around the building, computers would occupy 90 per cent—not just this failure but generally, especially now responsibility has been taken over in a contract sense for servicing electorate office computers as well. What is the prospect of you initiating a survey of all the users—I am talking about staff rather than senators and members now—to get their response to catalogue what the problems have been in the last 12 months, because they are not restricted to this? I know some of the dysfunction has occurred through the Department of Finance and Administration, who are very good at sending out a notice that you can have broadband put on, for instance, but none of the details of what you are supposed to do, so things like written authorities were never provided et cetera. Is it time to bite the bullet and survey all the MOPS staff, including ministerial—section 3 and section 4—and get their views on what the problems have been so that you can finally get on top of the issues and catalogue the totality of them?

**The PRESIDENT**—I am more than happy to discuss that with the secretary and get a general view on it.

**Senator ROBERT RAY**—I hope so. I think annually or every two years we have a survey of customer and client satisfaction with senators and, frankly, there is usually only one minor area that we pick on and everything else is 'good' or 'very good'. Maybe we could delay one of those for a year and put the finance into this, because everywhere I go in this building there are complaints in one form or another about computers. It may well be that that just reflects the community norm—there may be nothing special about this building or the people who deal with computers in this building. I am not saying there is. I got into trouble once for saying the biggest oxymoron in the world was 'help desk' and I am not going to repeat that.

I get complaints all the time. Like you, I have difficulty dealing with these complaints because we are not necessarily of a generation that is as computer-literate as others. Doing a thorough survey of the staff, using a professional firm or whatever else, and substituting it for the annual senator survey would really move things along. It would also leave you in a far more defensible position to say that you know where a lot of the problems lie because you have found out where they are.

**The PRESIDENT**—I will certainly talk to the secretary about this and, if there is no feedback from staff on the efficiency of the network, we will make sure that we get it.

**Senator ROBERT RAY**—There is only one other contribution to make. I do not know who it was but someone in your department, when asked about how long this problem would last, told the truth and said that it may go for a couple of days. I do not know who it was but they know who they are. Congratulations. Everyone else, like airline officials, never quite give you the true picture. Someone in your department said this one could take two days.

**The PRESIDENT**—Perhaps Mr Ward can give us an outline of what happened and why.

**Mr Ward**—Obviously, there was a problem on Wednesday which went through until four o'clock on Thursday when it was completed. We recognised it through people having difficulty logging on and then slowness. It turned out to be a problem with our disk storage system. It was a hardware problem and we had to upgrade the software at the same time. Looking at the situation now, we will certainly look at the redundancy we have. We put a lot of redundancy in our systems. In this particular case with the hardware fault there was obviously insufficient redundancy there. It obviously took a long time not only to find the fault but to rectify it. We had to do it in a fairly cautious way to be sure that no data was lost. If any positive has come out of it, it is that at least no data was lost. We are aware of that. We are also aware of some of the problems that are being experienced in the electorate offices at the moment. We are putting in a lot of resources—not just ourselves; we are working with external vendors like Microsoft and Optus—to find what seems to be some slowness when the electorate offices are accessing services here in Parliament House. I am meeting with the Department of Finance and Administration this week to talk about what we can do to once again take a hard look at the problems we have out there. The problem we had on Wednesday and Thursday was nothing to do with the slowness that some electorate offices are currently experiencing.

Talking about the Wednesday-Thursday problem, obviously we had to get a component part to repair the hardware. We also had to upgrade the software. Coincidentally—and I do not know why—at about five o'clock on Wednesday, without us doing anything, services returned pretty close to normal once we replaced the hardware component. It might have been that the load went off the system due to people leaving around five o'clock, but we still took the necessary steps later in the night to fix the problem.

**Senator FAULKNER**—Were there any costs borne by the Department of Parliamentary Services?

**Mr Ward**—The only costs were overtime costs to pay our own staff to stay back overnight. We have maintenance agreements in place with our partners and they responded very well.

**Senator FAULKNER**—What is the protocol for giving people an update when something like this occurs? Senator Robert Ray has made the point that someone at least in your outfit was pretty frank about things. There was a lot of disinformation, not necessarily coming from your outfit, but the main problem was the lack of information. I know Ms Penfold sent out an email pretty broadly around the place effectively apologising for what occurred. That is appropriate, in my view. Are you going to look at what you do in these circumstances when,

as you know, so many people in this building are dependent on these functions and no-one knew what was happening?

**Ms Penfold**—There were a number of earlier general broadcast messages explaining where we thought things were up to. I understood that they went to all the users. There was at least one—

**Senator FAULKNER**—How many of them were there?

**Ms Penfold**—I can remember two particularly and there may have been a third one. I think the first one identified that there was a parts problem, when we thought we would get the part and when it was going to be put in. My understanding is that, after that part was replaced, there were some other peculiarities that emerged in the system. As I understand it, we did take a fairly conservative view to bringing the system back online because there were, as I say, some rather mysterious things emerging in relation to the storage disks. The view was taken that we could take a risk and risk losing a lot of data—you are plumbing the depths of my ignorance here, too—or that we could take a more conservative approach and get it right before we let people go back onto it. Those things emerged on Wednesday evening and my recollection is that there was something else on Thursday. We were also certainly aiming to advise people both through those messages and through the help desk about how much of the system could be used. Certainly by Thursday, a lot of the services were functioning reasonably adequately, like email, the Internet and so on. We just had a problem with documents stored in people's H drives, and there was also a range of workarounds for those in a lot of cases. I thought a lot of that information went out in these general alerts. Certainly it was our aim to give people as much information as we usefully had and to keep them informed of (a) what was happening and (b) what they could do to get around the problems.

**Mr Ward**—In this particular instance we normally—and we did again—set up a problem manager and that problem manager is responsible for ensuring that the problem is being managed properly and that there is a close liaison with our help desk people, who keep the communications going. I do not know exactly how many emails were sent out. We also had on the voice message system, when you rang extension 2020, a message informing our clients as to the current situation and that was updated as well. We certainly received a lot of positive feedback from quite a few of our clients in Parliament House saying that they were happy with the communication—I know some people were not, but a large percentage were—through the use of email and through the voice message on extension 2020.

**Senator FAULKNER**—I did not receive any positive feedback but you may be right. It seems to me that the challenge, Ms Penfold, is what can be done in future. As you indicated in your email, you would be reviewing the experience and examining what can be done in the future in terms of preventative measures, backup arrangements and the like. How are you planning to progress that?

**Ms Penfold**—I will ask Mr Ward to answer that. I gather that there is a protocol for doing this. It is not an unusual approach.

**Mr Ward**—We will certainly do a post-mortem now on the whole situation, looking at the procedures that we followed to investigate the problem and how we rectified the problem. We will also look at the responsiveness of our external vendor in terms of meeting the

requirements in the maintenance agreement we have with them. The vendor in this particular case responded extremely well. We will look at the redundancies that we have in place within our infrastructure to see whether we should invest more moneys into improving redundancies. We have a lot of redundancy in the system but we will look at that. We will also look at the client communications to see whether we can improve upon them. Finally, we will also look at the business continuity and disaster recovery plans that are currently in place to ensure that, for those applications that were affected, there were appropriate business continuity plans in place, which they followed to ensure that their applications or their business could continue during this down time, and that will be in the form of a report.

**Senator FAULKNER**—After these sorts of incidents, do you ever try to make an assessment of the loss of productivity amongst members, senators, their staff, parliamentary departments and the like?

**Mr Ward**—Absolutely.

**Senator FAULKNER**—What would your assessment be?

**Mr Ward**—It was a pretty catastrophic situation, particularly on a sitting week. We make every endeavour to have 100 per cent ‘up’ time, particularly during sittings. Any time of outage—whether it is a minute, an hour or in this case, unfortunately, a day and a half or more—is very serious. I think we have to look at redundancy in the system. It will cost dollars but maybe it is a wise investment. Unfortunately, in putting infrastructure together, you make decisions about how much redundancy you put in and it is basically risk management. We do put a lot of redundancy into our systems, and you get to a stage whereby the additional redundancy does cost a lot of money when you look at the return on investment. We realise that systems like these are truly critical to the parliament and to senators and members, and I am quite committed to looking at that very seriously.

**Senator FAULKNER**—Ms Penfold, I thought your note to all the users was a sensible thing to do in the circumstances. I should acknowledge that.

**Ms Penfold**—Thank you. Obviously Peter, in the course of his review, will look at whether there were things we should have done differently beforehand—not just how we coped with the disaster, but whether there was anything we can identify that might have been responsible. Whatever the cause of the problem, we provide a service to the rest of Parliament House and, if that goes wrong, it is appropriate to acknowledge that briefly we failed. But thank you for your comment.

**Senator FAULKNER**—In relation to procedures here at Parliament House, is there likely to be any re-examination of security procedures following the incident in the House of Representatives last week when an individual jumped onto the floor of the House from the gallery?

**Ms Penfold**—There has already been a review of that particular incident and what should be done about it.

**Senator ROBERT RAY**—They would only land on the Democrats in the Senate chamber! Senator Harris might be in the line, too.

**Mr Crowe**—As a result of last Thursday's incident we have established a small cadre of more experienced, level headed security officers, who will now be located on the gallery floors. The response on Thursday was good, the fact that it happened was bad—there is no distracting from that whatsoever. Short of putting up physical barriers, it is the response that we have to get right.

**Senator FAULKNER**—I thought the House attendants did very well in the circumstances.

**Mr Crowe**—The unfortunate occurrence was that, for one of our PSS guards, it was his first day on the floor, so it came as a bit of a shock to him, more so than most other people on the chamber floor. His response may have been a bit slower than we would normally like. What we propose to do to address that is to get this cadre of people more experienced to the atmosphere of the chamber floor itself—it is a little different from what most of them are experienced with—and concentrating more so on what it is they are there to do. As an additional step, I spoke with the Black Rod on Friday. We are also looking at putting a PSS security officer on the Senate floor as well in case we have a similar occurrence there.

**Senator FAULKNER**—From what I saw, I would have thought that some of the attendants who were dealing with this issue warranted a note of appreciation for the way they handled it. Mind you, I was not there, but judging by the way it was reported they seemed to get the balance about right I thought in these circumstances.

**Mr Crowe**—I agree.

**The PRESIDENT**—I discussed the matter with the Black Rod last week, too, and there are a few issues that arise here, as Peter said. We currently do not have a security person on the floor of the Senate. One of the things about the Senate, as you would know, is that senators are closer to the action, closer to the galleries, than members of the House of Representatives are. One of the things we looked at was placing a security person on the floor of the Senate in a position where they can view the galleries where situations like this may occur. It is something we are only thinking about at the moment, but I do not think it is fair to expect our attendants to become security people. All sorts of issues are raised when you do that. The Black Rod, Peter and I are taking the matter very seriously.

**Senator FAULKNER**—I think you have the balance about right. That would be my assessment, for what it is worth. It is just one person's opinion. Some would unkindly suggest that, if this occurred in the Senate, probably nobody would notice. I am sure that that would be unkind.

**Senator MURRAY**—They would just be an addition to the crossbenches.

**Senator ROBERT RAY**—They would probably land in the National Party and just ask for a subsidy.

**Senator FAULKNER**—Mr President, you are thinking about the possibility of one extra body on the floor of the Senate.

**The PRESIDENT**—Yes.

**Senator ROBERT RAY**—Would that be just during question time or more broadly?

**The PRESIDENT**—I have not thought about that yet, but it would definitely be in question time for a start, because that is when the activity happens.

**Senator ROBERT RAY**—That is what I would have thought.

**The PRESIDENT**—It happens in the other place more than it does in the Senate.

**Senator FAULKNER**—I suppose when Senator Tierney was making a speech people would be more likely to run out of the chamber than to jump into it. I want to ask a question about the courtyard at the front of Parliament House.

**The PRESIDENT**—The scoria. That is how it is referred to.

**Ms Penfold**—The gravel out the front.

**Senator FAULKNER**—What is happening out there?

**The PRESIDENT**—Major works, as you can see. This matter came to my attention and the Speaker's attention some time back. The amount of money involved was not insignificant. Without looking at it too critically I could not see what the problem was, but we had an inspection and were amazed to see the extent of the deterioration. Large cracks were appearing that may have become a severe safety hazard, particularly to the large numbers of tourists who walk across the area. There was a general deterioration in that surface. So, on the recommendation of the former Joint House Department, the Speaker and I took the decision to get the works done and get the matter rectified as soon as possible. That has been occurring during the break. That is why, when we came back, some people even thought we were putting in extra security arrangements, but that is not the case. This work is necessary because there is significant deterioration of what is there.

**Senator FAULKNER**—But you said you could not see a problem.

**The PRESIDENT**—It was something I did not realise was happening. Once we went and had a look at it, and had pointed out to us what was physically happening, it was pretty obvious that something had to be done and had to be done reasonably quickly.

**Senator FAULKNER**—What was physically happening?

**The PRESIDENT**—Cracks were opening up between the sections.

**Senator FAULKNER**—How big were those cracks?

**The PRESIDENT**—I did not have a ruler with me, Senator Faulkner.

**Senator FAULKNER**—You said you could not see any problem.

**The PRESIDENT**—You cannot see any problem if you take a general look, as you and I do, as you drive past in the car. How often do you walk across the scoria? It is very rarely. It is like anything else. When it is pointed out to you on the spot, the deterioration is self-evident, particularly in some areas at the front where on official occasions the Federation Guard or whomever draw up. There is significant wear and tear. I believe maintenance was long overdue. That was the case that was put to us. Both the Speaker and I were a little sceptical, but once we viewed the situation it was self-evident that something had to be done.

**Senator FAULKNER**—How many square metres have been ripped up?



**The PRESIDENT**—I think we had better get someone else to answer those technical questions.

**Senator FAULKNER**—It is not that technical.

**Mr Smith**—I am unaware of the square metres, but I could ask one of my staff to give the exact number. Essentially the entire scoria surface at the front of the building has been removed and will be replaced before May.

**Senator FAULKNER**—At what cost?

**Mr Smith**—The contracted cost at this stage is \$1.47 million.

**Senator FAULKNER**—How big were the cracks between the pavers or stone? I suppose that is what it is.

**Mr Smith**—The surface is actually made with asphalt which then had the scoria stone embedded on the surface. The cracking in there was at least 50 millimetres in width. What progressively has been happening is that, with the expansion and contraction of that surface in summer and in winter, the cracks have opened up and the loose gravel has fallen into the cracks. Then, when it has next tried to expand, it could not expand because there was nowhere for it to expand to. It then started to upheave, and that was what was causing the major trip fall hazards on the area. On several occasions my staff have trimmed off the upheaved asphalt, but it went beyond the point at which we could continue to do that. The other problem we were having there was that the asphalt, with it no longer having any expansion joints available to it, was starting to push the stone sets at the bottom of Parliament Drive out of their settings and, if we left it undone, would have caused the need for other major works that would have cost several million dollars more.

**Senator ROBERT RAY**—In putting a new surface down, are you avoiding the same problem replicating itself into the future?

**Mr Smith**—Yes. We have had the surface completely redesigned with much better expansion joints. Also, the expansion joints have been designed to prevent the loose gravel from falling into the expansion joints and stopping the expansion.

**Senator ROBERT RAY**—In essence, it was the incompetence of previous architects that brought this about. That is the only conclusion I can draw.

**Mr Smith**—This was one of the last areas in the building that was completed. It is on the public record that there was a speeding-up of the process to complete the building, and there could have been some oversights in that.

**Senator FAULKNER**—It is still going to be a gravel surface, is it?

**Mr Smith**—Again because of design integrity issues we are not proposing to change the type of surface we have there. The architect chose a very specific colour and there are other architectural features, such as the sound that it made when you walked over it, which we are ensuring will still be there in the new design.

**Senator FAULKNER**—I did not realise that.

**The PRESIDENT**—Neither did I until I went into it. It is quite amazing how the unique part of Parliament House, right down to the sound of the crunching of gravel, was thought out.

**Senator FAULKNER**—The sound of other crunching takes place inside the building, I suppose! It will cost \$1.47 million and be finished by May?

**Mr Smith**—It will be finished in May.

**Senator FAULKNER**—Are you getting many complaints about access arrangements and the like?

**Mr Smith**—I am unaware of any complaints. I know we did put some lights there on Friday night because of functions happening in the Great Hall. The barricade we put up for the construction workers was stopping the light from the perimeter lights getting into the centre of the building, so we now have lights there. I am unaware of any other complaints. The figure is \$1.479 million, not \$1.47 million.

**Senator FAULKNER**—Thanks for that. I did note an article in the *Canberra Times* newspaper—and you would not have seen that, Mr President, because it does not go to Tasmania and obviously you do not read the Senate clips—

**The PRESIDENT**—I do.

**Senator ROBERT RAY**—Nor are there any fax machines going down there!

**Senator FAULKNER**—No.

**Senator ROBERT RAY**—It will come!

**Senator FAULKNER**—You make it sound like a bit of a backwater sometimes when you say you cannot get any of these things down there.

**Senator ROBERT RAY**—There is one of the best modern cricket grounds in the world down there now.

**Senator FAULKNER**—It has a very nice media centre. But you cannot get the Senate clips faxed to you down there?

**The PRESIDENT**—My staff bring to my attention matters such as this.

**Senator FAULKNER**—Did they bring to your attention the article in the 16 January 2004 issue of the *Canberra Times* ‘Something’s wrong at Parliament House’?

**The PRESIDENT**—I am not aware of that.

**Senator FAULKNER**—It is a staff issue, I suppose. If you read the article, Ms Ellis, the member for Canberra, had had raised with her the issue of a constituent who had been apparently photographing Parliament House from the side of the building as opposed to the front. Someone wanted to take a photograph and not have the excavations and so forth as the key element of their photograph and took it at the side. It is alleged that this complainant was confronted by guards on bicycles because of a so-called security issue. Is there any standing advice in relation to where one can or cannot take photographs at Parliament House?

**The PRESIDENT**—My staff did bring that matter to my attention, and there may have been some misunderstandings. There are protocols regarding photography in and around Parliament House. Perhaps Peter Crowe could give you better advice on that.

**Mr Crowe**—There is no restriction on individuals using cameras whatsoever throughout the precinct, except we have a restriction on the use of Parliament House as a backdrop for commercial type photography. There are protocols where a commercial organisation can request the use of the facility as a backdrop, and we normally go through an approval procedure for it. In this particular instance, the individual was observed taking photographs through one of the H fields into the internal courtyards at the corners of the building. The camera that he had appeared to be a fairly expensive piece of gear, and it looked as though it may have been a commercial camera. So that is what resulted in the security guard approaching him in the first instance, just to see what he was doing. When the individual replied that he was just taking photographs for his own use, he was allowed to go on with it, but subsequently, a bit later in the afternoon, the security guard on a bike again found the individual standing in the garden outside the Senate entrance. He appeared to duck down and try to hide when the security officer approached him to ask him to get out of the garden.

**Senator FAULKNER**—Did you get to the bottom of what this character was on about?

**Mr Crowe**—He was just taking personal photographs, and that is the issue. But the whereabouts and the location that he was taking them—in the garden, primarily—and the fact that he appeared to look as though he was trying to hide raised the suspicion of the security officer.

**The PRESIDENT**—The Speaker and I have already written to Ms Ellis about this matter. I did not recognise originally, when you started talking about what is wrong with Parliament House, that that was the issue you were raising.

**Senator FAULKNER**—But, apart from commercial constraints, there are no limitations on people outside the building in terms of photography.

**Mr Crowe**—Not at all. In fact, it happens every day, all over the precinct.

**Senator FAULKNER**—That is what I would have thought.

**Mr Crowe**—We also have television cameras out in the corners using the House as a backdrop for news events and the like on a regular basis.

**Senator FAULKNER**—So you have written to the *Canberra Times* and explained this situation?

**Mr Crowe**—No, we have responded to Ms Ellis in this case. I actually was contacted by the *Canberra Times*—telephoned about the issue—and I explained to the reporter.

**Senator FAULKNER**—It does record the fact that you were asked that question. Anyway, it is useful to understand where the matter has concluded. If you have responded to Ms Ellis, that is—

**The PRESIDENT**—I have. I think, Senator, you would be disappointed if a security officer did not take some notice of somebody acting unusually or suspiciously in the precincts of Parliament House.

**Senator ROBERT RAY**—You could have knocked someone off for a doorstep last Thursday night, if that was the case.

**The PRESIDENT**—Is that right?

**Senator ROBERT RAY**—Yes. Just outside the PM's suite, I understand.

**Senator FAULKNER**—I do not have any other questions.

**CHAIR**—Are there any other questions for the Department of Parliamentary Services?

**The PRESIDENT**—Before we conclude, Mr Chairman, during the break I looked into the matter Senator Faulkner raised about the Wallabies reception that was held on 25 November. As you would know, it is required that functions held in the Members Hall are a parliamentary event, and in this case it was the Prime Minister as a joint host with the Presiding Officers. My office was contacted by the Ceremonial and Hospitality area of the Department of the Prime Minister and Cabinet on 21 November to ask whether I would agree to a reception being held for the Wallabies on 25 November. They advised that the cost would be borne by PM&C in accordance with the usual practice. We agreed and arrangements were made for all senators and members to be invited at that point in time. As I said, I checked during the break and I have been told that an officer from the ceremonial area of PM&C did telephone Joint House Department on 24 November to cancel the reception, given that the Wallabies were not victorious. I am also advised that when the officer from PM&C checked with the Prime Minister's office they were told that the Wallabies reception should still proceed.

**Senator FAULKNER**—So an officer from CERHOS contacted officials here on 24 November to cancel the Wallabies function?

**The PRESIDENT**—Yes, but when they checked with the Prime Minister's office they were told to proceed.

**Senator FAULKNER**—We will see about that.

**Senator ROBERT RAY**—Who checked with the Prime Minister's office? Was it the people who were told to cancel, not CERHOS?

**The PRESIDENT**—The officer from the ceremonial area rang the Joint House Department to cancel the reception, then they rang the Prime Minister's office and were told not to cancel.

**Senator FAULKNER**—Who is 'they'?

**Senator ROBERT RAY**—That is all we are asking.

**The PRESIDENT**—An officer from the ceremonial area.

**Senator FAULKNER**—How can you answer on behalf of an officer from CERHOS?

**The PRESIDENT**—I had one of my staff check with them during the break.

**Senator FAULKNER**—We will ask those questions at the Prime Minister and Cabinet estimates.

**The PRESIDENT**—I thought that, to clear up the matter, I would take some advice myself.

**Senator FAULKNER**—I do not think it clears it up at all.

**Senator ROBERT RAY**—Mr President, I am trying to follow this. The officer from CERHOS rings up and gets it cancelled. Did that officer then ring the Prime Minister's office to say, 'I've cancelled it,' and they were told, 'Hold on, no, we're not cancelling it'? Is that what you are saying?

**The PRESIDENT**—Basically, I think that is it.

**Senator ROBERT RAY**—It was not Joint House that contacted the Prime Minister's office?

**The PRESIDENT**—No, it was the officer from the Ceremonial and Hospitality area of Prime Minister and Cabinet.

**Senator ROBERT RAY**—Do we know who that officer was?

**The PRESIDENT**—I do not know; you will have to ask them.

**Senator FAULKNER**—We will.

**CHAIR**—For the record, I add that the committee acknowledges the receipt of a letter dated 11 February 2004 from the secretary to the department, Ms Penfold, together with accompanying documents outlining the department's additional estimates statements. These documents were published on receipt and are available from the committee secretariat. As there are no further questions, that completes the examination of the parliamentary departments. I remind you that the committee has set 31 March 2004 as the date for the submission of written answers to questions that are taken on notice. I thank the President and the officers for their attendance.

**Proceedings suspended from 11.28 a.m. to 11.40 a.m.**

**PRIME MINISTER AND CABINET**

Senator Hill, Minister for Defence

**Department of the Prime Minister and Cabinet****Executive**

Ms Patricia Scott, Deputy Secretary

Mr Andrew Metcalfe, Deputy Secretary

Ms Jenny Goddard, Acting Deputy Secretary

**Economic policy advice and coordination**

Dr James Horne, First Assistant Secretary, Industry, Infrastructure and Environment Division

Mr Stephen Clively, Assistant Secretary, Infrastructure and Regional Policy Branch

Mr Sean Innis, Assistant Secretary, Energy Task Force

Mr Stuart Sargent, Acting First Assistant Secretary, Economic Division

**Social policy advice and coordination**

Ms Kerry Flanagan, First Assistant Secretary, Office of the Status of Women

Ms Jill Farrelly, Assistant Secretary, National Policy and Programs Coordination

Ms Jenny Bourne, Assistant Secretary, Strategic Policy and Development

Ms Joanna Davidson, First Assistant Secretary, Social Policy Division

Mr Simon Cotterell, Acting Assistant Secretary, Education, Immigrations and Indigenous Policy Branch

**International policy advice and coordination**

Ms Gillian Bird, First Assistant Secretary, International Division

Mr Miles Jordana, First Assistant Secretary, National Security Division

Dr Wendy Southern, Assistant Secretary, Domestic Security

Ms Julie Yeend, Assistant Secretary, Ceremonial and Hospitality

**Support services for government operations**

Ms Barbara Belcher, First Assistant Secretary, Government Division

Mr David Macgill, Assistant Secretary, Parliamentary and Government Branch

Mr Alex Anderson, Assistant Secretary, Legal and Culture Branch

Mr Paul O'Neill, Assistant Secretary, Awards and National Symbols Branch

Mr Peter Hamburger, First Assistant Secretary, Cabinet Division

Mr Greg Williams, First Assistant Secretary, People, Resources and Communications Division

Mr Chris Taylor, Assistant Secretary, Government Communications Unit

Dr Susan Ball, Assistant Secretary, Information Services

Ms Judy Costello, Assistant Secretary, People and Resource Management

Ms Trish Corbell, Acting Senior Adviser, Official Establishments

Ms Marina Belmonte, Senior Adviser, Financial Management

**Australian National Audit Office**

Mr Oliver Winder, Deputy Auditor-General

Mr Michael Watson, Group Executive Director, Audit Assurance

Mr Trevor Burgess, Group Executive Director, Audit Assurance

Mr John Meert, Group Executive Director, Performance Audit  
Mr Warren Cochrane, Group Executive Director, Performance Audit  
Mr Russell Coleman, Executive Director, Corporate Management Branch

**Office of National Assessments**

Mr Peter Varghese, Director-General  
Mr Derryl Triffett, Assistant Director-General, Corporate Services  
Mr Doug Kean, Assistant Director-General, Strategic  
Mrs Margaret Bourke, Senior Executive Officer

**Office of the Inspector-General of Intelligence and Security**

Mr Bill Blick, Inspector-General

**Department of the Prime Minister and Cabinet**

**CHAIR**—I welcome Senator Hill, Minister for Defence, and officers of the department. Senator Hill, do you wish to make an opening statement?

**Senator Hill**—No.

**CHAIR**—In that case we will go to general questions and then we will work through the output groups.

**Ms Scott**—Senator, before we do can I make a statement? It was recently announced that Mr David Borthwick, who is a deputy secretary in the department, will be promoted to Secretary of the Department of the Environment and Heritage. David joined the Department of the Environment and Heritage on Monday, 9 February. The Secretary has not finalised his replacement. In September 2003, Jeff Whalan, Deputy Secretary of Social Policy Group, was appointed to the Health Insurance Commission. I replaced Jeff in late September.

**CHAIR**—Welcome, Ms Scott.

**Senator ROBERT RAY**—Welcome to the majors.

**Senator FAULKNER**—Mr Metcalfe, you are probably in the best position to answer this question: are there any standing instructions or protocols in relation to the answering of questions on notice in PM&C? I do not know if it is best directed to you, but I thought I would start with you.

**Ms Scott**—Senator—

**Senator FAULKNER**—It is obviously Ms Scott.

**Ms Scott**—Yes, I think the baton has been passed to me. We try and get answers on time to the Senate and to the committee. We regret the delay that occurred this time.

**Senator FAULKNER**—Thank you. Are there any internal protocols in relation to timing and the answering of questions? I appreciate the point you make about the last estimates round, and we can deal with that later. I am thinking more broadly about the approach of the department to the answering of questions on notice.

**Ms Scott**—The general guidelines we follow that relate to presentation of evidence to the committees are relevant. We also have meetings with our staff to move the answering of questions along. I cannot refer to one document of protocols, but there are the general guidelines. We strive to meet the deadlines in every case.

**Senator FAULKNER**—When you say ‘general guidelines’, can you point me to those guidelines or where I might find them?

**Ms Scott**—I am referring to the ones that relate to the presentation of evidence to committees generally. Ms Belcher can give you the exact title.

**Ms Belcher**—The guidelines to public servants generally are that answers should be provided within the deadline set by the committee.

**Ms Scott**—I have found the document. It is the *Government guidelines for official witnesses by parliamentary committees and related matters, November 1989*.

**Senator FAULKNER**—I know that document very well. Is there any separate or additional guidance for PM&C in relation to this?

**Ms Scott**—Apart from informal guidance, I do not recall any further written documents.

**Ms Belcher**—I am not aware of any further written guidance. As Ms Scott said, officers are urged to provide draft answers in a timely way.

**Senator FAULKNER**—Is there any guidance that you might be able to tell the committee about concerning how witnesses at estimates committees respond to questions from senators? There is no need to point me to the same document. I know that document well.

**Ms Belcher**—Within the orientation program when officers start within PM&C and at the meetings where we discuss the briefing that needs to be prepared for estimates, there is general guidance about being open and accurate in our answering.

**Senator FAULKNER**—Sure. I accept that as a given. What about any guidance at all given in relation to whether a question should be answered if at all possible while witnesses are at the table or whether questions should be taken on notice at estimates committee hearings?

**Ms Belcher**—The general view is that taking questions on notice should be done when it is necessary. It is not something that should be done more than can be helped. If officers have answers and questions do not fall into a category where seeking the views of the Prime Minister is a requirement then the answers would be provided. There is no ruling that says, ‘Try to put things on notice if you can.’ It is the opposite.

**Senator FAULKNER**—So taking questions on notice from senators at committees like this, if the information is available, is a last resort or just does not occur?

**Ms Belcher**—Yes. If there is no reason why it should not be answered at the time, then it should be answered at the time.

**Senator FAULKNER**—What are the current procedures in the department for estimates officials in terms of preparation for estimates, if there is any?

**Mr Metcalfe**—In preparation for Senate estimates hearings, normally a meeting is convened by the relevant deputy secretary. I think Ms Scott would have convened a meeting some weeks ago in which the need for briefing of senior officers would have been discussed, the sorts of issues that might come up would have been considered and a briefing would have been commissioned accordingly. Subsequent to that there is a follow-up process to ensure that



those briefs have been prepared. So it is a process of us trying to think about the sorts of things we might be asked and being as ready as possible to deal with those issues.

**Senator FAULKNER**—Is there anything else apart from that process?

**Mr Metcalfe**—Not that I can think of. We think quite carefully about current issues and we will discuss them within the department and quite often discuss them with the Prime Minister's office as part of our normal preparation.

**Senator ROBERT RAY**—There is no ambush in this question: do you ever review the questions that are taken on notice and compare them with what you should regard the knowledge of the officer at the time? I know it has not been the practice much in PM&C to take questions on notice in order to avoid them, but in a couple of committees I have served on that has occurred, when we know that the witness at the table knows the answer but takes it on notice and there is no way we can prove our case. As officers, do you ever go back and say, 'You really should have been able to acknowledge that with your knowledge and experience and the fact that you have been dealing with that on a day-to-day basis? Would you then counsel the person?

**Mr Metcalfe**—I would not characterise it as a formal process where we would go back and say: 'Let's now do a debrief', or ask, 'Could we have done better?' I am certainly aware of a couple of occasions where we have gone back and had discussions about the fact that we were a bit surprised that we did not have that information available. Sometimes there is a reason for it, sometimes there is not. As always with these things, we try to learn from that. Obviously, there are occasions where I or one of my colleagues will say, 'Here is the information, and I think you'll agree that our approach is to be as helpful as we possibly can.' Sometimes we will say, 'Look, we'll need to check to see whether this figure is precisely right' or 'I'll come back if I've misled you inadvertently.' But our normal practice, as Ms Belcher says, is to be open.

Occasionally, both in this department and in my previous department, there have been times when I have been a little bit surprised that either I had not briefed myself as well as I should have or that colleagues were not as well briefed as they should have been. Part of our process in preparing for the next estimates, as I described to Senator Faulkner, is trying to think of the sorts of issues that are going to come up and then trying to make sure that we have our information available.

**Senator FAULKNER**—Ms Scott, let us then go to the last estimates round. It seems to me that the response by this department to questions on notice generally has been at a high standard in terms of the time taken to do those, as it should be. We have always taken the view that the Department of the Prime Minister and Cabinet ought to be setting examples to other departments and agencies. It seems to have been a less than good performance on this occasion. Do you think that is fair?

**Ms Scott**—We certainly did not meet the deadline of 16 January. We got effectively 63 questions on notice. We answered 53 on 5 February and we only have three questions outstanding at this stage. We supplied the answers as soon as we could. Our performance compared to the earlier estimates meeting has actually improved. While it is true that we did

not meet the deadline—I apologise for that again—our performance has actually improved compared to last estimates.

**Senator FAULKNER**—Are you able to say for us when those 63 were submitted to the Prime Minister’s office?

**Ms Scott**—No, I cannot. I can tell you when they were submitted to the committee. There were 56 submitted on 5 February. One response was provided on 12 February and three responses were provided on 13 February.

**Senator ROBERT RAY**—How many outstanding ones do you have?**Ms Scott**—Three.

**Senator ROBERT RAY**—And the delays on this occasion have been departmental delays rather than minister’s office delays?

**Ms Scott**—As you know, Senator, it is an iterative process.

**Senator ROBERT RAY**—Yes, I was about to say: sorry, I left out the word ‘iterative’. That is compulsory, but go on.

**Ms Scott**—We always endeavour to come in within the deadline. In this case, that was not possible. We hope to be able to respond to the three questions outstanding as soon as possible, when the information becomes available.

**Senator FAULKNER**—But can you indicate to the committee—I think you should be able to—when the first iteration of these answers went to the Prime Minister’s office?

**Ms Scott**—I do not have that information with me at the moment.

**Senator ROBERT RAY**—We tremble, but can you take it on notice if that is within your guidelines?

**Ms Scott**—We will take it on notice.

**Senator FAULKNER**—Separately of course, we have senators’ questions on notice. Can you give me an update please, Ms Scott, of how you are going with my questions—very good questions, I might say—in relation to the use of the Claridges Hotel in Mayfair, London by the Prime Minister that were lodged on 1 December?

**Ms Scott**—I will defer to one of my colleagues.

**Ms Yeend**—We have been making inquiries of the post. There are a reasonable number of details in that question. I am advised by the post and by the department of finance that all of the accounts that are required, particularly a British Telecom bill, have not yet been received to enable that question to be answered.

**Senator FAULKNER**—So what is the expected time the information will be available?

**Ms Yeend**—I hope soon. We are rather dependent on a British authority providing bills and for the acquittal of the accounts.

**Senator FAULKNER**—I look forward to the response. One of the questions taken on notice in the last round was a question I asked in relation to a consultant to the department, Mr Bolger, who was providing media liaison services for the Bush visit. You would be aware of that, Mr Metcalfe? Ms Yeend, you were also involved in that area, weren’t you?

**Ms Yeend**—Yes.

**Senator FAULKNER**—After the last estimates round the actual figure was published in the Commonwealth *Gazette* on 10 December. The figure was supplied to this committee on 6 February. Obviously, when I asked the question you did not have the figure available; I accept that. But the figure became publicly available on 10 December and this committee got the answer on 6 February. I would have thought with any sort of objective measure—I hope you would agree, Mr Metcalfe—that that is just not good enough.

**Mr Metcalfe**—It was essentially one of a whole range of questions that were being worked on together. It is our desire to try to provide as much information to the committee as we possibly can. It was one of a large number that came through clearance processes and whatever and was provided to the committee on 5 February. There was no attempt to hide the figure; as you said, it was published in the *Gazette*.

**Senator FAULKNER**—But it is an unusual circumstance in that the figure actually became public after the last estimates round and a long time before an answer was provided to the committee formally. Frankly, I think someone ought to have a look at that. That surely is not good enough. You will have a look at that for me?

**Mr Metcalfe**—We will have a look at that.

**Senator FAULKNER**—It is a standout example of a pretty poor effort.

**Mr Metcalfe**—You would not expect me to automatically agree with that.

**Senator FAULKNER**—Not automatically, but on reflection I would hope you would.

**Mr Metcalfe**—What it indicates is the way the questions are dealt with. They are usually grouped together for clearances. This was a particular one where the information was in the public domain. With the clearance processes—and bearing in mind that we are talking largely about a holiday period—that information became available to the committee in this form a couple of weeks ago.

**Senator ROBERT RAY**—On another whole-of-government issue, Minister, did you read the article by Mr Mark Forbes in last Saturday's *Age* entitled 'Government "warned" on intelligence'?

**Senator Hill**—I have read the article, yes.

**Senator ROBERT RAY**—I am not going to go to much of the specifics of it because that would lie elsewhere, but has there been any attempt to identify the intelligence official that backgrounded this reporter?

**Senator Hill**—I do not know of the internal processes that might have taken place since Saturday, which I think is when the article was published.

**Senator ROBERT RAY**—I ask PM&C this question because that is where most whole-of-government activities occur. Even though you could draw the conclusion that this was a Defence official, it is not absolutely clear. Whoever this official is is basically speaking on matters that should be confidential. Isn't that right?

**Senator Hill**—That just referred to an 'intelligence official'. The issue as to whether it specified a particular agency or department was one of the reasons I read the article. I would

not want to answer in a way that draws any conclusions on my assessment of the basis of the article, but obviously officials both legally and professionally should not be briefing journalists on sensitive matters, whatever the matters.

**Senator ROBERT RAY**—They should not be briefing journalists on what advice they gave government. This article, if it is truthful—and I have no reason to doubt that it is not—shows that the official is revealing advice given to government on fairly sensitive matters, doesn't it?

**Senator Hill**—Yes. But what I was trying to say is that you should not assume that the advices that are referred to in the article were in fact given to government. I found the piece quite mysterious. Maybe over time pieces of the jigsaw will be put together.

**Senator ROBERT RAY**—Getting back to my original question: at this stage you are not aware of any pending government investigation to find out where this leak—and I suppose that is not an inaccurate term for me to use—has come from?

**Senator Hill**—Except it is a bit different from some others. I found the article quite contradictory in parts. That is why I think it is unwise to draw too many conclusions from it and that is why I sought to answer on general principles, which are that officials are bound by both the law and good practice and should operate within those boundaries.

**Senator ROBERT RAY**—The article reads:

The official ... said a senior cabinet minister questioned an intelligence agency in the lead-up to the war over why its assessments of Saddam's WMDs were not as "gung-ho" as those of US counterparts.

I take it that is not a reference to you.

**Senator Hill**—It does not name the official or the minister.

**Senator ROBERT RAY**—You are a senior cabinet minister—even though you rate very lowly in the government official hierarchy, which is always offensive to us senators.

**Senator Hill**—We have discussed that on previous occasions. I do not know if it is referring to me.

**Senator ROBERT RAY**—You are conceding it might refer to you?

**Senator Hill**—I certainly thought it might when I saw it referred to a senior government minister within the intelligence area.

**Senator ROBERT RAY**—I think we can narrow it down to two.

**Senator Hill**—I am not sure about that.

**Senator ROBERT RAY**—Unless they are referring—and this would be even worse—to the security committee of cabinet, which would appal you and me.

**Senator Hill**—I would be particularly concerned if it was referring to me because that would mean that an official was talking to a journalist about questions that I might ask an official.

**Senator ROBERT RAY**—That would imply it would be DIO or DSD and not ONA or ASIS, wouldn't it?

**Senator Hill**—We tend, for obvious reasons, to work through our officials but we also do take advice from officials in other agencies.

**Senator ROBERT RAY**—Yes, that is understood. Chair, I have some other questions, and so does Senator Faulkner, but I think we will wait to ask them of the international division. They are a little bit more specialist, if you like, rather than generalist.

**CHAIR**—Are there any other general questions?

**Senator FAULKNER**—Mr Metcalfe, is there any expectation of a rollover in PM&C at the end of this financial year?

**Ms Scott**—At this stage a small underspend is suggested but, with recruitment, that underspend is likely to diminish.

**Senator FAULKNER**—Can you give me a dollar figure of the small underspend that is suggested?

**Ms Scott**—I think in late December we had an underspend of around one per cent.

**Senator FAULKNER**—Can you give me a dollar figure for that?

**Ms Scott**—We will come back to you with that information.

**Senator FAULKNER**—We might deal with this a little later. I would be interested in what the figure is. It sounds like you are taking some steps to try and minimise it—putting on a few more staff et cetera. Is that what you are going to do?

**Ms Scott**—That is right. We do have issues with recruitment.

**Senator FAULKNER**—That is best practice, is it, by Dr Shergold?

**Ms Scott**—Yes, Senator. We are trying to recruit up to our agreed staffing level. Sometimes that takes time because we operate in a very competitive market and we have to go through very rigorous security processes. We are seeking to finalise as much recruitment as possible.

**Senator FAULKNER**—After the lunch break you might come back with that figure and information on what steps have been taken internally to make sure that you minimise the amount that you are going to underspend.

**Senator ROBERT RAY**—I would have thought you would have already covered next year's one per cent efficiency dividend, or aren't we supposed to tell DOFA that yet?

**Senator BARTLETT**—Following on from an earlier theme about the time taken for responses, I know there was a question asked in the September estimates about the government's response to the CMI report. I was wondering where that is at now. It is over a year since the report was tabled.

**Mr Metcalfe**—I do not have a precise timetable as to when a response to the report might be provided. Ultimately that is a matter for the government. I do know that we have been working with agencies to provide their comments and input. There is one small aspect that we are still waiting on from one agency. I would expect the government would fairly soon consider the timing of its response.

**Senator BARTLETT**—So the bulk of the work that needs to be done by the department and other agencies has been done and it is before government.

**Mr Metcalfe**—It is not before government at this stage. We are still finalising some advice to government but I expect that should not take much longer.

**Senator FAULKNER**—We previously mentioned Mr Bolger who had a consultancy for media liaison during the visit by President Bush. Was there a plan for Mr Bolger to produce a formal report to PM&C?

**Mr Metcalfe**—He is a consultant to the department and normally we would expect a brief or a report following the completion of his activity.

**Senator FAULKNER**—Have you received such a report?

**Mr Metcalfe**—I think we have now received a final report.

**Senator FAULKNER**—It is substantial, is it?

**Mr Metcalfe**—I only saw it in its final form within the last week or two. I think it runs to maybe 10 or 15 pages. It is not a particularly lengthy report.

**Senator FAULKNER**—It is 10 or 15 pages—

**Mr Metcalfe**—From memory, Senator. That is the general size of the report.

**Senator FAULKNER**—He was paid \$15,771, wasn't he?

**Mr Metcalfe**—That was the total amount of the consultancy. I gather that that amount includes a GST factor and various other disbursements—telecommunications costs and whatever he was paid. I think we advised you of the rate of about \$75 an hour, but that \$15,000 was the total cost of the consultancy.

**Senator FAULKNER**—That is, as I work it out, about \$1,000 to \$1,500 per page.

**Mr Metcalfe**—I do not think we are measuring his work by the size of the report.

**Senator FAULKNER**—We were not until you told me it was such a flimsy report, but now I am.

**Mr Metcalfe**—No, I did not say it was a flimsy report, Senator—

**Senator FAULKNER**—No, you said it was a 10- to 15-page report. Can we actually get the precise number of pages, Mr Metcalfe?

**Mr Metcalfe**—I can confirm that while we are talking now, Senator, but I think to suggest that a 10- to 15-page report cost \$1,000 per page is not a correct way of describing the work done. There was an hourly rate paid for what was quite a substantial undertaking. The amount of time it takes to produce a report on that is really a separate issue.

**Senator ROBERT RAY**—When you say 'a substantial undertaking', what precisely did he do other than cave in to every American demand ever put on him?

**Mr Metcalfe**—I do not think that is a fair characterisation either, Senator. He was involved in the overall coordination of media arrangements for the visit of the President of the United States of America.

**Senator ROBERT RAY**—Now that some of the submissions to the Senate Standing Committee on Privileges are public documents, I recommend that you read at least the press's view of what role he played in terms of making arrangements. Basically, every request they

put to him was quite often just reversed by others, even if he had granted the requests. Don't you know that? The role that he played is an area of great controversy. Talk to any of the journalists here: they say they were treated like trash—and you have paid him \$15,000 for the privilege. I just hope you review it in future—not necessarily this individual; I am not picking on him—because the whole process just did not work.

**Mr Metcalfe**—I think it is a fair point, Senator. Obviously with all of these matters we look and see whether we can do it better or differently. That is not to concede that—and I am not suggesting that—Mr Bolger in any way did not do his job properly or to the best of his ability. Security issues and protocol issues associated with the visit of the President of the US are clearly issues where a number of people are involved in making decisions.

**Senator ROBERT RAY**—There are examples like this: Mr Bolger, through his activities, lines up three or four Australian photographers and puts them behind a rope. What happens 10 minutes later? Eight or 10 American photographers walk inside the rope, stand right in front of them, block their view—and nothing is done. The whole thing was a shambles.

**Mr Metcalfe**—Yes, but I think it is unfair to say that was Mr Bolger's fault or that it was an individual's fault in the same way that a television camera was clearly taken into the House of Representatives chamber, contrary to all instructions.

**Senator ROBERT RAY**—I am not saying it is Mr Bolger's fault. I am just wondering whether we learn a lesson that maybe—just maybe—we do not outsource these things in future, that we keep it under better control so there is fairness. This happened in 1966 during President Johnson's visit. The sovereignty of Parliament House was totally abrogated but for subsequent visits it was well handled—including under the Howard government when Clinton came. Suddenly there is an outbreak again, and all the Australian media are very badly done by. Promises are made and not delivered. So I am just hoping that, when this report comes out, it might trigger a rethink as to whether these things are properly outsourced in future or taken under government control.

**Mr Metcalfe**—Certainly I think that, for arrangements for any future visits of heads of government and heads of state, we need to think carefully about what happened last time and whether improvements need to be made. It is an issue that not only involves the Department of the Prime Minister and Cabinet but also the parliamentary departments and the embassy of the country concerned. I absolutely agree with you on that point. The issue of whether or not the matter should be insourced or outsourced was a subject of a bit of discussion of the last estimates. I do not think you were here.

**Senator ROBERT RAY**—No, I was not.

**Mr Metcalfe**—Ms Yeend made the point that, because we do not have a constant stream of visits occurring, we do have to make calculations as to whether we retain that capability inside the department or whether in fact we bring it in. That is an issue that we can continue to think about—whether we have someone with those skills in our direct employment, whether that would make a difference in these circumstances or whether it is a skill that we bring in for particular occasions.

**Senator ROBERT RAY**—It was just a suggestion. I would never suggest you keep those skills in the department if you are only going to use them every time it snows in Canberra—

that is for sure. But there are other elements of government—notably, Defence and Foreign Affairs—that have these sorts of people by the bucketful who you could have borrowed on this occasion, I would have thought. That is just a suggestion for the future.

**Mr Metcalfe**—We will obviously look at the optimal arrangements.

**Senator FAULKNER**—The report that comes forward comes to the department. Is that right?

**Mr Metcalfe**—That is correct.

**Senator FAULKNER**—Does it go to the PM's office?

**Mr Metcalfe**—I do not think so. I can check on that. It is a departmental consultant; it would normally come to the department.

**Senator ROBERT RAY**—Is that report FOI-able in the general sense?

**Mr Metcalfe**—Anything is FOI-able. Whether or not it is accessible under FOI we would have to consider if an application was made.

**Senator ROBERT RAY**—That is a good answer.

**Senator FAULKNER**—Could it be tabled at this committee?

**Mr Metcalfe**—I would have to check again.

**Senator ROBERT RAY**—It would save us 30 bucks.

**Senator FAULKNER**—I request that the report be tabled for the benefit of the committee.

**Mr Metcalfe**—I will take that on notice. It is an issue and we would need to examine the report closely. As I have said, I have read it but certain elements of the report or the entire report may go to issues on which we would wish to seek privilege and, as usual, we would need a view from the relevant minister. I will take that on notice.

**Senator FAULKNER**—Were there any other associated or accompanying costs on top of the hourly rate for that consultancy for \$15,771?

**Mr Metcalfe**—I asked the same question when I saw the response to the question whether this \$15,000 at \$75 an hour was an inclusive figure. The answer is no, as I said earlier. That figure includes the GST amount and some disbursements for telecommunications, telephones and whatever. I gather there may have been a couple of support staff who played some role as well.

**Senator FAULKNER**—They are all included in that?

**Mr Metcalfe**—It is my understanding that they are all included.

**Senator FAULKNER**—It is an inclusive figure. Has Mr Bolger managed to score any other consultancies with PM&C?

**Mr Metcalfe**—I can check on that and let you know during the course of the hearing. I think he had worked for us prior to this occasion. I do not think there has been a need for us to retain media skills in terms of the CERHOS subsequently, because we have not had a visit since that time.



**Senator FAULKNER**—On another matter, could you give me an update on the Senate reform consultative group?

**Mr Metcalfe**—This is section 57?

**Senator FAULKNER**—Yes, indeed. I am calling it the Senate reform consultative group, but perhaps there is a better terminology. Would the Brown committee be a better way—

**Mr Metcalfe**—Ms Belcher will have the correct terminology.

**Senator FAULKNER**—Perhaps I should ask, Ms Belcher, first of all: what is the correct terminology? As long as we know what we are talking about, I suspect it will be fine. Has it got a name?

**Ms Belcher**—It does have a name.

**Senator FAULKNER**—Good. It is probably about the only thing it has achieved.

**Ms Belcher**—It is called resolving deadlocks.

**Senator FAULKNER**—It is the resolving deadlocks committee, is it?

**Ms Belcher**—No. We just call the committee the consultative group.

**Senator FAULKNER**—That is very creative—the consultative group! How is the consultative group going?

**Ms Belcher**—The public presentations have been completed and the group is finalising its report. It is close to completing it and presenting it to the Prime Minister.

**Senator FAULKNER**—How many submissions were received?

**Ms Belcher**—There were 291 written submissions.

**Senator FAULKNER**—You would recall, Ms Belcher, that at the last estimates round I asked you whether these submissions would be made public.

**Ms Belcher**—Yes, Senator. The expectation is that they will all be made public except for cases where the person who submitted it has requested that it be held back. At this stage I am not expecting any in that category.

**Senator FAULKNER**—Are you expecting them to be made public at the time the report is made public?

**Ms Belcher**—That is right.

**Senator FAULKNER**—I heard what you said about the timing. Could you be any more specific about when we can expect to see the report of the consultative group?

**Ms Belcher**—I can tell you that a draft which the group has worked on has moved into what I think is the final draft stage. It was circulated last week. I cannot give you an exact time but I do think that it is very close.

**Senator FAULKNER**—There were a range of public forums that were convened by the consultative group. That is correct, isn't it?

**Ms Belcher**—That is right.

**Senator FAULKNER**—As I understand it, they were in Canberra, Perth, Adelaide, Darwin, Hobart, Melbourne, Brisbane and Sydney. Is that correct?

**Ms Belcher**—Canberra, Perth, Adelaide, Darwin, Hobart, Melbourne, Brisbane and Sydney.

**Senator FAULKNER**—Are you able to say, on this very important issue, how many members of the public attended each of those forums?

**Ms Belcher**—I can give you a total figure and an estimated breakdown. The total figure is 237.

**Senator FAULKNER**—In all the capital cities?

**Ms Belcher**—A total figure.

**Senator FAULKNER**—That is 237 people attending the eight forums?

**Ms Belcher**—Yes, members of the public. That is excluding the officials.

**Senator FAULKNER**—Yes, there were probably 237 officials. So there were 237 members of the public. What is the breakdown in the cities?

**Ms Belcher**—Canberra, 15.

**Senator FAULKNER**—That is a good attendance.

**Ms Belcher**—Perth, 30; Adelaide, 14.

**Senator FAULKNER**—There was not much interest there.

**Ms Belcher**—Darwin, 14.

**Senator FAULKNER**—The same as Adelaide.

**Ms Belcher**—Hobart, 26. Melbourne has an estimated figure of 60. It is within one or two of that. We just do not want to be too precise.

**Senator FAULKNER**—I am sure that is bumped up to a maximum figure. Senator McGauran did the count, I take it.

**Ms Belcher**—Brisbane, 35; Sydney, 43.

**Senator FAULKNER**—Would you describe these forums as failures, Ms Belcher?

**Senator ROBERT RAY**—That is for the minister.

**Ms Belcher**—I would not call them failures. I think numbers are indicative of interest.

**Senator ROBERT RAY**—What would you say, Minister? I think it was an unfair question. I have just rebuked my colleague. Was it a good rollout, do you think?

**Senator Hill**—I am sure the quality was very high, particularly the South Australian contribution.

**Senator ROBERT RAY**—How many of your relatives were in the 14?

**Senator FAULKNER**—That is not typical of Adelaide stacking, is it, only 14? You can do a lot better than that, I am told.

**Senator Hill**—We are very much into reform.

**Senator ROBERT RAY**—Do you think you should hold the next meeting in the electorate of Wentworth and roll out a crowd?

**Senator FAULKNER**—Of the 43 in Sydney, was Mr King or Mr Turnbull involved? I doubt it. Can you tell me the cost of putting these things on?

**Ms Belcher**—Yes. Would you like a breakdown of the costs at each place rather than total costs?

**Senator FAULKNER**—I am going to go through all the costs of this debacle, so I am happy for you to go off the top, if you like, Ms Belcher—however you would like to do it.

**Ms Belcher**—I will give you venue costs first. Total venue hire was \$5,794.

**Senator ROBERT RAY**—What are the other costs?

**Ms Belcher**—The total cost of what we had spent up to early February was \$117,000.

**Senator ROBERT RAY**—When you say ‘total costs’, what are you talking about?

**Senator FAULKNER**—Is that travel for the committee and sitting fees for the committee and all that sort of thing?

**Ms Belcher**—It is sitting fees, departmental costs, advertising and publicity.

**Senator ROBERT RAY**—When you say ‘departmental costs’, I am not sure what is involved there.

**Ms Belcher**—That would be accommodation costs for PM&C officials, travelling allowance, airfares—

**Senator FAULKNER**—How many PM&C officials accompanied the 14 people in Adelaide to the meeting?

**Ms Belcher**—One PM&C person attended each meeting, but there was also a person engaged to support the group—a former officer of the department—who also travelled.

**Senator FAULKNER**—So you had the three members of the committee, plus one serving PM&C official and a—

**Ms Belcher**—Yes, but we varied it. It was not always the same person.

**Senator FAULKNER**—Would that other person be a consultant? I would hate to use the terminology ‘plus a consultant’.

**Ms Belcher**—It is a person who is engaged as a temporary part-time SES employee.

**Senator ROBERT RAY**—I just want to make sure I have got the concept of this right. The actual consultative process, including venue costs and everything else, is \$117,000.

**Ms Belcher**—Yes, that is right. That figure of \$117,000 includes everything other than work that people within the division carried out to support it.

**Senator ROBERT RAY**—It is the cost of the consultative work, not work done within the division on it?

**Ms Belcher**—Yes, that is right.

**Senator ROBERT RAY**—So that works out at \$468 per person who has attended meetings so far. Or is my maths wrong, because it is very dodgy?

**Senator FAULKNER**—It is just about right, I think.

**Senator BRANDIS**—Are those figures all attributable exclusively to the seminar? Or do they embrace other work of the task force, whatever it is called?

**Ms Belcher**—It covers every aspect of the consultative group's work, which takes in their travelling time. Perhaps it would be better, because not all the bills are in, if I were to give you the estimated total cost.

**Senator FAULKNER**—Yes, or is it possible to get a document that goes into the breakdown for this?

**Ms Belcher**—Yes, I think it probably would.

**Senator FAULKNER**—Because in about one minute Senator Mason, who is noted for strictly adhering to the time scheduling of this committee, is going to say enough is enough, and we would obviously like more details about the extraordinary costs of this ill-advised exercise. If that could be prepared over the luncheon break, it would be helpful.

**Senator ROBERT RAY**—If it already exists we would like a copy before the luncheon break, unless it has to be checked to make sure there is no confidential stuff or anything then that would give us less time to look at it over the lunch break. It would be a great advantage not to hand it over now, unless you want to do the decent thing, Mr Metcalfe? I can see you want to.

**Senator FAULKNER**—And I think Senator Ray has made the first mistake he has made this morning—I have made a number—because I think the figure is \$493.67 per person. One of us might have the maths wrong, I do not know.

**Senator ROBERT RAY**—I think yours would be right, because I just did it in my head like that.

**Senator FAULKNER**—It is very impressive.

**Mr Metcalfe**—I want to make the observation that that is an interesting figure, but the figures we have been talking about are for the total process and Ms Belcher has indicated there has been a large number of witnesses.

**Senator FAULKNER**—Do you have catering at these venues, Ms Belcher? Were people encouraged by the provision of tea and scones to come along?

**Ms Belcher**—The only one I attended was the Canberra one, and there was no catering. I do not believe there was catering at any of them, but I do not know. I would need to check.

**Senator ROBERT RAY**—To cut a long story short, can we have that list with the breakdown now or do you need to check it?

**Ms Belcher**—There are some names—let me just look at it quickly. I think it is probably okay to give it to you pretty promptly, but let me just have a quick look at it.

**Senator FAULKNER**—I can confidently predict that we will probably come back to this issue after the break.

**Proceedings suspended from 12.30 p.m. to 1.37 p.m.**

**CHAIR**—The committee has received the estimated budget of the consultative committee that is concerned with resolving deadlocks, and it is now a public document. Thank you for that, Mr Metcalfe and Ms Belcher. I think, Mr Metcalfe and Ms Scott, you had a couple of other matters to raise with the committee.

**Ms Scott**—I was asked a question earlier this morning about the likely underspend in departmental expenses. Page 43 of the additional estimates statement indicates that the expected net surplus for the department is \$450,000, which is less than one per cent of our expenses as a department.

**CHAIR**—Thank you, Ms Scott.

**Senator FAULKNER**—Ms Scott, could you point that out to me again? Did you say page 43?

**Ms Scott**—Yes, page 43. Go to the shaded column and down to the bottom. The last line, the net surplus or deficit attributable, is \$450,000. The \$57,540 is the comparable figure you are looking at.

**Senator FAULKNER**—Thank you for that. Are there any indications of what the plans are in relation to the \$450,000?

**Ms Scott**—Yes. One per cent is a reasonable safety margin, although we prefer not to have a substantial underspend. As I indicated earlier, we have approached divisions and asked them to finalise any recruitment that is already in train and to proceed promptly with that process. In the event that we end up with a small surplus along the lines of the figure mentioned there, we would be seeking to rebuild our reserves, particularly as it relates to accumulated liabilities on employee provisions.

**Senator FAULKNER**—What happened to the \$733,000 surplus for 2002-03?

**Ms Costello**—That was paid into our departmental reserves to make provision for employee and other expenses. You have a reserves amount.

**Senator FAULKNER**—What is it being used for?

**Ms Costello**—Under the accrual system you have to make provision for long service leave and recreation leave.

**Senator FAULKNER**—And that \$733,000 has been used to make provision for those two?

**Ms Costello**—Yes.

**Senator FAULKNER**—Anything else?

**Ms Costello**—You could use it more generally for other expenditure within the department if you chose to do so, but generally we would put it into our general reserves.

**Senator FAULKNER**—I do not necessarily expect you to have all this detail at your fingertips, but can you take on notice what it might have been used for in this case—a precise breakdown, a disaggregation? Can we get that, Mr Metcalfe?

**Mr Metcalfe**—We can do that, Senator. Before the break Senator Faulkner asked about Mr Bolger's consultancy and I undertook to check the accuracy of my comments. I can confirm that the total value of work associated with his consultancy is as described in our response to question on notice 44—that is, \$15,771.25, including GST. Senator Faulkner also asked whether Mr Bolger had undertaken any other work since the President Bush visit. The answer is no, he has not undertaken any further work for the department since that time. Indeed, there has been no other visit of that nature which would mean that we would normally look for that type of advice. I would also add that Mr Bolger is not the only person who does that work for the department. We would look at a range of people in terms of any future work on those issues.

**Senator FAULKNER**—Are you able to give me a precise figure as to the number of pages in Mr Bolger's consultancy report?

**Mr Metcalfe**—I am still checking; I will come back to you.

**Senator FAULKNER**—So it is still somewhere between 10 and 15.

**Mr Metcalfe**—That is my recollection but I will check that precise fact.

**Senator FAULKNER**—I thank Ms Belcher and Mr Metcalfe for tabling the document relating to resolving deadlocks and the estimated budget. It looks like there is going to be a bit of a blowout there.

**Mr Metcalfe**—In what sense, Senator?

**Senator FAULKNER**—The amount budgeted was \$167,326 and it looks like the estimated final costings will be \$201,341.01—unless I am misreading it.

**Ms Belcher**—That is right, Senator. We are receiving, through additional estimates, an amount of \$1.67 million and there will be a shortfall. That will be an amount that the department will pick up.

**Senator FAULKNER**—It will be about \$34,000-\$35,000 by the look of this. Why weren't the costs of the discussion paper budgeted for? Reading this document, it appears as if it was not budgeted for. I may be misreading it, so please tell me if I am.

**Ms Belcher**—The budget was put together at quite an early stage—September-early October. We just did not have a quote. The amount budgeted could not be precise at that stage. We just were not able to come up with anything.

**Senator FAULKNER**—I understand that, but you just put a nought there. I thought the discussion paper might have been decided on a little later in the process. That is a possible explanation.

**Ms Belcher**—At that stage we did not know, for example, how many pages it would be or anything like that. We did not believe we were coming up with an absolutely precise figure; we knew there were still a number of uncertainties.

**Senator FAULKNER**—No legal costs were budgeted for, but now it looks like it will be \$5,826—that is the current estimate. What does that involve?

**Ms Belcher**—That involved a complaint from the honorary president of the Blind Citizens Australia organisation. They made a complaint that we did not have the discussion paper available in formats for vision impaired people at the same time as the printed version became available, so that was an issue on which we needed some legal advice. The complaint was dealt with by the Human Rights and Equal Opportunity Commission, and we signed a deed of agreement in January.

**Senator FAULKNER**—So the Commonwealth was effectively the defendant in this case.

**Ms Belcher**—That is right.

**Senator FAULKNER**—Was this action taken under the Disability Discrimination Act?

**Ms Belcher**—That is right. We took action immediately to ensure that copies were available in both braille and audio versions.

**Senator FAULKNER**—In the advertising publicity section of this budget the name Mark Croxford appears. There is no budget for Mr Croxford; what did he do?

**Ms Belcher**—It was decided that we would use someone who could assist us in publicising the public meetings. So we engaged him so that he could maximise the awareness of the process of public consultation.

**Senator FAULKNER**—That does not seem to have worked very well, does it? The public awareness resulted in 237 people nationwide, from every capital city in the country.

**Ms Belcher**—There can be various reasons why people might not turn up. It might be that there was not adequate publicity, or it might be that they had other reasons for not turning up.

**Senator FAULKNER**—I will ask this without any spin because it is not a political point I am making at this stage: has the consultative group or the department done any assessment of the disappointing nature of attendances? As I say, we can put the political spin on that in a moment—and it is not be hard to do on this occasion—but I am more interested in whether any internal assessment has been made.

**Ms Belcher**—That will form part of the report of the consultative group. Even at the public meetings there was discussion by members of the public and the group about the numbers of people who were turning up. Comments at the meeting ranged from people saying, ‘Well, I was lucky to see this in the paper,’ to people saying, ‘I don’t know why people didn’t see it. I heard it on the radio and saw it in the paper a couple of times.’ So the reactions varied, but a section of the report that deals with that very issue of the public meetings themselves will go to the Prime Minister, and the understanding is that it will be made public.

**Senator FAULKNER**—So the consultative committee’s report has not yet gone to the Prime Minister?

**Ms Belcher**—No. As I indicated, I think it is fair to say that it is in the final draft stage. It went out to committee members towards the end of last week, with their latest changes. I am sorry I cannot give you a precise date, but I think I can say with some certainty that it is close.

**Senator FAULKNER**—We know of the plan to make it public. Will it be made public at the same time that it hits the Prime Minister's desk, or will it be at some time after that?

**Ms Belcher**—My understanding is that very soon after it reaches the Prime Minister it will be made public.

**Senator FAULKNER**—In the last estimates round, Ms Belcher, you informed this committee that the consultative group's role was simply to encourage debate on the subject matter. I think they were the words that you used, forever recorded faithfully in the *Hansard*.

**Ms Belcher**—It was to encourage interest and debate, but then to report back to the Prime Minister. That was a crucial part of it. In relation to the written submissions, we kept the group informed of the submissions that had been received. We advised them of who had made submissions and we provided them with a very brief summary. They received some of the submissions, but did not choose to read all of them, though the chair of the group may yet look at all of them. But, certainly, they saw some. We will be providing to the Prime Minister not only a copy of each submission but also a fuller summary of the issues raised in the submission. He will receive that and the report from the consultative group.

**Senator FAULKNER**—Have you done a tally of the number of submissions that are critical of the Prime Minister's preferred reform of section 57?

**Ms Belcher**—Not in the sense that I could give you numbers, no. Obviously the summary we have been doing would indicate whether there was support for either of the options or neither of the options and also other views that were put forward. In the sense of tallies or numbers, I do not have that information.

**Senator FAULKNER**—But the feedback has been overwhelmingly negative, hasn't it? This has been reported by the sparse number of people who have attended the forums and so forth.

**Ms Belcher**—I am reluctant to pre-empt the report. I think a reading of newspapers et cetera would give you a fair indication that there was not a major push in favour of change, but I really think that beyond that it is for the consultative group and the Prime Minister to speak on the issue.

**Senator FAULKNER**—Would you be able to confirm, on the basis of your estimated final costings for the resolving deadlocks issue, that the cost per person who attended the public meetings is \$849.54? There were 237 people, and the estimated cost is \$201,341.01.

**Ms Belcher**—I would have to say that that does not take into account things like printing the paper itself, distributing it in the various forms that you see there, postage costs et cetera. And it was on the basis of that paper that most people put in their written submissions. So I am not sure that that is an entirely accurate—

**Senator FAULKNER**—I can assure you that the arithmetic is correct, unless there has been a fault in the calculator and the buttons I pressed to make sure that I came up with that figure.

**Ms Scott**—It is more the outcome that is sought, isn't it? It wasn't as though the process was entirely directed to—



**Senator FAULKNER**—I would not ask you, Ms Scott, about the outcome that was sought. We would ask that of Senator Hill, if the Prime Minister on this occasion had taken Senator Hill into his confidence. Often he does not appear to, because Senator Hill cannot help us on these matters. But I would not ever ask you that, Ms Scott. I can assure you that I would only ask Senator Hill.

**Senator Hill**—I would have thought that inviting community participation within the project was a very good idea.

**Senator FAULKNER**—So you would consider this a fiasco, wouldn't you?

**Senator Hill**—No. The level of response is interesting in itself. It may tell us something.

**Senator FAULKNER**—Are you seriously suggesting, when in total 237 people nationwide attended public forums conducted by this consultative group in Canberra, Perth, Adelaide, Darwin, Hobart, Melbourne, Brisbane and Sydney, and the exercise cost in excess of \$200,000, that that is not a complete fiasco? Come on!

**Senator Hill**—What it seems to indicate is that there are not a lot of Australians that want to go out and participate in public debate on this particular issue. The conclusion you have drawn from that is something that we can speculate upon, but the important thing is to give the community the opportunity. I would have thought that that is something you would applaud.

**Senator ROBERT RAY**—I want to go back, because I think what Ms Belcher was saying—and I do not entirely disagree with her—was that maybe it is not fair to impute all these costs into a per-person figure. I want to establish what the cost of the Adelaide exercise was. I am going to take you through it and you can tell me where I am being unfair by putting things in or amortising in the wrong way, but at least we know directly the consultative group costs in Adelaide are listed as \$600. That is for accommodation. Is that right?

**Ms Belcher**—Yes, that is right.

**Senator ROBERT RAY**—It sounds like the government rate at the Hyatt to me, which is quite reasonable. What is their daily sitting fee?

**Ms Belcher**—That is pursuant to a Remuneration Tribunal determination: the chairman, \$479; and the members, \$427.

**Senator ROBERT RAY**—So it would not be unreasonable for me to say a one-day sitting fee for the Adelaide exercise so I do not inflate the figure. Airfares are business class I assume. Do we know which state the professor is domiciled in?

**Ms Belcher**—In rural New South Wales.

**Senator ROBERT RAY**—Would it be unreasonable to say that the return air fare from New South Wales and from Melbourne would be about \$700 per person? That is underestimating it, I know, but I think that would be a reasonable figure.

**Senator FAULKNER**—You are defining Sydney as New South Wales, Senator Ray. It is part of New South Wales.

**Senator ROBERT RAY**—I thought it was the only part of Australia that you cared about.

**Senator FAULKNER**—That is very unfair; I have a great breadth—

**Senator ROBERT RAY**—I think reasonably we could put down a figure for \$2,100 there. I will ignore taxis on this occasion, because I do not think they come to much. The cost for the PM&C officer in Adelaide was \$636. Was that a local or someone that came from Canberra?

**Ms Belcher**—They were from Canberra.

**Senator ROBERT RAY**—I will assume an economy airfare here at \$500, which would be fair enough. The advertising for the Adelaide meeting was \$1,078.

**Ms Belcher**—That is right, yes.

**Senator ROBERT RAY**—Is it fair to amortise part of Mr Mark Croxford's \$5,000 and put it towards Adelaide, or is that unfair?

**Ms Belcher**—I am not sure how I would go about doing that.

**Senator ROBERT RAY**—Why don't we discount him down to nothing, out of total fairness.

**Senator FAULKNER**—Dividing by seven I think would be fair.

**Senator ROBERT RAY**—No, I haven't at this stage. The Adelaide venue: \$1,115—I will knock off the 40c. That is about it. Is any of that challengeable? Senator Faulkner might have a question, because it will take me a while to add all this up.

**Senator FAULKNER**—I think you have to make a proportional allowance for Mr Craft too. That would be reasonable, wouldn't it Ms Belcher? Mr Craft, whom we know well at this committee, is the former PM&C SES officer that you spoke of. He has a wide range of experience, including at CHOGM, I think.

**Ms Belcher**—That is right.

**Senator FAULKNER**—We are aware of that, and we are aware of his professionalism. One assumes that part of that consultancy, \$8,740, would apply to the Adelaide exercise, wouldn't it?

**Ms Belcher**—Yes, it would. He would have been paid—

**Senator FAULKNER**—Yes, I thought so. You can add one-seventh of Mr Craft, so that is another \$1,100, being generous, while you are at it.

**Ms Belcher**—I am not sure that that is the way to do it, though, because he has put in time assisting the consultative group with writing the report.

**Senator FAULKNER**—Anyway, for Mr Croxford and Mr Craft and a proportion of the initial advertisement. Senator Ray is pretty generous the way he is doing that, but I have always said that he is pretty generous.

**Ms Belcher**—I am not going to enjoy doing this, but I need to tell you that it was a two-leg trip. I think there were two nights accommodation in Adelaide. I think you calculated one. There was also a private meeting there, I should point out—which explains why they were there for more than one evening.

**Senator ROBERT RAY**—There was about \$450 per person attending. We could have rented out the best restaurant in Adelaide at about—what is it, Senator Hill?—\$100 a head, without wine.

**Senator Hill**—The best restaurant? I would not know that. More modest restaurants, yes.

**Senator ROBERT RAY**—We could have got 60 or 80 people to some top restaurant and at least drawn a crowd.

**Senator Hill**—You could spend that at a modest restaurant, unfortunately.

**Senator ROBERT RAY**—Well, \$450 per head is—not inflating the figures at all—is hardly a great exercise.

**Mr Metcalfe**—We must point out that more people could have come. There was an open invitation.

**Senator ROBERT RAY**—Another two million could have come.

**Mr Metcalfe**—That is exactly right.

**Senator FAULKNER**—We are pointing out that they didn't.

**Mr Metcalfe**—What the minister pointed out before is that it is important that people have the opportunity. So to reduce the analysis to saying it was \$450 a head is interesting, but the reality is that more people could have come. You need to cater for that. In the event they didn't come, and the committee will no doubt comment on that. But to simply say this was an event that cost \$450 a head is not taking the full measure of the exercise into account, which was to provide an opportunity for people to comment on an important issue relating to the Constitution.

**Senator ROBERT RAY**—That is fair up to a point. It cost \$454 a head, and there was an opportunity for psychic celery in there that wasn't taken up.

**Senator FAULKNER**—Senator Hill, where is the process up to? Is the government proceeding apace on this—reform of section 57 of the Constitution? Or have you lost interest?

**Senator Hill**—Where is the process up to?

**Senator FAULKNER**—No, it is a political question. I wanted to ask you. It is not asking you about the government's commitment.

**Senator Hill**—The report will be received and considered, and the government will make decisions as to the next step to take.

**Senator FAULKNER**—Oh, really? So we can read into that, basically, that you have lost interest.

**Senator Hill**—No.

**Senator FAULKNER**—So you are very committed to the Prime Minister's reform agenda in this area—very loyal, Senator Hill?

**Senator Hill**—I think there is quite a strong argument for reform.

**Senator FAULKNER**—Oh, really? Obviously nobody else does.

**Senator ROBERT RAY**—Could you just point to one speech of yours between 1983 and 1996 where you advocated reform of section 57? I cannot recall it. I have obviously overlooked it. Is this a latter-day thought by you, is it?

**Senator Hill**—If you are asking my views, which may or may not be relevant to the committee, I think that the need to compromise practically every piece of at least consequential legislation in the Senate does not lead to the best outcome in terms of governance.

**Senator ROBERT RAY**—We agree with that. We were just wondering when you came to that conclusion.

**Senator Hill**—Because of the ideological, philosophical background of most of the minority senators that will team with the Labor Party and that are not prepared to support even sound reform processes, some of which are not particularly politically sensitive, it means that the outcome is as I have stated, and I do not think that is good governance. I do not see it changing for the foreseeable future with the number of senators that are elected at each half-Senate election. The Prime Minister, quite reasonably I would say in those circumstances, is exploring alternatives that could be put to the Australian people. The fact that it has cost a bit to do so hardly condemns the proposal. I think it is an issue well worthy of public debate even if some honourable senators on this committee do not.

**Senator ROBERT RAY**—I think the overall issue is worth addressing. I just think you have gone about it in a poorly organised way and wasted a lot of money. My question was: can you point out where you had expressed these views between 1983 and 1996?

**Senator Hill**—There was not the same issue before 1996, because the Labor Party could rely on the cooperation of the same minority senators.

**Senator ROBERT RAY**—Gee, I cannot remember that, as Manager of Government Business in the Senate for four years!

**Senator FAULKNER**—I have no further questions on the section 57 consultative group fiasco.

**Senator MURRAY**—I have a request that, when you do your analysis, you do a comparative table of attendance at similar events in the states. I suspect the Commission on Government in Western Australia got tens of thousands attending over their couple of years of examination of issues, admittedly on a broader front. But I think the attendance is much lower with those things that I am aware of that were comparative.

**CHAIR**—Another suggestion from the chair: I am not sure about attendances at these sorts of meetings but the Defence review a few years ago, with Mr Peacock and General Clunies-Ross, from memory did not get a great turnout either. That might be another comparison you could make. Are there any further general questions?

**Senator FAULKNER**—Yes. Can I ask the officers at the table whose decision it was to have an official function at Parliament House for the Wallabies after the Rugby World Cup final?

**Ms Yeend**—My understanding is that it was the Prime Minister's decision.

**Senator FAULKNER**—When was that decision taken?

**Ms Yeend**—I understand that the decision was taken to have a function, if the Wallabies team were successful, on Friday, 21 November. My officers booked it.

**Senator FAULKNER**—If the Wallabies team were successful?

**Ms Yeend**—I think that was the original understanding.

**Senator FAULKNER**—So it was made the day before the final, was it?

**Ms Yeend**—Yes.

**Senator FAULKNER**—It was the Prime Minister's initiative; is that right? His office contacted you?

**Ms Yeend**—His office contacted my area.

**Senator FAULKNER**—With the instructions 'if the team was successful, we would have an official function'? That is what you have said.

**Ms Yeend**—Yes. I do not think anybody was contemplating what would happen in the event of a loss. My office understood that it would go ahead on the basis of a successful Rugby World Cup.

**Senator FAULKNER**—As we know, what happened on Saturday was that the England team was successful in winning the Rugby World Cup final. What happened then?

**Ms Yeend**—A junior officer in my branch responsible for making the arrangements cancelled the booking.

**Senator FAULKNER**—This is the booking here at Parliament House?

**Ms Yeend**—Yes.

**Senator FAULKNER**—Why was that done? The understanding was that, if the Wallabies won, there would be a function.

**Ms Yeend**—Yes. The officer then was contacted by the Prime Minister's office, which had been speaking to the Australian Rugby Union, and the officer advised that, as the players could still make the function, it would be reinstated and the arrangements went ahead. There was a delay between the cancellation and the rebooking of perhaps a couple of hours.

**Senator FAULKNER**—The function was cancelled and then it was re-established?

**Mr Metcalfe**—I think the booking was cancelled.

**Ms Yeend**—The booking was cancelled.

**Senator FAULKNER**—You could not have the function without the booking, could you?

**Ms Yeend**—That is correct.

**Senator FAULKNER**—Surely the intention of cancelling the booking was to cancel the function, Mr Metcalfe. You are suggesting that I am inaccurately reflecting what occurred, but if you cancel the booking you are cancelling the function. That is the truth of it.

**Mr Metcalfe**—I am being precise because I think what an officer did on their own initiative was to cancel the booking.

**Senator FAULKNER**—Of course it would be the officer! I knew an officer would be blamed, as sure as eggs are eggs.

**Mr Metcalfe**—No, I am stating facts here. It is not a question of blaming anyone. I am simply stating facts. It is a relatively straightforward matter.

**Senator FAULKNER**—I know that the Prime Minister does not ring up and make the bookings himself, so of course an officer would first of all make the original booking and then an officer would cancel the function. No-one in their right mind would be expecting the Prime Minister to get on the phone and make these bookings.

**CHAIR**—Let Mr Metcalfe answer the question.

**Mr Metcalfe**—The point I was simply trying to make was that a booking was made for a function. We had certain understandings as to what the function would be for.

**Senator FAULKNER**—What were those understandings?

**Mr Metcalfe**—We have already told you—that, in the event of a success in the game, there would be a reception for the team.

**Senator FAULKNER**—Why did you have those understandings?

**Mr Metcalfe**—Sorry, there is some sequence in what I am trying to say here. The point I was making earlier about a booking being cancelled is that that in my mind is something different from a function being cancelled, because it was done unilaterally on the basis of an assumption. We did not check to see whether or not there was a desire for a function to be cancelled. We simply rang up and said, ‘We don’t think the booking is required any longer.’ Very quickly, within a couple of hours, our advice was that in fact there still would be a function and the booking was reinstated.

**Senator FAULKNER**—Who was to pay for the Wallabies to come to Canberra if Australia won the World Cup?

**Ms Yeend**—In general practice we do not pay for people to come to functions, so it would have been on the understanding that they would come under their own steam. But if I could go and have a look—

**Senator FAULKNER**—Are you sure of that?

**Ms Yeend**—Generally that is the practice with functions.

**Senator FAULKNER**—It may be generally, but I am asking what the case would have been with this function for the Wallabies if they had won.

**Ms Yeend**—I think that would be the case. It has been with other functions for successful sporting teams. We have not paid for them to get to Canberra.

**Mr Metcalfe**—We will correct our answer if that is not correct.

**Senator FAULKNER**—So the Australian Rugby Union paid for the travel of the Wallabies?

**Ms Yeend**—I am not aware of who paid. I do not believe that we did. It would be contrary to usual practice.

**Senator FAULKNER**—Didn't the accommodation issue become a real problem because of the cancelling of the function?

**Ms Yeend**—I understand that the arrangements were all done on the Monday. I think there might have been some accommodation issues. I read the article that you referred to previously. I do not believe that we were involved in securing accommodation, but I can check with the officer involved in making the arrangements.

**Senator FAULKNER**—When were the Wallabies or the Australian Rugby Union first informed that there would be a function at Parliament House?

**Ms Yeend**—I would have to talk to the officer concerned. I expect it would have been on the Friday, in relation to the possibility of the function going ahead, or it would have been after the Wallabies had not won the World Cup, in relation to the actual function going ahead. I understand the Prime Minister's office spoke to the Australian Rugby Union to see whether or not the team could be made available on the Tuesday. It was only as a result of those discussions that the function went ahead.

**Senator FAULKNER**—Who can assist us with all this? We will deal with CERHOS later in the day. There is a whole range of questions. I want to get to the bottom of this exercise.

**Ms Yeend**—The officer who arranged the function is not in the office today. I will do what I can to find out some further information.

**Senator FAULKNER**—Were the Wallabies accommodated in Canberra?

**Ms Yeend**—They may well have been.

**Senator FAULKNER**—I do not think they were. I know they may well have been, but the issue is were they?

**Ms Yeend**—It is not our responsibility.

**Senator FAULKNER**—Or were they in fact not even accommodated in the Australian Capital Territory?

**Ms Yeend**—I do not know. But in the same way that the office, when organising functions for the Prime Minister, is not responsible for arranging the transport nor is it responsible for organising accommodation, so we would not necessarily have knowledge of that. I would have to check with the officer concerned.

**Senator FAULKNER**—What are these sorts of functions defined as—official receptions? Is that the correct terminology?

**Ms Yeend**—I think so. They would just be receptions that are held from time to time. They have been held previously for successful cricketing teams. They happen very occasionally.

**Senator FAULKNER**—So if you achieve a fabulous sporting achievement of making the final of the Rugby World Cup, that is not sufficient; you have actually got to win. I want to know how it works.

**Ms Yeend**—There is no set procedure.

**Senator FAULKNER**—The only sporting teams that have these official functions are those that win. Is that what we are saying?

**Ms Yeend**—I understand that that has previously been the case but there is no set procedure.

**Senator FAULKNER**—Are there guidelines on this?

**Ms Yeend**—There certainly are not.

**Senator HILL**—The Olympic team came, did it not? Some athletes won, some lost.

**Senator FAULKNER**—Fine. In relation to individual sports—in this case, rugby union—what are the approved guidelines for holding these official functions? Do not forget, Senator Hill, this is the same Rugby World Cup final, at which the Australian Prime Minister put on a most churlish performance and some people—unfairly or otherwise—have drawn a link between the cancelling of this function and the performance that the Prime Minister put on at the medal presentation.

**CHAIR**—Senator Faulkner, those comments are not really in order.

**Senator FAULKNER**—What do you mean they are not really in order?

**CHAIR**—It is a reflection on the Prime Minister.

**Senator FAULKNER**—It is not a reflection on the Prime Minister. It is true. You know as well as I do how churlish he was at the function—everybody does. Some people are so concerned that they have raised with me, Senator Mason, that there is a link between the Prime Minister's behaviour and the cancelling of this function. I am just trying to get to the bottom of it. I do not rush to judgment, as you know, on these issues. I try to explore the situation. At the moment, we have found that the function was cancelled. A junior officer of the Department of the Prime Minister and Cabinet, who of course is conveniently not available, has been blamed for this and I am just trying to get to the bottom of it.

**CHAIR**—That is an opportune judgment—

**Senator FAULKNER**—I am pleased that you would not—

**Senator Hill**—Whilst Senator Faulkner can characterise the Prime Minister as he wishes, I do not think it is a view that is shared by most Australians. The second thing is that a junior—

**Senator FAULKNER**—Did you watch the presentation?

**Senator Hill**—I was lucky enough to watch it, yes.

**Senator FAULKNER**—I think you would agree that the Prime Minister was very churlish.

**Senator Hill**—No, I do not. A junior official cancelled the function and the Prime Minister reinstated it for the losing Australian side. Maybe there is some point to this line of questioning but it is not obvious to me.

**Senator FAULKNER**—You do not know, Senator Hill—I do not expect you to know—and you cannot answer these questions. Even Ms Yeend, who is very much across the detail of these sorts of things, cannot assist us today because unfortunately the responsible officer is not here. After picking myself up off the floor, with all surprise, we will keep battling on.

**Mr Metcalfe**—We are not trying to be unhelpful here. I think we have made it quite clear that we had certain understandings as to the basis of the function. On the strength of that, on the Monday morning someone just went ahead and thought it was not needed anymore



because unfortunately we lost. Very quickly it became apparent that a function was to occur and it was totally seamless in terms of people being notified. No-one had been notified about the function because it was an issue that was essentially undertaken on the Monday after the game had been played. On issues that go to accommodation and where people stayed, I suspect those are for the Australian Rugby Union, but we will check on that. I think the department went about its role diligently in a short time frame.

**Senator FAULKNER**—I am not suggesting the department was not diligent, Mr Metcalfe; I am just trying to find the reason for the function being cancelled. Senator Hill cannot help us. You were at the World Cup final, I gather, Senator Hill.

**Senator Hill**—Yes.

**Senator FAULKNER**—I am surprised you are not aware of the incident I am referring to. By that stage you must have lost interest.

**Senator Hill**—I did not see an incident in the terms that you describe it, no.

**Senator FAULKNER**—Who said the function should be re-established?

**Ms Yeend**—The Prime Minister's office.

**Senator FAULKNER**—Who?

**Ms Yeend**—Again, I would have to ask the officer concerned. I am not sure who in the office they were dealing with. I spoke to her this morning about it but I did not ask that specific question.

**Senator FAULKNER**—Did the department have any role in relation to the sculpture of the Prime Minister entitled 'If the boots don't fit'? Do you know the sculpture I am talking about?

**Mr Metcalfe**—Is this the one that appeared in front of Old Parliament House?

**Senator FAULKNER**—Yes, I have a photograph—again from the *Canberra Times*.

**Mr Metcalfe**—To the best of my knowledge, the department had no role in relation to that matter.

**Senator FAULKNER**—Really? You did not receive any communications from the Prime Minister's office?

**Mr Metcalfe**—I will have to check as to whether communications were received or not, but I think the decision making associated with the removal of the sculpture was undertaken by the National Capital Authority, which is responsible for that area.

**Senator FAULKNER**—Fair enough—if the department had no role. I am surprised to hear that.

**Mr Metcalfe**—We can check that, but certainly it is not something I have seen.

**Senator FAULKNER**—Let me know if that is not the case—

**Mr Metcalfe**—I will.

**Senator FAULKNER**—because there are a number of issues in relation to that sculpture or statue that I would like to progress with the relevant authority.

**Senator ROBERT RAY**—There was no role for the Prime Minister's office, was there, Minister?

**Mr Metcalfe**—There may have been, Senator, I just do not know.

**Senator ROBERT RAY**—I addressed the question to the minister, not to you, because you cannot answer it. We have now established that the department had no role in the removal of the sculpture. I ask whether the Prime Minister's office had any role in the removal of the sculpture.

**Senator Hill**—Not that I know of.

**Senator ROBERT RAY**—Would you like to take that question on notice, Minister? You are responsible for the—

**Senator Hill**—I am, but the National Capital Authority are responsible for the precinct and I assume it is their business. If you want me to ask the Prime Minister's office whether they communicated with the National Capital Authority, I will.

**Senator ROBERT RAY**—Thank you.

**Senator FAULKNER**—It would appear that complaints did come from the Prime Minister's office, but if you cannot assist us, Mr Metcalfe, we will address it elsewhere. How is the security work going on at the building down there on National Circuit?

**Ms Scott**—Ms Costello might be the best person to answer that.

**Ms Costello**—The building work has commenced with the installation of bollards around the building. Very soon we will be changing the traffic arrangements around it. The works are due to finish in April this year.

**Senator FAULKNER**—There is not a suggestion that there is a wall going around the building, is there? It is bollards, is it?

**Ms Costello**—They are bollards.

**Senator FAULKNER**—It is bollards and chains or something, isn't it?

**Ms Costello**—No, just bollards. The idea is to prevent vehicle access, so they are of a size and distance that will prevent vehicles being able to approach the building.

**Senator FAULKNER**—How high would they be?

**Ms Costello**—I would have to check, but it is about two to three feet—a height sufficient for those sorts of vehicles. At the front of the building the bollards are set into a low wall. It is a very low-profile protective measure.

**Senator FAULKNER**—How low is the low wall?

**Ms Costello**—I would have to check that, but again it is only several feet.

**Senator FAULKNER**—Do you mean that the bollards are on top of the low wall?

**Ms Costello**—No, they are interspersed between elements of a wall that also has a flat top on it. The idea is to make it look as much like landscaping as possible, while providing a protective measure.

**Senator FAULKNER**—Are we talking about a wall of 30 centimetres or feet in height or something?

**Ms Costello**—I will check the height. It is several feet, but it is not higher than that.

**Senator FAULKNER**—As I understand it, the plan is for this structure basically to go right around the building.

**Ms Costello**—That is correct.

**Senator FAULKNER**—Are you able to say to the committee what the estimated cost of those works is?

**Ms Costello**—The approximate cost—as I said, the works are proceeding—is about \$500,000.

**Senator FAULKNER**—Do some of these bollards go across the grassed areas?

**Ms Costello**—They are on the verge between the grassed areas at the front of the building and where the plant landscaping starts. There will be some revision of the landscaping as part of that.

**Senator FAULKNER**—My recollection is that this work was undertaken on security advice. I think Mr Metcalfe has previously indicated that just in broad terms.

**Mr Metcalfe**—That is correct, Senator. I think you would recall from earlier discussions that, following the Bali bombings, we undertook a further security review. I understand that we had undertaken one following September 11. The advice in relation to measures that the department could reasonably take in relation to vehicle bombs was to undertake some structural works within the building as well as to try to reduce to the extent possible the immediate proximity of vehicles to the building. It was built 25 years ago and with a very different set of considerations in mind. Security was clearly not one of them.

**Senator FAULKNER**—I saw in the *Gazette* a contract for foyer alterations at PM&C. I assumed that that may well have been part of the security upgrade. Would that be right?

**Ms Costello**—That is correct.

**Senator FAULKNER**—That figure in its entirety is about security enhancements?

**Ms Costello**—Yes, in the foyer. We put in a new guard desk and new access arrangements.

**Senator FAULKNER**—I noted that the department let two contracts for gardening services. It looked like they might be for lawnmowing; I am not sure. One was for \$259,890 in Canberra. Can somebody tell me what that was for?

**Ms Costello**—If you give me the date I will be able to confirm what that one was.

**Senator FAULKNER**—The contract date is 26 August 2003.

**Ms Costello**—That was gardening services for the Lodge, which are contracted out. We do not have employees that do the gardening services at the Lodge, and that would be that contract.

**Senator FAULKNER**—For two years?

**Ms Costello**—Two years.

**Senator FAULKNER**—Are you saying to me that it is over a quarter-of-a-million dollars for gardening at the Lodge for two years?

**Ms Costello**—For a period of two years. It was market tested some time ago and that was considered to be more cost effective than hiring permanent gardening staff. It was outsourced at that point.

**Senator ROBERT RAY**—Was it previously in-house?

**Ms Costello**—It was previously in-house, yes.

**Senator ROBERT RAY**—And what was that cost?

**Ms Costello**—I would have to check that figure for you.

**Senator ROBERT RAY**—You do not have that figure?

**Ms Costello**—I do not. I am advised it has not been in-house for some time—

**Senator ROBERT RAY**—That is what I wanted.

**Ms Costello**—but it was market tested.

**Senator ROBERT RAY**—It's a lot of leaves.

**Senator FAULKNER**—Particularly when it is rarely occupied. So that is \$259,890 for two years gardening at the Lodge. What about this other contract from 1 August 2003 to 31 January 2004? That would be six months.

**Ms Costello**—I am not sure of the details of that contract.

**Senator FAULKNER**—The contract date is from 1 August 2003. The end date of the contract is 31 January 2004. That is \$45,000. Again, it appears that it is gardening services. What is that for in Sydney? What PM&C involvement could there possibly be in Sydney for gardening?

**Ms Costello**—That would be gardening services at Kirribilli House.

**Senator FAULKNER**—What a surprise. For what period is that \$45,000? Is that a six-month contract period?

**Ms Costello**—I will have to get the full details on that. I do not have the details with me.

**Senator FAULKNER**—Does that mean that, basically, gardening at Kirribilli House is costing, in round figures, \$100,000 a year and \$130,000 a year at the Lodge?

**Ms Costello**—I would have to check that.

**Senator FAULKNER**—Ms Costello, with respect, like us you have the *Gazette* publishing system in front of you. I am reading here a contract that says it is \$259,890 for a two-year period for the Lodge and a \$45,000 contract for gardening and lawnmowing for a six-month period at Kirribilli House. It just seems to me like an awful lot of money for this.

**Ms Scott**—During 1999 the gardener-handyman person at Kirribilli House resigned and the grounds maintenance staff was reviewed at that time. As a result of that review, gardening and lawn maintenance are now outsourced.

**Senator FAULKNER**—So how many positions were lost?

**Senator Hill**—My advice is that, taking for example the time of Prime Minister Keating, the staff at the Lodge was eight and it has now been reduced to three, and at Kirribilli it was five and it is now reduced to the equivalent of 4.4.

**Senator FAULKNER**—How many of the services were outsourced at that time?

**Senator Hill**—I do not know that.

**Senator FAULKNER**—You do not have that advice?

**Senator Hill**—No, I do not have that advice.

**Senator ROBERT RAY**—Or the security arrangements. We are used to those fiddled figures from way back.

**Senator Hill**—I beg your pardon?

**Senator ROBERT RAY**—It does not always take in security either, does it?

**Senator Hill**—No, it is probably—

**Senator ROBERT RAY**—No, it does not.

**Senator Hill**—I am not saying it is a comprehensive answer. What I am saying is that—

**Senator FAULKNER**—It is neither comprehensive nor comparable.

**Senator Hill**—the information I have before me would indicate that, despite your best efforts to paint this in a bad light, in actual fact under Prime Minister Howard the staff levels in both places have been reduced.

**Senator ROBERT RAY**—Yes, but we do not know about costs and that is what we are about to get to. What we do know is over a two-year period what the gardening is contracted for. But we now find out it was contracted out in a previous period. It would be helpful if we could get the figures for the previous period, wouldn't it, Senator Hill—in other words, 1999 through to 2003, that four-year period? What often happens with contracting out is that in the first period—you would know this from your own experience—the costs are very comparable. You compare them with in-house costs and you think, 'This is a good decision,' but suddenly they start to blow out. This is not just about exposing wasteful expenditure at the Lodge; it may be about examining the efficacy and the sensibility of outsourcing generally.

**Senator HILL**—That is why, from time to time, we market test it.

**Senator ROBERT RAY**—You market test it, but not against in-house resources. You market test one external source against another. But we would like to have those figures from 1999 through to 2004. You might have to break it up, Ms Costello, into an annual amount. I am not sure, so you will just have to use your commonsense in terms of when the contracts ran so we can have those figures.

**Ms Costello**—I will do so.

**Senator FAULKNER**—Are there any other costs in relation to upkeep of the grounds? I am not including any security costs at all; I am just talking about gardening. Are there any other costs, apart from these contracts? I assume they are all included in these contracts. That would be right, wouldn't it?

**Ms Costello**—I am advised there may be some additional costs of buying plants and those sorts of things—replacement costs.

**Senator FAULKNER**—All right. Can we run through those then, please?

**Ms Costello**—I do not have the details; I am just told there could be those costs. We would have to check that out.

**Senator ROBERT RAY**—So what you are really saying is the cost of the contract does not include things like plant replacement, and there may or may not be additional costs?

**Ms Costello**—I will have to have that investigated, and we can come back to you straight away on that.

**Senator FAULKNER**—So it sounds like it is \$45,000 for Kirribilli House, \$259,890 over two years for the Lodge—and going north.

**Senator ROBERT RAY**—No, it is \$180,000 over two years for Kirribilli.

**Senator FAULKNER**—Yes, of course. It is \$45,000 over six months.

**Senator ROBERT RAY**—On a completely subject—to get away from gardening—I want to address the general concept of seconded staff. A lot of other departments tell us that PM&C likes seconding staff because, of course, you are generalists and you have to bring in specialists. But they say there is another motive involved here now, heaven forbid—I am sure this is going to be denied strenuously—and that is that those original departments continue to pay 50 per cent of the staff costs. In other words, the accusation made—there is no spin or ambush here; I am putting it very directly to you—is that you go out recruiting staff on a secondment basis from other departments, artificially to depress your own wages bill, you get a far higher work output per dollar than the other departments and they are actually subsidising it. I think that has put it in a nutshell. How do you respond to that?

**Ms Scott**—I think that would be a very unfair representation. The scheme is designed to benefit both the department and the agencies and departments from which the seconded officers come from. It is very important to build whole-of-government approaches right across the service, not just in the central agencies, so there is a nice two-way flow of benefits both to the department and to the home agency, and that is well recognised. Many departments are participating fulsomely in the seconded arrangement. In fact, it has been a wonderful success for both parties, and in fact we are contemplating an arrangement where we could actually have seconded officers go from PM&C to other agencies to experience being in a specialist agency during a short-term arrangement.

**Senator ROBERT RAY**—Do you think you might be able to enhance the thrill of these other agencies and government departments by not having them pay 50 per cent of the salary and, while they are on secondment to you, you pay 100 per cent? Why not?

**Ms Scott**—If departments were not keen, they would not have participated in such a fulsome way.

**Senator ROBERT RAY**—I am just asking why, from a government accounting point of view, you do not pay full tote odds for their salaries after they have been seconded to you and they are working for you. I am looking for a logical explanation.

**Ms Scott**—It is quite commonplace when officers are on secondment that they do not actually have the department in which they are working meet their salary. The secondment often comes with salary dollars attached in recognition of the fact that there are benefits going both ways.

**Senator ROBERT RAY**—That is not an accounting reason. You have really argued for it as common practice or commonplace. I am asking why in this modern way, when every cent is accounted for and user-pays exists everywhere—sometimes to an absolutely crazy extent—you would not pay their whole wages bill. It does not matter what has happened in the past. You are always moving on; you are always reallocating and reorganising.

**Ms Scott**—I think it is in recognition of the fact that the benefits go both ways—that the departments from which they are originate are benefiting from having their officers get the wider experience.

**Senator ROBERT RAY**—How many seconded officers are currently in PM&C?

**Ms Scott**—I think it is around 56. Have I got that right?

**Ms Costello**—There are about 50 in a variety of secondment arrangements.

**Senator ROBERT RAY**—How many PM&C officers are currently seconded to other departments?

**Ms Scott**—I do not have that number.

**Senator ROBERT RAY**—Give us a ballpark figure. Something you would keep track of, I am sure, would be staff numbers.

**Ms Scott**—We imagine it is a very small number. We probably have one or two officers placed elsewhere, but this idea of having PM&C's officers seconded out is relatively new and has not been instituted yet.

**Senator ROBERT RAY**—It is not a criticism that you have only one or two out there. The differential may be up to about 50 half-salaries. When you put in your performance appraisal to the secretary, you can say, 'I've kept the wages bill down.' That is easy if you have 50 seconded staff and you are paying only half their wages.

**Ms Costello**—I might clarify that. The majority of those people are fully on our books and we pay their full salary. They are classified as secondments but they are actually on our books. There is a scheme, under which we have eight placements, where it is fifty-fifty. There are a number of other people under other arrangements. We pay fully the vast majority of that 50.

**Senator ROBERT RAY**—We did not have that in evidence before. It would have been very helpful to have that earlier. Are the one or two still on your books at half pay?

**Ms Scott**—We would have to check those numbers.

**Senator ROBERT RAY**—We now know you do pay some of them full time. I cannot understand why they are not all accredited against you full time if you now have the precedent that some are. I cannot understand from an accounting point of view why that occurs.

**CHAIR**—It is a special program, isn't it? Didn't you say this was because of a special program?

**Ms Costello**—There is one program, which was only brought into being at the end of last year, where it was very explicit that the costs would be shared fifty-fifty between the home agency and us. The others have come through a number of arrangements done at either divisional or departmental level. So the arrangements vary. It depends on the nature of the work that is being done and how long the people are staying for.

**Mr Metcalfe**—It really does go to the particular arrangements. For example, for quite a long time we have had an officer working in the United Kingdom on exchange as a development opportunity. We usually have a UK officer working within the department. We meet the costs of our officer and they meet the costs of their officer; it is easier to do it that way. There has been a longstanding practice of a uniformed Defence officer working in the relevant branch of the department, the Defence branch of the department, and Defence usually pays the costs for them. Sometimes secondments occur because we really need someone to do a particular job and we have the money in budget to pay for them. Other times there may be an agreement where an agency has come to us and said, 'Look, we've got someone who's pretty good,' or, 'We would like to have an opportunity to send someone over who's pretty good to get the experience in PM&C and we're prepared to pay.' There is also the scheme that has been mentioned where we have tried to formalise that a little bit by working with other agencies. I do not think there is a strict accounting.

At the end of the day people are paid and it shows up in the Commonwealth budget, but with respect to the attribution to particular agencies I think if you looked at most agencies there would be arrangements where officers were seconded in and some were paid under different arrangements. It is simply the way these things tend to work.

**Senator ROBERT RAY**—Has any department or agency explicitly refused to participate in this scheme?

**Ms Scott**—No. There was such an enthusiastic response that it was a matter of ensuring that we could find places for all the officers that were volunteered.

**Senator ROBERT RAY**—Of course, because if you get a stint in PM&C you have got the inside running to get appointed as secretary or assistant secretary of another department. I look forward to seeing you all as secretaries one day.

**Senator FAULKNER**—So we can understand how the pattern has developed over the last four years from, say, 1 January 2000 at six-monthly intervals, can we have taken on notice the number of secondees at PM&C? I do not expect you to have that at your fingertips today, but I do not think it will take a great deal of work to do that. We might then be able to have a look at the pattern over the last four years or so—how it has developed.

**Ms Scott**—Yes.

**Mr Metcalfe**—If this is a convenient time, I have information on a couple of issues that I undertook to come back on.

**CHAIR**—Yes.



**Mr Metcalfe**—Senator Faulkner asked me earlier how many pages were in Mr Bolger's report. I can advise that there are 12 pages in the report. In the earlier discussion about the function for the Rugby Union—the Wallabies—I am advised that we have been able to contact our officer who was involved with this function. She is not at work today but fortunately is contactable by phone. On the issue of transport, we are advised that the Australian Rugby Union organised transport to Canberra and accommodation. The office of Ceremonial and Hospitality organised transport to and from the airport and to and from the function, which is the usual type of arrangement so that we can ensure that people turn up at the right time and so on. I understand that, on the issue of whether they were all accommodated in the ACT, there was a fair bit of pressure on accommodation in Canberra that night because Woolworths were having a managers conference here and they had taken quite a few hotel rooms. My understanding is that the ARU booked some of the Wallabies in hotels, including in Queanbeyan. I am not sure how many may have been in New South Wales and how many were in the ACT, but Queanbeyan is of course very close to where we are now. Senator Faulkner, you specifically asked for information as to who in the Prime Minister's office was dealing with the department on this matter. That was, as would be expected, the Prime Minister's program adviser.

**Senator FAULKNER**—Is the secretary of PM&C planning another secretaries retreat?

**Ms Belcher**—No firm arrangements are in place, but it is intended that there be a retreat later this year.

**Senator FAULKNER**—Last year's was very successful, wasn't it?

**Ms Belcher**—Yes, I understand the secretaries thought it was a successful retreat.

**Senator FAULKNER**—Where was it held?

**Ms Belcher**—At the Reserve Bank training facility in Kirribilli.

**Senator FAULKNER**—Who is invited to that? Who pays the cost for this?

**Ms Belcher**—The cost is split among agencies.

**Senator FAULKNER**—So what was PM&C's share of the tariff?

**Ms Belcher**—I am sorry about the delay. From memory, it is about \$13,000 for each department.

**Senator ROBERT RAY**—Across how many agencies?

**Ms Belcher**—It is all departments, and the heads of the agencies that make up the management advisory committee. We have, in addition, the Commissioner of Taxation, the Auditor-General, who comes along more in an observing capacity, the Public Service Commissioner, the head of Customs—

**Senator ROBERT RAY**—Do those agencies also have to cough up \$13,000?

**Ms Belcher**—Yes. Last year a couple of the agency heads were not able to attend. The date just did not suit.

**Senator ROBERT RAY**—When you say 'agency head', is it more than just the agency head that turns up?

**Ms Belcher**—No, only the head of the agency.

**Senator ROBERT RAY**—So how many are we talking about—ballpark, all up—attending this retreat?

**Ms Belcher**—About 21 or 22—something of that kind.

**Senator FAULKNER**—What will be the total cost of the retreat?

**Senator ROBERT RAY**—I am suggesting it will be \$286,000.

**Ms Belcher**—I wonder if we could come back to it. I know I have the figures here—

**Senator FAULKNER**—Would it be better to ask these questions, perhaps, when dealing with the government division?

**Mr Metcalfe**—That would be good. Thank you, Senator.

**Senator FAULKNER**—Can I just flag with you that we will be interested in a disaggregation of the costs. I assume food and drink are included in the \$13,000?

**Ms Belcher**—Yes, all meals and accommodation.

**Senator FAULKNER**—I would also be interested in some of the program elements—perhaps some of the participants, speakers and so forth. But I am very happy to come back to it when dealing with the government division, if it assists you, Ms Belcher.

**Ms Belcher**—Yes, it would.

**Senator FAULKNER**—Mr Metcalfe, I read an article in the *Australian* newspaper on 16 January this year headed ‘Key Libs can anti-domestic violence ad campaign’. It stated:

But key Liberal politicians acting as gatekeepers over taxpayer-paid government ad campaigns did not consider it—

the anti-domestic violence campaign—

“violence” and believed it was wrong and that only men were shown as aggressors in the campaign.

Are you aware of that article?

**Ms Scott**—The question is probably directed to me and the head of the Office of the Status of Women. I did see the article.

**Senator FAULKNER**—Are you able to inform the committee what the background to this particular anti-domestic violence campaign was and why it ran off the rails?

**Ms Scott**—It has not run off the rails. The campaign is part of a more substantial activity directed at the elimination of domestic violence and sexual assault. Effectively it is part of a \$50 million anti-domestic violence campaign and a \$16.5 million anti-sexual assault campaign that has been running some time in partnership with some of the states and territories. Ms Flanagan will give you more details.

**Ms Flanagan**—Ms Scott has given you background on the two programs, Partnerships Against Domestic Violence and the National Initiative to Combat Sexual Assault. We were using funding from those two programs to run a campaign.

**Senator FAULKNER**—What was your planning in terms of the time this advertising would go to air?

**Ms Flanagan**—There was initial planning that we would probably run it over the Christmas period but, as you would appreciate with many of these big campaigns, they are a work in progress and there are many iterations to be made. The campaign is still being refined.

**Senator FAULKNER**—Yes, so it was planned to go to air last Christmas.

**Ms Flanagan**—Yes.

**Senator FAULKNER**—There would be a particular reason for that, wouldn't there?

**Ms Flanagan**—Yes, and that is that it was felt the concepts that were being drawn up and the ads that were being researched and tested were not quite meeting the mark, so they needed to be further refined before they were actually aired.

**Senator FAULKNER**—Why weren't they meeting the mark?

**Ms Flanagan**—As I say, we had briefed consultants and, just as with any campaign, drafts or concepts of the ads are prepared. They are then researched and market tested, and then they are brought back to MCGC to have a look at. It was felt that they were not quite ready or actually delivering the message that was intended by government, so further work needed to be done on them.

**Senator FAULKNER**—Who thought they were not meeting the mark? This was your view, was it?

**Ms Flanagan**—The MCGC, which looks after—

**Senator FAULKNER**—But it was not your view; it was not the Office of the Status of Women's view.

**Ms Flanagan**—We are just inputting into a process. As I said, we had briefed the consultants but, ultimately, it needs to be tested and taken back to MCGC.

**Ms Scott**—The central issue, Senator, was the clarity of the message and concern about whether the key focus of the message was getting lost.

**Senator ROBERT RAY**—So, in other words, they were very poorly produced materials in that case.

**Ms Scott**—No, I would not characterise them as that, Senator. In trying to meet the objective of the campaign, in a way, we were sort of segmenting the activity and, in effect, we were targeting particular groups within the community. I think the view is that a clearer central message will be more effective in the long term.

**Senator ROBERT RAY**—In other words, they did not have a clear central message.

**Ms Scott**—I think that is a reasonable characterisation.

**Senator ROBERT RAY**—So they failed in their task for what you wanted.

**Ms Scott**—Well, yes, I suppose that is right.

**Senator FAULKNER**—In the view of the MCGC.

**Ms Scott**—It is the view of the government.

**Senator FAULKNER**—You got knocked off at the MCGC. That is the truth, isn't it? Let us not beat around the bush, here. The ads got knocked off at the MCGC.

**Ms Scott**—I would not characterise it like that.

**Senator FAULKNER**—No, but I am, and I think it is a reasonably fair characterisation.

**Ms Scott**—Senator, the campaign is going to go ahead. It is being reshaped to more clearly focus on the central message.

**Senator FAULKNER**—The reason I asked before about the timing is—and please correct me if I am wrong—that my understanding was that there certainly has been an established pattern that the number of domestic violence incidents in our community do increase over the Christmas period. I think that is the case; I am not sure about that. Ms Flanagan, you would be expert in these matters. Could you assist me with that?

**Ms Flanagan**—Senator, that is not the case. In fact, our research shows that there is no particular period when domestic violence is worse or better than at any other time of the year.

**Senator FAULKNER**—So there are no trends across the calendar year that are discernible at all.

**Ms Flanagan**—Not based on the research that I have seen.

**Senator FAULKNER**—Why then was the planning for this to occur over the Christmas period?

**Ms Flanagan**—The planning was that the target audience of the campaign at that stage was mainly young people. It was felt that it was a good time to launch a campaign that was mainly targeted at young people. They had broken up from school and they were into party mode, and that was the reason that we were looking to target it then. As I say, since then we have consulted with government and we are further refining the messages as well as the target audience and whether we had the target audience right or not.

**Senator ROBERT RAY**—Did you have ad space booked?

**Ms Flanagan**—Yes, we did.

**Senator ROBERT RAY**—What happened to that?

**Ms Flanagan**—I think I might call GCU, who are much more expert about delete and charge and all of those sorts of things.

**Senator ROBERT RAY**—Yes and no. Quite often from GCU we hear their role, but it falls to the actual agency to go ahead and do all this. Or do GCU have some sort of special role in this because of their unique relationship within PM&C? I need to know that first off.

**Ms Flanagan**—You are aware of their media placement role. Maybe Mr Taylor can assist you.

**Mr Taylor**—Yes, media was booked.

**Senator ROBERT RAY**—What sort?

**Mr Taylor**—Television.

**Senator ROBERT RAY**—Is that all?

**Mr Taylor**—Magazines.

**Senator ROBERT RAY**—Any others? Radio? Newspapers?

**Mr Taylor**—It was just television and magazines.

**Senator ROBERT RAY**—How much was booked?

**Mr Taylor**—It was \$1.6 million worth. That was booked and is still booked.

**Senator FAULKNER**—Can you disaggregate the \$1.6 million in television and magazines?

**Mr Taylor**—Bear with me, Senator.

**Senator FAULKNER**—While Mr Taylor is looking for that, I will return to something I raised earlier. I asked you previously about the incidence of domestic violence over the Christmas period. I have now found a reference to that. It is a suggestion in a newspaper, which obviously is not necessarily accurate. An article in the *Australian* states:

The campaign was scheduled to run in the pre-Christmas period in an attempt to limit the sharp increase in domestic violence seen at this time of year as families gather in the context of alcohol-fuelled holiday festivities.

You are able to say categorically that that is not a pattern.

**Ms Flanagan**—Based on the research I have seen, it is not a pattern. As you point out, that is a newspaper article.

**Senator ROBERT RAY**—What is that research?

**Ms Flanagan**—I can take that on notice.

**Senator ROBERT RAY**—What sort of research are you talking about?

**Ms Flanagan**—It is based on things like the Women's Safety Survey that was run in 1996, where we went out and looked at the incidence of domestic violence. There have been a number of other studies. As I say, I can give you the names of those studies and what they show.

**Senator ROBERT RAY**—Is there a recent study you can point to here? I thought you may have looked at a recent study or commissioned a recent study.

**Ms Flanagan**—There have been studies that we have drawn from. For example, there is the women's health study, from which we have drawn data on domestic violence. There are a range of sources that we draw from. As I say, I have not seen any evidence that there are particular periods of the year where domestic violence is worse than at other times. We did actually look for that.

**Senator ROBERT RAY**—We have this sort of strand of information coming in from a variety of surveys, so at some stage someone has tried to distil this out. Is that what you are telling me?

**Ms Flanagan**—Yes. In running any campaign we look at background research. The reason we are interested in running it around Christmas is, as I say, more because of the target audience—because they were young people—than because there is a correlation between an increased incidence of domestic violence over the Christmas period.

**Senator FAULKNER**—The crime statistics do say that the overwhelming majority of domestic violence is perpetrated by men.

**Ms Flanagan**—That is unequivocally so, yes.

**Senator FAULKNER**—That is unequivocally true, which is the other point that the article was making.

**Ms Flanagan**—Yes.

**Senator ROBERT RAY**—Who was responsible for the creative work that led to these ads that were not quite on a central theme?

**Ms Flanagan**—For the creative work for the ads?

**Senator ROBERT RAY**—Yes.

**Ms Flanagan**—Grey Worldwide Pty Ltd.

**Ms Scott**—Senator, I think we have an answer to your earlier question about the breakdown.

**Mr Taylor**—Television, \$1,614,135; magazines \$4,350.

**Senator ROBERT RAY**—It is virtually all TV.

**Mr Taylor**—Yes.

**Senator ROBERT RAY**—What happens when your area commissions ads? You have done the research, you know exactly what you want to do and then the creative work is rejected. Do you just send it back to the firm and they work away at it? Is there any extra charge for rejecting their creative ideas and the work they have put in? What happens?

**Ms Flanagan**—First of all, we have gone back to government to get clearer guidance on the messages. The idea is that we will go back and discuss with Grey how to actually change the concepts.

**Senator ROBERT RAY**—That tells me what you are doing. I was asking about the costings.

**Ms Flanagan**—Under any contract we pay for work that has already been done.

**Senator ROBERT RAY**—Let us cut to the chase. How much is the rejection going to cost over and above what you would normally pay?

**Ms Scott**—We do not know that because we are still in the process of confirming with the government the refined campaign. It may be the case that we are able to draw on quite a bit of material that has already been prepared—maybe not—depending on how close we are to the central theme of the campaign.

**Senator ROBERT RAY**—When you go back to this agency you must have an idea of what the increase in costs will be.

**Ms Scott**—We will have an idea when we have confirmation from the government about the campaign. We do not have that yet.

**Senator ROBERT RAY**—What were the creative costs to the point at which the ministerial group knocked it back and have you been billed for them yet?

**Ms Flanagan**—I can tell you what the contracted amount was for Grey and I can probably tell you what we have actually been invoiced to date. The contract gazetted amount for Grey was \$990,000, including GST. We have paid out some of that money.

**Senator ROBERT RAY**—I am trying to find out from the company's point of view whether they regard themselves as having failed to deliver the product you required or whether they would claim that you failed to make explicit enough the product you required—therefore, they could not deliver to the standard that you wanted. Which of those two propositions do you think is the truth?

**Ms Scott**—I thought they would be more concerned to know that the campaign is proceeding and that we will be meeting their costs.

**Senator ROBERT RAY**—Usually what happens, when you commission someone to do something and it is not up to your expectation, is that you try to establish why. I am trying to establish whether it is the creative people who either misunderstood or failed to deliver on what you required or whether you failed to make properly explicit to them what was required.

**Ms Scott**—We will have a better understanding of that when we have the revised nature of the campaign confirmed.

**Senator ROBERT RAY**—Why? That is just nonsense, I am sorry. That part is nonsense. You revise the campaign to what you may want it into the future, but you must know when you reject it what you want. I am trying to work out where the failure of communication is here, whether it was you feeding into them or them failing to understand what your requirements were. It must be one or the other. I am not being unfair there—it has to be one or the other. What do you say, Mr Taylor?

**Mr Taylor**—My reaction to that is that we research these things along the line and, as the creative work is produced, it is researched to test it. So if it comes back as not on the mark because the research is showing that it is not achieving the breakthrough, it does not mean that there was a failure on anyone's part; it just means that it needs to be revised.

**Senator ROBERT RAY**—Let's take that. It is not an unusual thing, once the creative work is done, to go back and test it amongst focus groups. Did that happen on this occasion?

**Mr Taylor**—Yes.

**Senator FAULKNER**—How did it test?

**Mr Taylor**—I am not sure. I do not have that here.

**Senator ROBERT RAY**—I think you should know. You just made a statement that I thought inferred that it did not come up to the mark. What is the situation?

**Mr Taylor**—I do not have it here, but my reading of the situation is that it needed more work because it was not quite making—

**Senator ROBERT RAY**—When you say your reading, what is your role in this? When you were introduced to the table it said you were doing the booking, not the assessment. Isn't that right?

**Mr Taylor**—Yes.

**Senator ROBERT RAY**—Right. So we can leave you outside for a while—you can relax, because you would not know. Let's ask the other witnesses at the table what the research on the ad showed.

**Ms Flanagan**—The research on the ad showed that they were being received positively by the particular target group compared to some of the other concepts we looked at. They were testing better than certainly some of the other concepts.

**Senator ROBERT RAY**—So you failed at the ultimate focus group test—that is, the ministerial council—not before?

**Senator FAULKNER**—The research came up trumps and you got knocked off by the politicians.

**Senator ROBERT RAY**—That is it.

**Senator FAULKNER**—That is right isn't it, Ms Flanagan?

**Ms Flanagan**—We would not characterise it that way.

**Senator FAULKNER**—How would you characterise it then?

**Ms Scott**—We indicated at the start that the government was concerned that there be a clear central message on the elimination of violence against women. The campaign, as it developed, had a more complex theme. The idea is to bring it back to its central message.

**Senator FAULKNER**—But it tested well in research, didn't it?

**Ms Flanagan**—Yes, it did.

**Senator FAULKNER**—It tested well in research. Everything seemed to be going well until you land in the MCGC. Let me quote this article to you:

But key Liberal politicians acting as gatekeepers over taxpayer-paid government ad campaigns did not consider it "violence" and believed it was wrong that only men were shown as aggressors in the campaign.

Can you, Mr Taylor, or you, Ms Flanagan, or you, Ms Scott, confirm that that was the feedback you got from the MCGC?

**Ms Flanagan**—It was certainly not the feedback I got from the MCGC.

**Senator FAULKNER**—What feedback did you get, then? What was wrong with it according to them?

**Ms Flanagan**—As Ms Scott has already explained, the MCGC and the government wanted a clearer and more narrowly defined message. They thought it would be harder hitting to do it that way. What we are consulting with government on is just to get very clear directions on that before going back to the advertising agencies and seeing how to refine the concept that we had developed.

**Senator ROBERT RAY**—What I was trying to establish before was whether the advertising agency has failed to deliver. It seems to me inferred in the evidence—it will never be stated—that they actually delivered on what was required but then the requirement changed.

**Ms Flanagan**—Yes, I think that is a correct interpretation.



**Senator ROBERT RAY**—Which infers to me that you have to pay them for what they have done and then pay them for what they change. I think it is a bit unfair on the advertising agency that it may be inferred—only may be—that they did not do their job well. It seems to me they did their job well on the then requirement and now that for some reason or other government has changed the requirement—that happens—they have to go and do something different.

**Ms Flanagan**—What we are trying to establish is how different it will be from the concept that we had before Christmas. It might not be very different at all.

**Senator ROBERT RAY**—So you do not have any concept yet of how much extra that may cost?

**Ms Flanagan**—No, we do not.

**Senator FAULKNER**—Did you get any feedback from the MCGC saying what they thought was wrong?

**Ms Flanagan**—We were asked to consult with government again about getting the messages clearer.

**Senator FAULKNER**—Did they say what they felt was wrong with the material they had been provided with? I quoted something out of a newspaper—which does not mean it is right; it may well be wrong and of course we know that—but you had not heard of that.

**Ms Scott**—The deliberations of MCGC are effectively confidential.

**Senator ROBERT RAY**—They do not keep minutes, do they! Or have they started keeping minutes after all these years?

**Ms Scott**—They have outcomes of the meeting.

**Senator ROBERT RAY**—They do not keep minutes, though.

**Senator FAULKNER**—It is so confidential that we read about it in the newspaper.

**Ms Scott**—You are presuming that it is an accurate reflection of the discussion.

**Senator FAULKNER**—It is sounding more and more like it, isn't it?

**Senator ROBERT RAY**—Just remind us who is on the committee. We have dealt with it over the years, but not everyone knows—not that we have a big audience today but, just for their benefit, who is on the committee?

**Senator FAULKNER**—Could you list the usual suspects?

**Mr Taylor**—I could add to it. It is chaired by Senator Abetz.

**Senator FAULKNER**—Not a good start.

**Senator ROBERT RAY**—A social libertine from way back.

**Mr Taylor**—The members of the committee are Petro Georgiou—

**Senator ROBERT RAY**—A former state director of the Victorian Liberal Party.

**Senator FAULKNER**—Is he the member for Kooyong?

**Senator ROBERT RAY**—Yes.

**Mr Taylor**—Tony Smith.

**Senator ROBERT RAY**—A former Costello staffer.

**Senator FAULKNER**—I suppose that is a bit of a sop to Mr Costello.

**Mr Taylor**—Sussan Ley.

**Senator ROBERT RAY**—Some independence of mind. That is good.

**Mr Taylor**—She has just commenced with the committee.

**Senator ROBERT RAY**—Who did she replace?

**Mr Taylor**—She is an additional member. There is also Tony Nutt.

**Senator ROBERT RAY**—A former state director of the New South Wales Liberal Party.

**Mr Taylor**—They are the permanent members. For each campaign considered, the minister responsible, or his or her representative, is the other member.

**Senator ROBERT RAY**—What happens when it is in the Prime Minister's department? Does anyone additional come along?

**Ms Flanagan**—No, the Minister Assisting the Prime Minister for the Status of Women comes or sends a representative from her office.

**Senator FAULKNER**—Who was the representative? Or was the minister present on this occasion?

**Ms Flanagan**—As you might know, there was a changeover of ministers between Minister Vanstone and Minister Patterson around September or October last year. John Nation used to attend on behalf of Senator Vanstone, and Kath Paterson came for the last few meetings, when Minister Patterson became minister assisting.

**Senator FAULKNER**—Who was the last person?

**Ms Flanagan**—Kath Paterson, who is an adviser.

**Senator FAULKNER**—To whom? Minister Patterson.

**Senator ROBERT RAY**—Patterson and Paterson.

**Ms Flanagan**—They are not related, they tell me.

**Senator FAULKNER**—They could not be, or should not be, under the provisions of the cabinet handbook. So they both came. Is that what you are saying?

**Ms Flanagan**—Sequentially.

**Senator FAULKNER**—It evolved midstream.

**Ms Flanagan**—Yes. Bronwyn Morris, who is the Prime Minister's adviser on women, also attended the last few meetings.

**Senator FAULKNER**—So you had someone representing the Minister Assisting the Prime Minister for the Status of Women and someone representing the Prime Minister?

**Ms Flanagan**—Yes. We work to both the Prime Minister's office and the minister assisting's office.

**Senator FAULKNER**—Can anyone at the table assist me with this? Let me quote from a newspaper article again:

... at least two of the Liberal politicians at the committee argued that what was portrayed in the ads “was not really violence”. Another objected to the fact that only men were shown as the aggressors.

Can anyone tell me whether that was the case?

**Ms Scott**—The deliberations of the committee are confidential.

**Senator FAULKNER**—How do they appear in the newspaper?

**Ms Scott**—I have no idea. I do not know whether or not they are a reasonable reflection of the committee’s discussions.

**Senator FAULKNER**—You would be able to assist us, would you not, Mr Taylor?

**Mr Taylor**—I would only give the same answer. It is really a set of committee deliberations and conversations that I would not be prepared to reveal. I do not understand how those sorts of things get in the newspaper,

**Senator FAULKNER**—Senator Abetz and his cronies put the kybosh on the campaign.

**Ms Flanagan**—Just to correct that, the government is intending to run a campaign this year.

**Senator FAULKNER**—When will that start?

**Ms Flanagan**—We are refining the messages at the moment.

**Senator FAULKNER**—When is it expected that will start?

**Ms Flanagan**—At the moment we have drawn up a timetable suggesting that we could perhaps launch it in the middle of the year. Again, until we get some clear direction—

**Senator ROBERT RAY**—Don’t you miss your target audience now?

**Ms Flanagan**—Yes. One of the things that we are refining is the target audience.

**Senator FAULKNER**—You are changing the target audience.

**Senator ROBERT RAY**—That is not a shot at you. I just think it is very funny—we missed the Christmas period, so we change the target audience.

**Senator FAULKNER**—So we can assume that the previous campaign was not politically correct for Senator Abetz, Mr Nutt, Mr Georgiou, Mr Smith and company?

**Senator Hill**—The answers—

**Senator FAULKNER**—You can help with this, can you, Senator Hill?

**Senator Hill**—I think you are misrepresenting what the witness said.

**Senator FAULKNER**—Now that you have piped up there—I thought you were asleep, but it is quite clear that you were listening—

**Senator Hill**—I thought she said that she believed there was a lack of clarity in the message.

**Senator FAULKNER**—Senator Hill, the media reports stated:

... at least two of the Liberal politicians at the committee argued that what was portrayed in the ads “was not really violence”. Another objected to the fact that only men were shown as the aggressors.

Can you confirm whether that is right or wrong?

**Senator Hill**—I cannot confirm it—

**Senator FAULKNER**—Your intervention then is not helpful.

**Senator Hill**—but those reports seem to be suggesting a lack of clarity.

**Senator ROBERT RAY**—That is the end of general questions from us.

**Ms Belcher**—The cost of the retreat at the training centre was \$15,175. That is not per agency; that is the total cost at the centre. Added to that would be the costs for the secretaries and agency heads to get to Sydney. Most of them flew, some drove, some might have been there anyway—I am not sure of the specific arrangements. But if you leave the travel aside, the average cost for a department or agency was \$737. It was a bit more for those who came down and stayed on the Thursday night as well as the Friday night. They all stayed the Friday night.

**Senator ROBERT RAY**—It is basically a one-day event, is it?

**Ms Belcher**—Yes. It starts Friday morning. The retreat last year finished late-ish on the Saturday afternoon. Normally, it is Friday morning to Saturday lunchtime.

**Senator FAULKNER**—Who were the speakers? Apart from the agency heads themselves, were there any guest speakers?

**Ms Belcher**—Yes, there were a number of guest speakers: Mr John Matthews from the Australian Institute of Executive Coaching; Mr John Schubert and a group who came with Dr Schubert; Mr Tim Warren, Ms Katie Lahey and Ms Karen Grady. They came as representatives of the Business Council of Australia.

**Senator FAULKNER**—I missed the last one.

**Ms Belcher**—Karen Grady, who is general manager.

**Senator FAULKNER**—Of the BCA.

**Ms Belcher**—Also, Major General Jeffrey, who at that stage was Governor-General designate; Mr Ross Gittens; Dr Robin Batterham; Mr Kim Jones, Mr Andrew Stoller, Mr Stephen Dedy, Mr Patrick McClure, Professor Fiona Stanley and Dr John Moriarty.

**Senator FAULKNER**—Are speakers fees paid to some of these people?

**Ms Belcher**—Costs were paid for two only, I believe: Mr John Matthews and Mr Andrew Stoller. That was more accommodation and travel costs. I do not believe there was anything more than accommodation and travel costs paid for for Mr Stoller. I would need to confirm just what the costs were for Mr Matthews, but it was probably an appearance fee as well as travel costs.

**Senator FAULKNER**—There would not have been any entertainment costs in that figure of \$15,175, would there?

**Ms Belcher**—No, there was no entertainment. Food, of course.

**Senator FAULKNER**—Yes. I do not count that as entertainment.

**Senator ROBERT RAY**—I assume the Auditor-General ran the raffle as usual.

**Ms Belcher**—The Auditor-General was there, but not for the entire time.

**Senator ROBERT RAY**—Smart bloke. Looking at that list of people, it would be hard going!

**Ms Scott**—We have an answer to one of the earlier questions in relation to expenditure on the research.

**Ms Flanagan**—Senator, you asked how much the contract for Grey was, and we told you \$990,000 with GST. The amount that we have been invoiced already under that contract, excluding GST, is \$262,940.

**Senator ROBERT RAY**—So far.

**Ms Flanagan**—So far, yes.

**Senator FAULKNER**—Doesn't the Prime Minister normally go to the retreat?

**Ms Belcher**—Yes, I am sorry. The Prime Minister did speak on Saturday afternoon. It is usual for the Prime Minister to speak to secretaries, and he certainly did so.

**Senator ROBERT RAY**—He won the limbo competition.

**Senator FAULKNER**—He did not have to go far. It was at Kirribilli.

**Ms Belcher**—No.

**Senator FAULKNER**—Was it deliberately organised for Kirribilli, to be close by?

**Ms Belcher**—Yes.

**Senator FAULKNER**—That is lovely!

**Ms Belcher**—It is one of the main features—an annual opportunity for the Prime Minister to speak to secretaries—and it is, therefore, a convenient and not dreadfully expensive place to hold the retreat.

**Senator MURRAY**—I wish to ask about government advertising briefly, because there is not much that can be done about it at this stage. Minister, last week you came into the chamber and put down a statement from the government saying that the government does not intend to comply with the Senate order on government advertising. Do you recall that?

**Senator Hill**—I recall it, yes.

**Senator MURRAY**—We will obviously have a look at that and see how we should react to it, but one of the statements you made in there caught my eye. I do not have it right before me—I left it in my office—but it was something like the government recognised anyway that there was dissent concerning the Joint Committee on Public Accounts and Audit guidelines. Do you recall that?

**Senator Hill**—I do recall that.

**Senator MURRAY**—Minister, I happen to be a member of that committee and I have had a look at that report. There is no dissent. It is a unanimous report. Where would you have got that misapprehension from?

**Senator Hill**—I got it from whoever drafted the response to the return to order.

**Senator MURRAY**—And would that be someone within the Prime Minister and Cabinet office?

**Senator Hill**—I am not sure who wrote the document, but I put it down representing the Prime Minister.

**Senator MURRAY**—The problem is that, if the report was unanimous and there was no dissent, by you making that statement they have led you into a situation where you have misrepresented the position—I am sure not intentionally, but that is what has happened.

**Senator Hill**—I must say that when I read this before I delivered it to the Senate I assumed that the dissent was made public within the report.

**Senator MURRAY**—No, it wasn't.

**Senator Hill**—If that is incorrect, then I will pursue the matter. But Mr Williams may be able to help us on the spot.

**Mr Williams**—The reference to dissent refers to paragraph 1.8 of that report, where it says:

In addition, Mr Giorgio dissented from components of the guidelines entitled 'Material should not be liable to misrepresentation as party-political on the following grounds ...

and then the grounds are expressed.

**Senator MURRAY**—In the minority?

**Mr Williams**—Yes.

**Senator MURRAY**—So one single person is enough to make the government say the majority of the committee unanimously, including Mr Giorgio, supported those guidelines?

**Mr Williams**—It says in the chairman's foreword:

However, the committee determined that it wished to produce draft guidelines for the government to consider which, while not perfect nor totally agreed by all committee members, do represent the majority and largely consensual views of the committee.

So there was dissent in the matter of the guidelines. At this stage the government has not taken a view as to what it will do with the recommended guidelines but has indicated on a number of occasions that it will continue to observe the guidelines promulgated in February 1995 and adhered to since. So, until government takes a view on the guidelines produced by the JCPAA or the Auditor-General's guidelines, the 1995 guidelines remain in force, and they are the guidelines that the ministerial committee, and indeed government departments and agencies, adhere to.

**Senator MURRAY**—I said that I am a member of that committee, and I sat through it. I rang to check on the actual report. The report itself, as I recall, did not have a minority report as such attached to it.

**Mr Williams**—It did not as such, but I mentioned earlier there was a clear reference to dissent from components of the guidelines and, indeed, a reference in the chairman's foreword to there not being agreement—'nor totally agreed by all committee members'. Indeed, there was a further dissent in the report itself by another member who argued that an objective test for the expenditure of public money should be incorporated in the guidelines to determine the threshold between what is party-political and appropriate expenditure by government in particular. It goes on to say that no advertising should be undertaken without legislation. So in a sense there were two members of that committee dissenting from the guidelines.

**Senator MURRAY**—But there was no minority report and there was no qualification to any recommendation that I recall. There was no recommendation which said, 'Here is this recommendation from the JCPA and, by the way, a couple of committee members do not agree with it.'

**Mr Williams**—The chairman's foreword said:

... the committee determined that it wished to produce draft guidelines for the government to consider which, while not perfect nor totally agreed by all committee members, do represent the majority and largely consensual views of the committee.

In technical terms there was no minority report, but it is fairly clear from reading the chairman's foreword and the content of the report that there was not unanimity of views about the proposed guidelines.

**Senator MURRAY**—That report had a very clear majority—because it is a large committee—of Liberal, Labor, National Party and Democrat senators and members. You are telling me the government has chosen to ignore both the Auditor-General's guidelines and JCPA guidelines and go back to 1995 guidelines and be uninformed by what has happened since?

**Mr Williams**—I am not saying that; I am saying that the government is yet to take a decision on that recommendation and, until such time as it does, it continues to apply the 1995 guidelines. I have not seen any government response indicating whether it accepts the guidelines or does not accept the guidelines. In the meantime we continue to apply the 1995 guidelines.

**Senator MURRAY**—I will leave it there for the moment.

[3.36 p.m.]

**CHAIR**—There being no further general questions at this stage, the committee will move to output 1.1, Economic and industry policy.

**Senator FAULKNER**—Is there a sports section in this division?

**Dr Horne**—Yes, there is a sports area within the division.

**Senator FAULKNER**—What is the responsibility of that section? How many officers are there?

**Dr Horne**—There is part of one officer.

**Senator FAULKNER**—What is that officer's responsibilities?

**Dr Horne**—That officer is responsible for briefing the Prime Minister on major sporting issues and events.

**Senator FAULKNER**—What do you mean by ‘events’? Is this all the upcoming events?

**Dr Horne**—Yes.

**Senator FAULKNER**—So the officer’s task is to prepare a brief for the Prime Minister about what sporting activities are coming up in the future and let his office know to see what the Prime Minister might want to demonstrate an interest in?

**Dr Horne**—That is certainly part of it.

**Senator FAULKNER**—Yes, that would be it; identification of political opportunities in the sport area.

**Ms Scott**—Maybe the annual report provides some clarity on this subject where it says:

The division was also closely involved from an Australian Government perspective in planning for major international sporting events to be held in Australia, including the 2003 Rugby World Cup, the 2005 Deaf Olympics and the Melbourne 2006 Commonwealth Games.

**Senator FAULKNER**—Thank you for that, Ms Scott, that is helpful, but we have just heard what the real purpose of the job is, and that is what I wanted to know.

**Senator ROBERT RAY**—Is work being done on national government assistance to the Commonwealth Games in 2006?

**Dr Horne**—There is work being done within the Commonwealth on that subject, and my officers would be keeping abreast with the work that is being done within the Commonwealth on that subject.

**Senator ROBERT RAY**—There was a newspaper article last week on that. Did you see that?

**Dr Horne**—No, I did not.

**Senator ROBERT RAY**—All right then; there is no point in asking you about it.

**Senator FAULKNER**—Is it a standing obligation of this officer to be presenting the Prime Minister with sporting events and opportunities—

**Dr Horne**—I would not say it is opportunities; it is just an information—

**Senator FAULKNER**—How often does that go to the Prime Minister?

**Dr Horne**—Irregularly.

**Senator FAULKNER**—Irregularly?

**Dr Horne**—Yes. I guess that is the way I would characterise it. For example, in the World Cup it would be keeping the Prime Minister abreast of developments in relation to the World Cup. Similarly, with the forthcoming Commonwealth Games, it would be keeping him across developments there.

**Ms Scott**—In relation to the Rugby World Cup, the Commonwealth provided some facilitation for players coming into the country in terms of immigration, security and so on.



**Senator FAULKNER**—That is fine, and I know what is in the annual report. When I was really bored one day I actually read the annual report. I am interested in the role of this officer in identifying political opportunities to be exploited by the Prime Minister. I know the answer. I am very happy with the answer and I am happy to move on to the next question.

**Ms Scott**—We are trying to clarify—

**Senator FAULKNER**—I am very happy with the answers I have received; thank you.

**Ms Scott**—We have an answer to a question asked earlier concerning the height of the bollards. Perhaps it would be a convenient time to provide that information.

**Senator FAULKNER**—Yes, that will be very interesting.

**Ms Costello**—Regarding the security arrangements, there is a wall at the front of the building which is 900 millimetres high and it is on that edge between the grass and the landscaped area. The bollards that go round the other three sides of the building have a height of one metre. In the wall there will be two gates—one at each of the entrances off National Circuit—and they are 1,200 millimetres each.

[3.43 p.m.]

**Senator FAULKNER**—Under output 2.1, Social policy, what is the status of the work and family interdepartmental task force?

**Ms Scott**—The task force was formed in September 2002. It still exists.

**Senator FAULKNER**—What is its current membership?

**Ms Davidson**—The task force members include PM&C, which chairs the task force, Family and Community Services, Employment and Workplace Relations, Finance and Administration, Treasury and Attorney-General's. There is also a representative from the Prime Minister's office.

**Senator FAULKNER**—Who is the Prime Minister and Cabinet representative who chairs the task force?

**Ms Davidson**—The committee was chaired by the previous deputy secretary, Jeff Whalan.

**Senator FAULKNER**—Who chairs it now?

**Ms Scott**—When it meets next I will be chairing it.

**Senator FAULKNER**—So that responsibility has passed to you, Ms Scott.

**Ms Scott**—That is correct.

**Senator FAULKNER**—Who is the Prime minister's office representative on the task force?

**Ms Scott**—Mr John Perrin.

**Senator FAULKNER**—Ms Scott or Ms Davidson, are you able to explain to this committee why the IDC was established?

**Ms Davidson**—The Prime Minister asked for a task force to be established to provide advice to government. I think the Prime Minister announced that the task force was being formed in November 2002.

**Senator JACINTA COLLINS**—In November 2002.

**Ms Davidson**—Yes, in a speech he gave in November 2002. He put out a document at that time which mentioned that the task force had been established.

**Senator JACINTA COLLINS**—But it was actually established in September.

**Ms Davidson**—Yes, that is correct.

**Senator FAULKNER**—But what is its mandate?

**Ms Davidson**—It was indicated in the document that the Prime Minister put out. We were asked to review policies across a range of areas, including financial supports for families, child-care arrangements, workplace relations, flexibilities and employment services.

**Senator FAULKNER**—Why is it chaired by PM&C and not FaCS?

**Ms Scott**—In order to bring a whole-of-government perspective to the issue, as Ms Davidson outlined, a number of the issues go to a range of portfolios—for example, workplace arrangements are closely associated with the dual portfolio—but, as you mentioned, FaCS has a very strong interest as well. To give it that whole-of-government perspective, PM&C chairs the task force.

**Senator FAULKNER**—Who services the task force?

**Ms Davidson**—PM&C has a secretariat that services the task force.

**Senator FAULKNER**—There is a secretariat, is there?

**Ms Davidson**—Yes.

**Senator FAULKNER**—How substantial is that?

**Ms Scott**—At present there are two people who work on that activity, but at some stages it has been as many as four people.

**Senator FAULKNER**—And that is two people full time servicing it?

**Ms Scott**—No. They can be working full time on the tasks or, if other work requires them to concentrate on other activities, they do that. So from time to time they can be doing other activities as well.

**Senator FAULKNER**—You have a representative of the Prime Minister's office serving on the task force. Is that a commonplace sort of procedure?

**Ms Scott**—It does happen from time to time.

**Senator FAULKNER**—But no-one from the office of the Minister for Family and Community Services.

**Ms Davidson**—I should have mentioned that there were some other observers at meetings. At some stages there were representatives of the Minister for Family and Community Services, but they did not attend all of the meetings.

**Senator FAULKNER**—So how many meetings has the task force had?

**Ms Davidson**—Ten meetings.

**Senator FAULKNER**—Are you able to say what the dates of those were?

**Ms Davidson**—I have the dates.

**Senator FAULKNER**—Could you let us know.

**Ms Davidson**—13 September 2002, 2 October 2002, 8 November 2002, 19 November 2002, 18 December 2002, 7 February 2003, 14 March 2003, 23 May 2003, 2 July 2003 and 8 August 2003.

**Senator FAULKNER**—When is the task force next planning to meet?

**Ms Davidson**—We have not got a scheduled meeting at this stage.

**Senator FAULKNER**—But the work of the task force is ongoing?

**Ms Davidson**—Yes.

**Senator FAULKNER**—Obviously, if you have been appointed the chair, Ms Scott, that is the case. So how many of those meetings did a representative of the Minister for Family and Community Services attend?

**Ms Davidson**—I would have to check that. I do not have that figure.

**Senator FAULKNER**—Any other ministerial observers?

**Ms Davidson**—No.

**Senator FAULKNER**—Just the Minister for Family and Community Services?

**Ms Davidson**—Yes.

**Senator FAULKNER**—Any other observers?

**Ms Davidson**—Yes, at some meetings there were observers from Centrelink. I also think that someone from Communications may have attended some meetings.

**Senator FAULKNER**—Have the reports of this task force been developed in the committee secretariat?

**Ms Davidson**—They have been developed by the task force, but the secretariat, like most secretariats, has to pull together a lot of the input that is provided by departments, so we have had a coordinating role.

**Senator FAULKNER**—How does that work? Who has done the bulk of the work?

**Ms Davidson**—It has depended on the issue, obviously. The issues that related to the FaCS portfolio they provided a lot of the input on. Likewise with the issues regarding employment, the Department of Employment and Workplace Relations would provide that input.

**Senator FAULKNER**—Has the task force commissioned research?

**Ms Davidson**—Yes, the task force did commission some research.

**Senator FAULKNER**—Can you go through, for the benefit of the committee please, the research that the task force has commissioned?

**Ms Davidson**—We commissioned some qualitative research on the issues that were important to Australians in balancing work and family responsibilities, the obstacles that they face in achieving that balance, their priorities for assistance in addressing those obstacles,

their understanding and experience of current policies, and whether and how current policies could be better explained.

**Senator FAULKNER**—When was that done?

**Ms Davidson**—It was conducted between April 2003 and June 2003.

**Senator FAULKNER**—Has there been any other research?

**Ms Davidson**—No.

**Senator FAULKNER**—Just that qualitative research?

**Ms Davidson**—I would not describe it as research, but the task force obviously got together a lot of other available research and information.

**Senator FAULKNER**—Can you run that past me again? I am not clear whether that was the limit of the research or whether the task force had the benefit of other research as well.

**Ms Davidson**—The task force looked at—I have not got a list with me—other existing research that went to issues related to work and families and drew on that. There was some ABS data we looked at; there was some work relating to the health department's longitudinal survey of women. I would have to check, but we looked at a variety of other existing research materials.

**Senator JACINTA COLLINS**—Did you commission anyone to do a literature review?

**Ms Davidson**—Not externally, no.

**Senator FAULKNER**—So the only research that the task force has commissioned is that qualitative research between April 2003 and June 2003 that you have mentioned?

**Ms Davidson**—That is correct.

**Senator FAULKNER**—What does the task force do? Does it report to the Prime Minister or report to cabinet?

**Ms Davidson**—The task force reports to the Prime Minister.

**Senator FAULKNER**—And how many times has the task force reported to the Prime Minister?

**Ms Davidson**—It has provided reports from time to time.

**Senator FAULKNER**—Thank you, but with due respect that is not an answer to the question of how many times you have done it. You may have done it from time to time, but how many reports have been presented by the task force to the Prime Minister?

**Ms Scott**—We would have to take that question on notice; we just do not have the number of times we have reported to the Prime Minister. Sometimes those reports have been oral; sometimes they have been in writing.

**Senator FAULKNER**—The task force has also been responsible, has it not, for the preparation of cabinet submissions?

**Ms Scott**—Our department has provided advice to the Prime Minister from time to time.

**Senator FAULKNER**—I know that, but I am saying that the task force has also been responsible for the preparation of cabinet submissions, has it not? I am not asking you what is in them; I am asking about the process issues. Everyone knows what is in them because they leak like sieves. I could go to that I suppose—we may even do so at a later stage—but I am asking a process issue about the number of times the task force has prepared material to be examined by cabinet.

**Ms Davidson**—I do not think it is standard practice to indicate how many times a policy issue has or has not been to cabinet.

**Senator FAULKNER**—I think these things, frankly, are standard practice. They are not usually matters that are not answered at estimates committees. I would be surprised if we are going to start worrying about that, particularly when half of the material that it appears the task force has generated has been leaked comprehensively to the press.

**Senator Hill**—I think the objection to the question is reasonable, Mr Chairman. How many times cabinet might consider a matter is not really the business of this committee.

**CHAIR**—It is a grey area. It does not go to content. Time is—

**Senator FAULKNER**—It is just a process issue. According to Ms Scott, the reporting mechanism is to the Prime Minister. Are you able to assist us on that?

**Senator Hill**—The chairman is considering his ruling—he is deliberating.

**CHAIR**—I do not think we have had that specific issue before. It does not go to content; it goes to how many times an issue has gone to cabinet. Is that right?

**Senator Hill**—It seems to me that is not an issue for public scrutiny; that is the business of cabinet—whether they consider a matter once or three times, how long it considers it and how it considers it.

**Senator FAULKNER**—Is it okay for you to provide information on the number of times briefs have been provided to the Prime Minister's office but not cabinet?

**CHAIR**—I note the time. I have been saved by the bell. It is nearly four o'clock.

**Senator FAULKNER**—That is the last refuge of a scoundrel!

**CHAIR**—It is. I will take some advice over the tea break.

**Proceedings suspended from 3.58 p.m. to 4.27 p.m.**

**CHAIR**—We suspended for afternoon tea at the time a certain question was asked relating to how many times a matter had gone to cabinet. I have considered the matter over the break and have decided that the question is in order. I think the ball is now in your court, Ms Scott.

**Ms Scott**—The issue of work and family has been worked on by the task force and, either in its own right or through further work in departments which has then been taken forward by individual ministers, matters related to work and family have now been considered by cabinet several times since the formation of the task force in September 2002.

**Senator JACINTA COLLINS**—Chair, I am not sure that that is in the spirit of your ruling. We asked several quite specific questions which led ultimately to the question of

cabinet. One question was: on how many occasions has the task force reported? We are still waiting for an answer to that question.

**Ms Scott**—Senator, my recollection was that we took on notice the number of times that the task force had reported. I was answering the question in relation to the number of times cabinet had considered the matters.

**Senator JACINTA COLLINS**—Let me clarify that: you have taken on notice how many times the task force has reported to the Prime Minister's office?

**Ms Scott**—That is correct.

**Senator JACINTA COLLINS**—So, in light of your ruling, Chair, we would anticipate an answer to that.

**CHAIR**—Yes.

**Senator JACINTA COLLINS**—The next question was: how many times has cabinet considered the issue?

**Ms Scott**—Several times.

**Senator JACINTA COLLINS**—What does 'several' mean?

**Ms Scott**—Either in its own right the task force has had matters going to cabinet, or further work arising out of the task force has been developed by individual departments and ministers, and those matters have gone to cabinet. So, all up, the matters have been considered by cabinet on several occasions.

**Senator JACINTA COLLINS**—Let us start at the beginning then. This report that was leaked has been described in some orders as an interim report. I would like to understand the context of that reference. Was this the first report that went to cabinet?

**Ms Scott**—Senator, you raise a press report of unauthorised disclosures. I will not be going to the content of the report to cabinet, because clearly that is cabinet-in-confidence, but I can say that the task force has reported to cabinet.

**Senator JACINTA COLLINS**—On how many occasions?

**Ms Scott**—In its own right I think we could probably say twice.

**Ms Davidson**—I would like to check because I am not sure whether it is twice or three times.

**Senator Hill**—There are issues arising out of its going to cabinet rather than the report going to cabinet, and I do not know how broadly I should interpret the chairman's highly controversial ruling.

**CHAIR**—Minister, you are right. In fact, Senator Brandis has just reminded me that there is a distinction between how many times a matter has been reported to the cabinet and how many times the cabinet has discussed the issue. That was perhaps the objection you were making to the latter. It is not appropriate to answer the latter question, but answering the former is appropriate, I think.

**Senator JACINTA COLLINS**—I do not think I asked the latter question.

**CHAIR**—I want to make it very clear what we are talking about.

**Senator JACINTA COLLINS**—I have asked a process question.

**Senator Hill**—I am not sure of everything. I know we are discussing cabinet, but I do not always know that it has arisen out of this particular process. But I understand that issues have been discussed in cabinet on a number of occasions that have arisen out of this process.

**Senator JACINTA COLLINS**—And on how many occasions has the task force reported directly to cabinet?

**Senator Hill**—The task force has reported directly to cabinet? The task force reports to the Prime Minister.

**Ms Davidson**—In the first instance.

**Ms Scott**—We think the answer is twice, but we will need to clarify that.

**Senator JACINTA COLLINS**—Chair, you might want to consider this point regarding the second issue, which is: how many times have issues related to the work that the task force has been working on been taken to cabinet through their ministers? Is that more problematic or is that something we can address?

**CHAIR**—That is all right, as long as you are not asking how many times it has been discussed in cabinet per se.

**Ms Scott**—We can recall a number of instances where issues arising out of the work of the task force have been considered by cabinet. For example, last year the government announced an additional \$79.5 million over four years for child care. One of the issues that the task force was looking at was child-care issues.

**Senator JACINTA COLLINS**—Yes, well before that time, as I think this record indicates. We may come to that in a little while. Are you able to provide us with the number of instances?

**Ms Davidson**—The number of instances that cabinet discussed work and family or the number of times we reported?

**CHAIR**—The latter.

**Ms Scott**—We have already answered the first question and we suggested the answer is two, and we said that we will seek clarification if that is not correct. In relation to issues arising out of the work of the task force that have been the subject of further consideration by cabinet, I think we believe the answer will be three or four.

**Senator JACINTA COLLINS**—Three or four on top of those earlier two?

**Ms Scott**—Yes.

**Senator JACINTA COLLINS**—I go back to the discussion earlier with Senator Faulkner. You listed a number of dates of meetings, the last of which was August 2003, and described the work of the task force as ongoing. Can you explain why there have been no meetings in six months if the work of the task force is ongoing?

**Ms Scott**—Initially the work on work and family drew heavily on the expertise within the task force. As the work advanced and in some cases became more narrow in its focus, the work was able to continue largely drawing on the resources within PM&C.

**Senator JACINTA COLLINS**—Within PM&C rather than within particular departments; is that correct?

**Ms Scott**—We can draw from time to time on membership of the task force but increasingly, as we worked our way up the learning curve, we did not need to draw as widely as initially on individual departments.

**Senator JACINTA COLLINS**—Originally I suspected, looking at this leaked document, that there would be a number of issues that I would need to work through in detail with FaCS, but my concern from your comment just now is that I wonder whether I will have to work in more detail with PM&C on some of these issues.

**Ms Scott**—I guess it is a case of the nature of the issues. We have already indicated to you that a number of issues that were originally considered by the task force have been taken forward by individual ministers—child care being an excellent example of that. If it goes to a matter of detail, then typically another department will be more familiar with the detail.

**Senator JACINTA COLLINS**—Let us use child care as an example. This is why I asked the question about the six months, so I can work out where I will need to thrash these issues out. Paragraph 1.74 of the report indicates:

More work needs to be undertaken to determine if there are emerging pressures in other areas of child care—

this is other to SNIS—

and outside school hours care.

The task force has not met for six months. My question is who, if anyone, has been undertaking that further work?

**Ms Scott**—Senator, I think you are referring to a document that is reported to be an unauthorised disclosure. I will not be going into the content of protected documents.

**Senator JACINTA COLLINS**—I will ask you the question either way. This could end up being a lengthy process. Has the task force commissioned any work, or is it itself conducting any work, exploring emerging pressures in relation to child care other than outside school hours care and SNIS?

**Ms Scott**—The work on child care is now largely being undertaken by FaCS reporting directly to their minister, although we have conversations with them on a very regular basis.

**Senator JACINTA COLLINS**—So, in the past, when FaCS has been indicating that there is a void of information in relation to emerging demand for child care—I am in limbo now: FaCS says it is not doing it; the task force says it is not doing it—so, unless this document is inaccurate—

**Ms Scott**—I cannot comment on the content—

**Senator Hill**—That might be right.



**Senator JACINTA COLLINS**—There is no credibility to the whole agenda.

**Ms Scott**—Senator, I understand that the reported document is dated December 2002, so it is 14 months old. Since then, the government has announced a \$79.9 million initiative on child care.

**Senator JACINTA COLLINS**—Yes, and we will get to that, because I have been closely following with FaCS the level of unmet demand in outside school hours care, and that \$79 million, for instance, does not meet a third of it. That is FaCS-measured demand rather than the real level of demand, which this government continues to refuse to measure. Let us go back to the research that you indicate was commissioned. I have in my notes here that it was ‘qualitative research measuring the understanding and experience of current policy and how such policy might be better explained’. I think I missed the first point in my notes. What was the first point of that qualitative research?

**Ms Davidson**—‘The issues important to Australians in balancing work and family responsibility.’

**Senator JACINTA COLLINS**—Who conducted that research?

**Ms Davidson**—Open Mind Research Group.

**Senator JACINTA COLLINS**—There is a pun there. How much did that cost?

**Ms Davidson**—It cost \$110,000.

**Senator JACINTA COLLINS**—How was that commissioned? What was the process?

**Ms Davidson**—It was a select tender process.

**Senator JACINTA COLLINS**—How many people tendered?

**Ms Davidson**—Our Government Communications Unit had identified for us five suitable consultants who were qualified to undertake the work, but only three of them actually submitted a proposal.

**Senator JACINTA COLLINS**—Is it intended that the results of that research be made publicly available?

**Ms Davidson**—There has been no decision taken on releasing the research. It would not normally be made public while the relevant policy work is still being considered.

**Senator JACINTA COLLINS**—I will ask you to take that on notice, understanding the sensitivities involved about whether such research might be made publicly available.

**Ms Scott**—We will take that on notice.

**Senator JACINTA COLLINS**—I understand PM&C’s role is not to conduct internal polling for the government.

**Ms Scott**—No, Senator.

**Senator JACINTA COLLINS**—I would be interested in the reasons, if any, for why such material should not be made publicly available. I would include in that question any survey instruments that were used.

**Ms Davidson**—I could probably give you some information now. They conducted a number of focus groups as well as in-depth interviews. They did some interviews with couples in their homes and focus group discussions with mixed groups—they had women only groups and men only groups—and they talked to people who were at different life cycle stages in terms of their children.

**Senator JACINTA COLLINS**—What sort of population are we talking about here?

**Ms Davidson**—They did 24 focus groups, but I am not sure how many people were in those focus groups; and 14 in-depth interviews.

**Senator JACINTA COLLINS**—So how many people are we referring to?

**Ms Davidson**—I do not have the information about how many people. I would have to give that to you; I do not know.

**Senator JACINTA COLLINS**—I am interested in the total population. One component of this cabinet-in-confidence document that has been the subject of recent attention was referred to by the Prime Minister in a statement today. He says:

... the general thrust of the advice received from the Work and Family Task Force was:

- Enhancements since 1996 to the tax system, financial assistance to families, workplace relations, child care and other services have improved the framework within which Australians can make choices about balancing work and family ...

He does not go on to cite a later point in the relevant paragraph in this report, which highlights:

Community recognition of this significantly enhanced support has been hampered by continuing criticism of administrative arrangements which result in overpayments and accumulating debt for many families.

**Ms Scott**—Is there a question there?

**Senator JACINTA COLLINS**—Yes. Is that in the report?

**Ms Scott**—I am not going to the content of a document—

**Senator JACINTA COLLINS**—So we have to rely on the Prime Minister to confirm small excerpts that are not particularly relevant to other bits?

**Senator Hill**—I have read the press release. What is the question?

**Senator JACINTA COLLINS**—Is that point, highlighted by the Prime Minister from the document, taken out of context?

**Senator Hill**—From what document?

**Senator JACINTA COLLINS**—The Prime Minister has referred to the report of the work and family task force. The first dot point there comes from paragraph 80, I think it was. I am asking: has it been taken out of context?

**Senator Hill**—I can only go from the Prime Minister's press release, which does not seem to indicate the context at all.

**Senator JACINTA COLLINS**—So we need to rely on the Prime Minister selectively drawing on components of this report?

**Senator Hill**—Not at all. You need to rely on the Prime Minister's press release.

**Senator JACINTA COLLINS**—Why, for instance, would the Prime Minister's press release not cite the many instances of this report that highlight that the government does have concerns. If you look at paragraph 36, for instance, it says:

A significant majority of working Australians, estimated by researchers as 25 to 40 per cent, report increasing difficulties in managing work and family balance.

That is quite contrary to the Prime Minister's point.

**Senator Hill**—I do not know the document you are referring to.

**Senator JACINTA COLLINS**—I think people will reach their own conclusions. Okay, we will go on to some more process questions. This document that was leaked raises a number of areas where it is reported further work is occurring with the task force. For instance, it says:

Cabinet agreed to progress work on policies for parents who have babies, including paid maternity leave.

Which agencies were tasked with developing a paid maternity leave scheme proposed consistent with the cabinet decision?

**Senator Hill**—No, it is not consistent with the cabinet decision. If you want to ask a question separate and distinct from some reportedly leaked document, we will do our best to answer it.

**Senator JACINTA COLLINS**—Okay, which agencies have been tasked with developing a paid maternity leave scheme?

**Senator Hill**—Have there been any agencies tasked to do that? I do not know.

**Ms Scott**—The task force itself has done work on that exercise.

**Senator JACINTA COLLINS**—Yes, and beyond that? It is six months since the task force met, I think. Have any agencies been tasked?

**Ms Scott**—In order to do that work, a number of agencies prepared material for the task force.

**Senator FAULKNER**—Which ones were they?

**Ms Davidson**—They were primarily FaCS and Treasury.

**Senator FAULKNER**—Is there a lead agency in relation to preparing work on paid maternity leave?

**Ms Davidson**—Prime Minister and Cabinet through the working families task force.

**Senator JACINTA COLLINS**—Has finance costed the various proposals?

**Senator Hill**—Shouldn't you ask finance that question?

**Senator JACINTA COLLINS**—I can ask the task force.

**Senator FAULKNER**—We could but, given that this material is being worked up in a task force, it is a perfectly reasonable question I would have thought.

**Senator Hill**—Do you know if finance has done costings? I think you can ask that.

**Senator FAULKNER**—Thank you, Minister; you have obviously got a generous streak.

**Senator Hill**—I always try to be helpful.

**Ms Davidson**—Costings have been done, and I think the Prime Minister has been quite clear in public statements that the issue is still on the table.

**Senator JACINTA COLLINS**—Are these the costings that have been referred to by Senator Minchin in a press release from August 2002 where he says:

My Department has now formally costed paid maternity leave at between \$415m and \$780m per annum depending on the rate of pay and eligibility.

This would be a major new burden on taxpayers. I cannot see the justification for taxpayers handing over an additional half a billion dollars ...

**Senator Hill**—If Senator Minchin said his department has costed it, I do not know why you asking me whether his department has costed it.

**Senator JACINTA COLLINS**—I want to know whether these costings have been part of the task force's deliberations or whether this is some separate jaunt that Senator Minchin has been on.

**Senator Hill**—We do not talk about costings while the matter is currently before government.

**Senator JACINTA COLLINS**—So Senator Minchin was on a side jaunt.

**Senator Hill**—I do not know what he was talking about; that is his business. What I am saying is that we do not discuss costings while the matter is still before cabinet.

**Senator JACINTA COLLINS**—Has an agency been asked to further examine the effectiveness of the baby bonus?

**Ms Scott**—I am not going to go into the deliberations of the task force itself.

**Senator FAULKNER**—Surely this is no different to the question that was answered a moment ago on paid maternity leave. No-one is asking you to go to the deliberations; these are best described as process questions. If it is good enough to answer in relation to paid maternity leave, it ought to be good enough to answer in relation to the baby bonus, surely.

**Senator Hill**—I am told that the task force has looked at all the existing programs as well as the other potential options that are on the agenda.

**Senator FAULKNER**—That is an interesting point but it is not an answer to the question that was asked, and you are well aware of that.

**Senator Hill**—I must have misheard the question.

**Senator JACINTA COLLINS**—I do not think so, Senator.

**Senator FAULKNER**—My understanding is that Senator Collins, given that she previously asked a question about paid maternity leave and agencies that were involved in that and received an answer, is now asking a question about the baby bonus—unless I misheard her; I think that is right—and agencies involved with that issue.

**Senator JACINTA COLLINS**—I did.

**Senator Hill**—I do not understand what the question is. Involved in what way?

**Senator JACINTA COLLINS**—Has an agency been commissioned to further examine the effectiveness of the baby bonus?

**Senator Hill**—Further examine the effectiveness? Further from when?

**Senator JACINTA COLLINS**—From government's previous announcements that they were satisfied with it and that it was a wonderful policy.

**Senator Hill**—I think I have answered that. I have said that agencies are looking at all the existing programs. I assume that that includes the baby bonus.

**Senator JACINTA COLLINS**—Which agency, if any?

**Ms Davidson**—The work and family task force was asked to look at all of the existing arrangements, and baby bonus was one of the existing programs that we looked at.

**Senator FAULKNER**—Yes, that is true. But you also told us previously that the task force was drawing on particular expertise.

**Ms Davidson**—With the baby bonus, the expertise lies with the Treasury.

**Senator FAULKNER**—Thank you. God, that was difficult!

**Senator Hill**—But we got there.

**Senator FAULKNER**—Well, we think we got there.

**Senator JACINTA COLLINS**—Can we be provided with the details of the task force's modelling on the generosity of family assistance to single and dual income families?

**Senator Hill**—It would not be a normal thing during the course of consideration of the task force's work. It is business in progress. I do not think that would be appropriate.

**Senator JACINTA COLLINS**—It is not business in progress, in the sense that an OECD report has been debunked by this supposed modelling that has occurred from the task force. I am curious as to whether that modelling is going to be publicly available.

**Senator Hill**—I could take it on notice, but I would think the answer would be no whilst the matter is still being considered.

**Senator JACINTA COLLINS**—In relation to many employees not having access to flexible, family-friendly working arrangements, because benefits are not universal under legislative provisions, awards and agreements, is there any work presently occurring in that area and, if so, by which agency?

**Ms Davidson**—DEWR is the responsible agency for those issues.

**Senator JACINTA COLLINS**—Has DEWR actually commissioned any work on family-friendly workplace reforms that may be feeding into this process?

**Ms Davidson**—I do not know. You would have to ask DEWR.

**Senator JACINTA COLLINS**—I suppose in that sense we would potentially have to do an audit of the various work occurring within departments to understand what might be feeding through to the task force. For instance, I note in this leaked document a reference to work done by the Office of the Employment Advocate—an office established by the Howard

government—which again reinforces the point that in their survey ‘a high proportion of employees stated that it had become more difficult to balance work and family life in the previous two years’. Again, that is contrary to the Prime Minister’s statement in question time today. And that is from his own agency!

**Senator Hill**—You were giving a political speech, but what is the question?

**Senator JACINTA COLLINS**—The question is: do I need to do an audit of each department to understand what work they have commissioned that might relate to the task force’s deliberations?

**Senator Hill**—Do you need to do an audit?

**Senator JACINTA COLLINS**—Department by department.

**Senator Hill**—Yes, you could do that.

**Senator JACINTA COLLINS**—I know I could do it. Do I need to do it in order to understand what research has informed the task force’s deliberations?

**Senator Hill**—You could do it that way or you might ask us which agencies have been commissioned to do work for the task force. We might be able to answer that.

**Ms Davidson**—The only work we commissioned was the work I indicated. But departments are conducting research on a range of issues related to their area of interest, and they would have brought any expertise they had with them to the table.

**Senator JACINTA COLLINS**—Perhaps I need to ask a different question. Whilst you have told me what work the task force directly commissioned, what research has been commissioned by the various departments that has informed the task force’s deliberations? You could perhaps provide me with that list on notice.

**Ms Scott**—That question would be better directed to the individual members of the task force.

**Senator JACINTA COLLINS**—Going back to my earlier comment, to which the answer is yes, I would be better off doing an audit directly of each department.

**Ms Scott**—In relation to the last question you asked, I think a direct question to the individual departments would elicit the information.

**Senator FAULKNER**—But you would need to be across all this, wouldn’t you, Ms Scott? You are the chairman of the task force, so you have encouraged Senator Collins—

**Senator JACINTA COLLINS**—Only recently.

**Senator FAULKNER**—to go off and do an audit—

**Ms Scott**—I have not encouraged her.

**Senator FAULKNER**—which is rather difficult from the poor old position of being in opposition.

**Ms Scott**—As you are aware, the departments bring to the table considerable years of expertise, familiarity of the subject, research that they have commissioned in some cases and research that is in-house. It would be quite a mammoth task for us to distinguish between

research that was from in-house and that which was recently commissioned and that which was available from the OECD or other publications. I think those questions would be best directed to the individual department. It is a considerable exercise to imagine that we can glean centrally what information is in people's heads and what information they have had available from other sources.

**Senator FAULKNER**—I would be very disappointed if the Department of the Prime Minister and Cabinet, the lead agency in relation to this particular task force, and you, as the newly appointed chair, just did not have this sort of information at your fingertips. I would be very disappointed if that was not the case.

**Ms Scott**—If I am talking to someone about a particular topic, I do not dissect which bits come from commissioned research and which bits come from in-house research.

**Senator FAULKNER**—But the point is that Prime Minister and Cabinet has been deliberately appointed to lead this particular task force. Don't forget that the Minister for Family and Community Services was deliberately sidelined in all this. The Prime Minister and his political fix-it brigade down there decided to take the responsibility. In that circumstance, it seems to me that Senator Collins's questions are very reasonable. I would be very surprised if officers at the table or Senator Hill, who just keeps across these issues, as we know, so well and effectively, could not answer these questions.

**Ms Davidson**—Even when PM&C is involved in an issue, we rely very heavily on departments that have expertise in that area. As you would know, we are a relatively small department and we do not go about trying to duplicate all of the expertise that exists in other departments.

**Senator FAULKNER**—Of course you do not and nor should you, but we do know that a deliberate decision has been taken to take these matters out of the hands of Family and Community Services and the then minister and her office, and for this to be under the total control of the Prime Minister's political fix-it machine. In that circumstance, I would have thought that you ought to be able to answer the questions.

**Ms Scott**—From time to time the department runs task forces. I think we have four task forces—three within the department at the moment—that are full time and they reflect a desire to bring a whole-of-government perspective to an issue. So I do not think we would characterise it as fix-it.

**Senator FAULKNER**—These are whole-of-government questions. Senator Collins is asking what particular responsibility respective agencies have in relation to some of the important work—and everyone knows it is important work—of this particular task force. That is the coordinating role that the Department of the Prime Minister and Cabinet has. Anybody listening to these answers to Senator Collins's questions would fast come to the conclusion that the Department of the Prime Minister and Cabinet either does not a clue about what is going on or is covering up.

**Ms Scott**—We are not trying to second guess the research capacity of other organisations and agencies. I do not go into depth about what research they have or have not commissioned or what information they have from in-house research.

**Senator FAULKNER**—There must be an author of these cabinet submissions and there is obviously a coordinating officer in the Department of the Prime Minister and Cabinet. I assume that is you, is it, Ms Davidson?

**Ms Scott**—We have already indicated that there are two members of a secretariat who work from time to time on task force issues and they report to Ms Davidson.

**Senator FAULKNER**—Are they available to come to the table or are they at the table?

**Ms Scott**—I am sure that Ms Davidson and I are able to answer the questions—

**Senator FAULKNER**—I was hoping you could, but I am not convinced of that at all.

**Ms Scott**—but the question you are asking is about detailed research within individual agencies.

**Senator Hill**—You cannot ask a question about what work has been provided. I think that has to go to the agency. I think you can ask the question: what work has the chair of the task force specifically requested of agencies? We could do our best to provide an answer to that. It will be in fairly general terms and may not be exhaustive, but I think we could give you some guidance on that.

**Senator FAULKNER**—My question was: are the two relevant officers available to come to the table and answer these very reasonable questions that Senator Collins is putting or are they not available?

**Senator Hill**—The two relevant officers are at the table.

**Senator FAULKNER**—No, they are not. That is not right, I am afraid, Senator Hill. You are not up with the play.

**Senator Hill**—I am.

**Senator FAULKNER**—Again, you are not following the play.

**Senator Hill**—You were too busy talking.

**Senator FAULKNER**—The two relevant officers are unnamed officials of the department. We have no idea who they are. Could they be named, Ms Davidson? Who are the responsible officers who are working full time on this task? It is not you, is it, Ms Davidson?

**Ms Davidson**—No, but—

**Senator FAULKNER**—Thank you. Who is it, just for Senator Hill's benefit, because he is not following the play?

**Senator Hill**—It is not always the person who is sitting at the desk who answers these questions; it is the person who is responsible for that person and you have them before you.

**Senator FAULKNER**—We have got the benefit of the division head here, we have got the chairperson of the task force here, but Senator Collins's questions remain unanswered. They are perfectly reasonable questions. They are processed questions. I appreciate that Ms Scott is new to the position of chair of the task force. She has only recently inherited that responsibility but it is an important responsibility and these are very important questions.



**CHAIR**—Senator Faulkner, I think what Ms Scott is saying is that you cannot desegregate the input of knowledge. That is, in effect, what you are saying?

**Ms Scott**—Yes.

**CHAIR**—In other words, Ms Scott cannot answer them. No-one can answer them.

**Senator FAULKNER**—Therefore, I am asking that the officers who can answer it come to the table.

**CHAIR**—‘Who is responsible?’ is a question that can be answered.

**Senator FAULKNER**—Could the officers who can answer them come to the table? It is a reasonable request. Could you chase it through for me, Mr Chairman—use all your influence? You are a very close friend of the Prime Minister. Surely, you could progress it for us.

**Ms Scott**—We have indicated what research the task force has commissioned in its own right. I think Senator Collins’s question goes to what research individual agencies are drawing on, if I understand the question correctly. Because they are drawing on a plethora of information built up over years, I—or indeed one of my officers—would find it impossible to answer. If the question goes to what research they have recently commissioned, they would be in the best position to answer that question.

**Senator FAULKNER**—Let Senator Collins try again. Try as hard as you can to answer the questions. Let us have another go.

**Senator JACINTA COLLINS**—I will try again, firstly, on the point that I think Ms Scott raised earlier with respect to child care. Child care was the subject of a \$79.5 million statement last year. However, there are significant emerging pressures on child care. I would like to know what is being drawn on by the task force in relation to those emerging pressures. You were in a position to answer the detail in a statement that occurred late last year with respect to child care. I would be surprised if, in the role of the chair of this IDC, you cannot address what material is being drawn on with respect to the emerging pressures on child care.

**Senator Hill**—We can say that we draw on information from Family and Community Services but we cannot specify the information we draw on, because that is provided by them. You should ask them that. We can say that we asked them for support.

**Senator JACINTA COLLINS**—Have they commissioned work consistent with concerns within the task force?

**Senator Hill**—That is what you should ask the relevant department.

**Senator FAULKNER**—You know with these sorts of task forces that you often get different agencies with different views and conflicting opinions. That is one of the ideas of getting a whole of government approach—an IDC to try to sort through these sorts of important issues and come to a whole-of-government perspective. That is why, properly in my view, Senator Collins is asking these questions of you representing the Prime Minister here, and senior departmental officers, to try to get some straight answers to what I think are pretty fair questions in this circumstance. We understand, and everyone knows, that there are different views, different emphases, different imperatives and different policy positions that come through these sorts of processes. At the end of the day, someone has to sort it and

PM&C sits, on this occasion, at the top of the pile in the process that is responsible for sorting it. That is what Senator Collins is saying. That is why she is asking the questions. It is an eminently and perfectly reasonable thing for her to do. You can only come to one of two conclusions: either PM&C do not have a clue what is going on or, alternatively, they do not want to front up with the information. This is very worrisome. How has all this material been leaked anyway? How come all this stuff is being quoted by Senator Collins, quite prominent press gallery journalists and the like—everybody seems to know what is going on except you?

**Senator Hill**—They may not.

**Senator FAULKNER**—Has there been a leak investigation into this?

**Senator Hill**—That is another question.

**Senator FAULKNER**—That is the question I am asking now.

**Senator Hill**—I thought there were a couple before that.

**Senator FAULKNER**—What have you done about the fact that these cabinet submissions have been leaked?

**Senator Hill**—We have a question: are we investigating the source of the alleged leak?

**Ms Scott**—We are seeking to establish what the reported documents are and, in the course of that, are discussing it with a number of other departments.

**Senator Hill**—Could Senator Collins give us a copy?

**Ms Scott**—That would assist in the task.

**Senator JACINTA COLLINS**—I am sure it would.

**Senator FAULKNER**—I suggest you just go to all the journalists; see how you go with them.

**Senator ROBERT RAY**—Why don't you put the Federal Police onto the journos?

**Senator Hill**—We would prefer to ask Senator Collins for help.

**Senator FAULKNER**—You have done very well in the case of the leak to Mr Bolt—the very surprising and shocking leak to Mr Bolt. See how you go on this one.

**Senator ROBERT RAY**—How many leakers have you caught so far apart from Senator Newman's staffer? Anyone?

**Senator Hill**—We do not catch a lot of leakers.

**Senator FAULKNER**—You are still at one.

**Senator ROBERT RAY**—Translated, that means one—and he was not eligible. We will revisit it later anyway, I promise you.

**Senator FAULKNER**—Big effort: one successful leak investigation. But this is not a deliberate leak this one, is it? So it is different from some of the other categories we have mentioned.

**Senator ROBERT RAY**—It was not given to a journo.

**Senator FAULKNER**—No, that is the point.

**Senator ROBERT RAY**—It was not given to a local toady.

**Senator FAULKNER**—It was not actually handed over deliberately to spear somebody.

**Senator ROBERT RAY**—Let's move on.

**Senator JACINTA COLLINS**—I have one final area I will try, which will probably get nowhere, and then we will move on. One of the other critical issues on work and family has been this government's annualised assessment of family payments. Has any agency been tasked with reappraising the annualised assessment of family payments?

**Ms Davidson**—The Department of Family and Community Services.

**Senator JACINTA COLLINS**—FaCS has been tasked with that job?

**Senator Hill**—We have said that they are looking at all the programs. If that is one of the programs, I presume they are looking at that.

**Senator JACINTA COLLINS**—Thank you.

**CHAIR**—Thank you, Senator Collins. Are there any further questions on output 2.1, Social policy?

**Senator FAULKNER**—We are moving on.

**CHAIR**—I think the secretariat mentioned that Senator Kirk may have wanted to ask some questions.

**Senator ROBERT RAY**—She is not here.

**CHAIR**—Okay.

[5.10 p.m.]

**CHAIR**—Are there any questions on output 3.1, International and security policy advice and coordination.

**Senator ROBERT RAY**—We would initially want to do this and the National Security Division at the same time, because there might be an overlap. Does that suit you?

**Mr Metcalfe**—Yes.

**Senator ROBERT RAY**—The first area I want to go to is the Joint Statutory Committee on ASIO, ASIS and DSD. If you do not mind, for abbreviation we will call it the joint intelligence committee. I want to go to the fact that it is a statutory requirement that any report by that committee go to ministers to be passed onto agencies to be appropriately vetted to make sure there is nothing in the report that had run contrary to a variety of criteria laid down in the act. I think you are familiar with that. In this instance the committee also sent the report to PM&C. There is no statutory requirement to do that but it was done as a courtesy, because ONA, on behalf of the Prime Minister and others, gave evidence. So a copy was sent to the Prime Minister's office and then the department. Can I ask when the department received that draft copy?

**Mr Metcalfe**—We will have to check precisely when we received it. I recall the Prime Minister's office advising that the committee had written to the Prime Minister, and I think we

would have received a copy soon after that—within a day or so—but I will have to check on which day it was. I just do not recall.

**Senator ROBERT RAY**—I have a feeling it was on or about 18 or 20 January.

**Mr Metcalfe**—That sounds right, but I will check.

**Senator ROBERT RAY**—It is not crucial. Do not go to the trouble of finding that out. We will just presume that is correct, unless that working assumption is terribly wrong, in which case you might correct the record.

**Mr Metcalfe**—If the committee provided it to the Prime Minister and to other ministers around that date, I think we would have had it within 24 hours.

**Senator ROBERT RAY**—A copy came to the department?

**Mr Metcalfe**—Yes.

**Senator ROBERT RAY**—Could you tell us where it went from there?

**Mr Metcalfe**—I think it would have come into the National Security Division of the Department of the Prime Minister and Cabinet, which deals with intelligence issues. A small number of senior officers would have had access to that report.

**Senator ROBERT RAY**—In the department?

**Mr Metcalfe**—That is correct.

**Senator ROBERT RAY**—That surprises me. I will come back to that. A copy was passed onto ONA via the department or via the Prime Minister's office?

**Mr Metcalfe**—I think a copy may have gone directly to ONA. I can check on the exact—

**Senator ROBERT RAY**—This is quite important.

**Mr Metcalfe**—If you are asking how the copy got to ONA, I will have to check on that. But what I do know is that the department has a copy of the report.

**Senator FAULKNER**—You said 'has'. Do you mean it currently has?

**Mr Metcalfe**—That is correct; present tense.

**Senator ROBERT RAY**—So you have a copy in addition to the one that has gone to ONA via whatever source?

**Mr Metcalfe**—That is correct.

**Senator ROBERT RAY**—On what basis do you have possession of that copy?

**Mr Metcalfe**—I think the copy was provided to the government.

**Senator ROBERT RAY**—No, it was not.

**Mr Metcalfe**—It was provided to the relevant ministers.

**Senator ROBERT RAY**—To pass onto the agency, not onto your division.

**Mr Metcalfe**—I took advice on that precise issue and there was seen to be no reason why the department would not have access to a copy of the report.

**Senator FAULKNER**—Who did you seek advice from?

**Mr Metcalfe**—I took advice from a senior officer within the department who deals with these issues, Ms Belcher.

**Senator ROBERT RAY**—The report, as a courtesy—not as a statutory requirement—is made available. Have you seen a copy of the letter from the chairman of the joint intelligence committee to the Prime Minister?

**Mr Metcalfe**—I imagine I have. I understand the basis on which the report is obliged to be provided to the government in terms of whether there was anything in the report that would be of concern to national security. I know that agencies are in contact with the committee secretariat in relation to that issue. The Prime Minister has made it very clear that the government would not be utilising or in any way commenting on the report other than within the very narrow terms of the request that was made.

**Senator ROBERT RAY**—We will leave that aside and come back to it. I want to quote from Mr Jull's letter and ask you what part of it you do not understand—either you or Mr Jordana. He states:

The Committee requests that the draft be passed to the responsible agencies for assessment as required under the statute, but that, in the spirit of usual parliamentary procedures, it not be distributed to ministerial offices or more broadly than necessary in departments.

This was not given to you to do a preview of.

**Mr Metcalfe**—‘More broadly than necessary’ is what it says.

**Senator ROBERT RAY**—But surely you understood that. It is given to you under statute for agencies to comment under specified criteria—not for you to do a bit of preliminary research on it so you can get your response out the day it is tabled. Surely you realise that.

**Mr Metcalfe**—I checked quite carefully on this particular point. The report was provided to ministers to pass on to relevant agencies. It was seen as quite appropriate for agencies to consult with each other to ensure that the agencies—

**Senator ROBERT RAY**—I am sorry to interrupt, but we are misunderstanding each other. When we talk about agencies we are talking about—

**Mr Metcalfe**—We are talking about the specific agencies.

**Senator ROBERT RAY**—Yes, we are not talking about departments; we are talking about the agencies.

**Mr Metcalfe**—The advice I had was that it was quite appropriate for the department to work with the agencies in terms of a coordinated response to the committee.

**Senator ROBERT RAY**—Who gave you that advice?

**Mr Metcalfe**—As I have said, that was advice from the head of the Government Division of the department.

**Senator ROBERT RAY**—At any stage was advice sought back from the committee as to whether this was an appropriate action? We anticipated this, Mr Metcalfe. We anticipated having to send the report to the two agencies in particular to whom we have a statutory responsibility. As a courtesy we send it to ONA. We anticipated the possibility that it could then be spread around departments with responses, so we let you know in these terms. Was

any contact made with the committee secretariat to see what they regarded as the appropriate procedure?

**Mr Metcalfe**—I am not aware of any such contact, Senator.

**Senator FAULKNER**—Was any advice sought from the Government Solicitor?

**Mr Metcalfe**—I am not aware of any such advice.

**Senator ROBERT RAY**—So tell me the officers outside ONA in the department that have had access to this report.

**Mr Metcalfe**—As I said, a very small number of senior officers.

**Senator ROBERT RAY**—How many?

**Mr Metcalfe**—I would say it would be no more than two or three.

**Senator ROBERT RAY**—Have copies of this report been made?

**Mr Metcalfe**—I will have to check on that.

**Senator ROBERT RAY**—I think it is very important for the rest of our discussion here tonight whether the report has been copied. No-one wants these issues mixed up with parliamentary privilege, but let me tell you that you are right on the edge of it here in terms of previous cases of having offended parliamentary privilege if this document has been circulated in the way you describe. That is why we are trying to narrow it down. It was anticipated. It was not anticipated in terms of saying, ‘Oh, well, we’ll get a preview here.’ Has any response been prepared and advice for ministers? I am not asking what the advice is on this.

**Mr Metcalfe**—A briefing has been provided to the Prime Minister on the major conclusions of the inquiry.

**Senator ROBERT RAY**—That is disgraceful! I am sorry, but that is absolutely disgraceful behaviour! It was not provided for that reason. No parliamentary committee report is provided for that reason: so you can get a preview, provide advice and then sweat on the report coming out. That is just not on!

**Mr Metcalfe**—As I have said, the Prime Minister made it very clear—and he was being very careful and proper in what he described—that there has been an interagency process to ensure that the response to the committee from the various agencies has been accurate. The Prime Minister and other ministers have been provided with a copy of the report, and I am advised that it is not inappropriate for the departments to provide them with a briefing on the contents.

**Senator ROBERT RAY**—You have been badly advised on that aspect at least.

**Mr Metcalfe**—The Prime Minister made it very clear that in no way was the government seeking to vet the report or otherwise deal with the report.

**Senator ROBERT RAY**—Do not knock down straw men. I have not raised the question, and nor will I—and we go into areas I cannot go into—about the vetting of it et cetera. I did not raise that, Chair. That is a completely different issue. There are statutory requirements. If there are any difficulties with that, we will resolve them long after this committee meets.

**Senator Hill**—Naturally, I have not seen the letter the committee wrote to the Prime Minister.

**Senator ROBERT RAY**—I see. I will get some copies made, because I am sure it is not a confidential document.

**Senator Hill**—There was a letter written to me. If this discussion flows from a letter that was written to the Prime Minister—

**Senator ROBERT RAY**—It flows from the letter and from oral conversations.

**Senator Hill**—you should look at what was requested of the Prime Minister.

**Senator ROBERT RAY**—There is no issue here of whether government was trying to vet the report. As you know—it is described in statute—there are certain responsibilities for government and agencies. I accept all that. But the report was never, ever given to the government—especially PM&C where there is no statutory requirement—for you to get the big head start: to start analysing it and giving advice to the Prime Minister. People should have known that and, in my view, did know it. I cannot understand the source of advice here. Previous Privileges Committee reports have drawn attention to departments time and time again about their responsibilities in terms of reports. You know, Minister, that on two or three occasions reports have been given on to departments and breach of privilege has been found. We have never gone on to a contempt finding, because most of it was innocent. As you know, DLOs pass it on thinking they are doing the right thing. Then we go through the whole exercise again of writing to departments, trying to educate them. I want to go back to this question of who gave you the advice. Was it in writing?

**Mr Metcalfe**—I do not believe so.

**Senator ROBERT RAY**—So some time around 20 January—do not hold me to that and I will not hold you to it—a report goes to the Prime Minister's office and then a copy comes to you. We do not know whether it is the original or not. You cannot tell me whether that has been copied.

**Mr Metcalfe**—I will have to check on that.

**Senator ROBERT RAY**—How long will that take you to do?

**Mr Metcalfe**—Probably by the time we come back after dinner I will have an answer.

**Senator Hill**—I can see you trying to work out the process that would have flowed from the letter. You have got two agencies: one that gave evidence—ONA, which is not specifically included in the statute, but the committee was giving it the opportunity to check the findings that relate to it and references to it to ensure there was not a security problem there as well—and within the Prime Minister's department the National Security Division that deals with national security issues. The Prime Minister's office might send it to the National Security Division of PM&C to check that there is not a security issue with the report. That does not strike me as extraordinary.

**Senator ROBERT RAY**—No, but that is not the purpose to which it has been put, it appears. It now appears that the department, and this division, has been working on the report to advise the Prime Minister of issues within the report. Am I unfairly summarising that?

**Mr Metcalfe**—I suppose you could characterise it—I do not know whether the Prime Minister has read the report or not—as a synopsis of the major conclusions has been provided.

**Senator ROBERT RAY**—If you have a look at the transcript in Western Australia, as reported on AAP, he says he has read the report but properly goes on to say that he cannot disclose any part of it. From that there could be an argument that that is legitimate because eventually, if ONA want to object to part of what is in the report or ask for a rephrasing, they may well use him as the conduit through to the committee. I understand that. What I am looking at is the role of this section. Mr Jordana, have you read the report?

**Mr Jordana**—I have read some parts in detail; other parts I have skimmed.

**Senator FAULKNER**—So that is a yes.

**Mr Jordana**—Have I read the report in its entirety? No, but I have read parts of it.

**Senator ROBERT RAY**—What about you, Ms Bird?

**Ms Bird**—No, I have not seen the report, Senator.

**Senator ROBERT RAY**—So it is not in your section.

**Mr Metcalfe**—No, it is within the National Security Division. As I have said, I would imagine it is two or three senior officers.

**Senator ROBERT RAY**—Maybe Mr Jordana can help us, because he would be closer to it than you. How many do you think have read it?

**Mr Metcalfe**—Senator, I said we would check on that fact. We can come back to you.

**Senator ROBERT RAY**—I am asking whether Mr Jordana knows the fact that you may not know. He might be close to it; he might know.

**Mr Jordana**—Senator, I think Mr Metcalfe's characterisation of two or three is right. I would have to check as well.

**Senator FAULKNER**—Mr Jordana, can I ask you this question: how many senior officers of the Department of the Prime Minister and Cabinet do you know to have had access to the report? We can find out the precise details at a later stage. How many, apart from you, do you know—and can tell us of now without further inquiries—have had access to the report?

**Mr Jordana**—I could say that to the extent that Mr Metcalfe may or may not have read it—I would have to ask him whether or not he has read it—that is one possibility, me and at least one other officer.

**Senator FAULKNER**—Who is the other officer?

**Mr Jordana**—Peter Furlonger.

**Senator FAULKNER**—Whose position is what?

**Mr Jordana**—He is head of the section that deals with intelligence and issues relating to intelligence issues.

**Senator ROBERT RAY**—That is why I asked the question, 'Were any copies of this report made?' Did one of you pass the copy to the other person, then backwards and forwards, or was another copy made?



**Mr Metcalfe**—We will just have to check. I have seen a copy, and I do not know whether—

**Senator FAULKNER**—Surely you would know whether copies had been made of this very sensitive report in your possession, about which there is a whole range of statutory requirements in terms of access?

**Mr Metcalfe**—As I said, Senator, I have seen a copy. I have skimread a copy. I do not know if it is the only copy or whether copies were made.

**Senator FAULKNER**—Where is it now?

**Mr Metcalfe**—The copy that I have seen?

**Senator FAULKNER**—Yes.

**Mr Metcalfe**—I will have to check whether it is still with me or whether I have handed it back to Mr Jordana.

**Senator ROBERT RAY**—The reason I cannot follow this—and we will come back to that in a minute, Senator Hill—

**Senator Hill**—It is ambiguous, with great respect.

**Senator ROBERT RAY**—It would not have been ambiguous if you had checked with the secretariat of the committee. If they have had any working knowledge of parliamentary privilege and previous cases, none of this would have occurred. We will come back to that if you want to raise it again, Senator Hill. This is why I cannot work it out: there must have been multiple copies of this report if one has gone to ONA and one has gone to you.

**Mr Metcalfe**—That sounds correct.

**Senator ROBERT RAY**—If you did not pass the copy onto ONA—you do not seem to know that yet—do you know how it got to ONA, Mr Jordana?

**Mr Jordana**—I cannot say exactly.

**Senator ROBERT RAY**—You did not send one on to ONA.

**Mr Jordana**—I personally did not.

**Senator ROBERT RAY**—Do you know if anyone in your group did? Is the answer no?

**Mr Jordana**—I am not quite too sure.

**Senator ROBERT RAY**—You are not too sure.

**Mr Jordana**—No, I am not sure, Senator. I am sure ONA would have received a copy. I am sure ONA were working off a copy. I am not sure how that copy was conveyed to ONA.

**Senator FAULKNER**—Mr Jordana, where is the report that you read parts of? Where is that now?

**Mr Jordana**—I have a copy of that report.

**Senator FAULKNER**—You have a copy?

**Mr Jordana**—Yes.

**Senator FAULKNER**—And do you know if it is the same copy that Mr Metcalfe read?

**Mr Jordana**—I am not sure.

**Senator FAULKNER**—When did you receive that copy?

**Mr Jordana**—That copy would have been received—Senator Ray has been talking about the ballpark time in which the copies were conveyed—

**Senator FAULKNER**—You have a copy and Mr Furlonger has had access to it—possibly read it, we do not know, but you have said he had access to it—

**Mr Jordana**—Mr Furlonger has certainly read it.

**Senator FAULKNER**—Your copy or another copy?

**Mr Jordana**—I am not quite too sure.

**Senator Hill**—I would just make the point that it is not clear from the letter to the Prime Minister what he was supposed to do with this document. I do not know, but it may be that if ONA had not have given evidence a copy would not have been sent to the Prime Minister at all. But, on the face of the letter, he is told that it is coming to him to be passed to responsible agencies as required under the statute, which is not ONA at all.

**Senator ROBERT RAY**—But it also gives the grounds—

**Senator Hill**—And the implication is that it can be sent not more broadly than necessary to departments. The implication in that is that it may well be appropriate that it go to departments. In his case, his department is Prime Minister and Cabinet. Where will it go to in Prime Minister and Cabinet? Presumably to the National Security Division.

**Mr Metcalfe**—There are no conspiracies around this, Senator—

**Senator ROBERT RAY**—It is incompetence.

**Mr Metcalfe**—What we were seeking to do was to ensure that the three agencies involved talked to each other about the response—not to in any way edit or vet their responses but to make sure that the agencies concerned were able to recognise those issues that may have been concerned on a national security basis and provide consistent responses to the committee. That is the sort of thing PM&C does in relation to all sorts of issues. The work that was undertaken by PM&C was to assist that process.

**Senator ROBERT RAY**—There is no doubt about that, but you then did other work.

**Mr Metcalfe**—We provided the synopsis—

**Senator ROBERT RAY**—You provided the synopsis of the report for the Prime Minister. It is entirely different. Senator Hill, your point would be more valid if it was not for paragraph 2, which states the purpose. These are the grounds on which you have access for the report, to make comment on these grounds—not to get a head start, a political start, knowing what is in a committee report, knowing that for the next three weeks with your knowledge of what is in the committee report you can make public statements that dovetail in and to start inoculating yourself. Of course that is the exercise.

**Mr Metcalfe**—With respect, Senator, the statute does not say that the minister cannot read the report. Each of the ministers could have read the report themselves, quite properly. The purpose of the report being passed to relevant agencies was to obtain that advice, and that

advice is in the process of being provided to the committee, but there is nothing here that indicates that a minister cannot receive a copy of the report and read it. Essentially, what we did was a bit of reading on behalf of the relevant minister.

**Senator ROBERT RAY**—The ministers get the report basically as the conduit through to the agencies. In other words, the committee does not send the report directly to ONA, DSD or ASIS; it sends it via the minister because that is the appropriate way. It is not sent to the minister so that they can have a preview of it, so that they can get themselves ready for it, and in this case somewhere in the process have that creature Denis Shanahan comment on it on the front page of the *Australian*.

**Mr Metcalfe**—What I am saying is that the Prime Minister made it very, very clear in comments to the media in Western Australia that he had received the report, that it would be the subject of any appropriate comment back to the committee from the agencies concerned but that it would be totally improper for the government to seek to vet or comment on the report. That is something that will happen after the report is—

**Senator Hill**—The act provides that the advice to the committee on whether it meets the security requirements is an obligation of the minister, not the agency.

**Senator ROBERT RAY**—Let us not knock down straw men. Of course that is the case, and therefore on those two dot points in the letter that is what is required to be responded to.

**Senator BRANDIS**—Have we got a copy of the statutory provision here?

**Senator ROBERT RAY**—No, I have not.

**Senator BRANDIS**—Should we not know what the statute says before we attack Mr Metcalfe on the basis that there has been some trespassing beyond what the statute allows?

**Senator ROBERT RAY**—I am sorry, you are playing well and truly catch-up here. There was not even a statutory requirement on—

**Senator BRANDIS**—But, Senator Ray, you are having a go at these witnesses on the basis of a surmise on your part that they have done—

**Senator ROBERT RAY**—I just do not follow that, I am sorry.

**Senator FAULKNER**—On a point of order: I have some questions to put to the witnesses, and I am very interested in Senator Brandis's point, but this is not an opportunity to have a private discussion with Senator Ray. They can have a cup of coffee out the back if they want. What I would like to know, if you can explain it to us, Mr Metcalfe, are the document handling procedures in Prime Minister and Cabinet for a document like this.

**Mr Metcalfe**—This would be treated as a classified document.

**Senator FAULKNER**—What does that mean?

**Mr Metcalfe**—It would have very limited access, which is consistent with what I have said.

**Senator FAULKNER**—Sign off, sign out and that sort of thing?

**Mr Metcalfe**—Probably not. It would depend upon the nature of the document, but a document of this nature would be tightly held and it would be securely held in a physical sense.

**Senator FAULKNER**—You do not even know whether you have got one. That did not fill us with any sort of confidence.

**Mr Metcalfe**—That is a factual issue. I can resolve that with a couple of phone calls.

**Senator FAULKNER**—If you did have one, where would it be?

**Mr Metcalfe**—If I currently have one?

**Senator FAULKNER**—Yes. You do not know if you have it but, if you did have it, it has to be securely held. Where would you hold it?

**Mr Metcalfe**—It would be in my safe.

**Senator FAULKNER**—But you do not know if it is in your safe or not?

**Mr Metcalfe**—With respect, I receive lots of bits of paper. Whether or not I was given a photocopy on a restricted basis or whether I was given the original, which I have now returned, is a factual issue that I can check. As I have said, I think it sounds like three—or possibly four if the secretary has seen a copy of the report—officers within the department would have seen the report. And the reasons for seeing the report I think I have explained.

**Senator ROBERT RAY**—I do not think you have at all. Why have you seen it? Explain it again.

**Mr Metcalfe**—To ensure a coordinated response to the committee between the three agencies.

**Senator FAULKNER**—That is not the case.

**Senator BRANDIS**—Surely, Mr Metcalfe, the reason you saw the report was to assist the minister to discharge his statutory obligations under clause 7(3) of the Intelligence Services Act.

**Mr Metcalfe**—You could say it that way, yes, you could.

**Senator ROBERT RAY**—You could say that.

**Senator BRANDIS**—That would be right.

**Mr Metcalfe**—I am agreeing with Senator Brandis.

**Senator ROBERT RAY**—So you prepared advice to the Prime Minister on the report just on those points?

**Senator FAULKNER**—The Prime Minister would not agree with Senator Brandis.

**Mr Metcalfe**—What I am saying in relation to Senator Brandis's comments, Senator Ray, is that the department worked with the three agencies involved to ensure that those agencies were working together to assist them in responding to the request of the committee

**Senator ROBERT RAY**—I have no objection to that, but you have gone on and done more than that.

**Mr Metcalfe**—As I have said, we provided a briefing on the contents of the report; but, as I have said, the same result could have been achieved by the ministers themselves having read the report.

**Senator ROBERT RAY**—Did any of those matters on that advice, without revealing what is in the advice, go beyond those two dot points in the letter that you now have before you?

**Mr Metcalfe**—I am sorry, I am not sure—

**Senator ROBERT RAY**—Did any of the advice that you sent to the Prime Minister, without going to the content of it, go beyond the two dot points contained here in the correspondence?

**Mr Metcalfe**—It went to a synopsis of the report.

**Senator ROBERT RAY**—Exactly. So you went beyond the statutory requirement, didn't you?

**Senator BRANDIS**—That assumes that is the statutory requirement. How do you know that Mr Jull's summary of what the statute says is correct? Surely the relevant question, if I may, Senator Ray, to ask Mr Metcalfe is this: are you satisfied that whatever was done in relation to the report by you or your officers did not go beyond assisting the minister to fulfil his statutory obligations under clause 7(3) of the Intelligence Services Act?

**Mr Metcalfe**—It is always our objective to do that.

**Senator ROBERT RAY**—You were not asked what your objective was. He asked you what you did. That is a different question.

**Senator BRANDIS**—Are you satisfied?

**Mr Metcalfe**—I think I have told the committee what we have done.

**Senator ROBERT RAY**—Is that your answer?

**Senator BRANDIS**—Mr Metcalfe, what I want you to assure the committee of is that in your judgment—

**Senator ROBERT RAY**—This is normally called—

**CHAIR**—Order!

**Senator BRANDIS**—What I want you to assure the committee of is whether in your judgment nothing was done by you or your officers in relation to the report beyond what was mandated by clause 7(3) of the Intelligence Services Act.

**Mr Metcalfe**—What I am saying is that we provided the coordination role between the agencies to enable them to respond to the requests of the committee. We provided a synopsis or a short briefing on the contents of the report. That would have gone beyond the specific issues relating to operationally sensitive information but would allow the relevant minister to take those issues into account.

**Senator BRANDIS**—So you would have been satisfied—

**Mr Metcalfe**—So I am quite satisfied that the role we have undertaken has been proper.

**Senator Hill**—But it is made more complicated by the fact that the information, it would seem, was requested in relation to agencies that do not fall strictly within that provision. It was because everybody was seeking to cooperate with each other. Agencies that were not obliged to give evidence gave evidence and, in the spirit of fair play, those agencies as well are given the opportunity to check the security implications of what was being reported.

**Senator ROBERT RAY**—When do you think we will be able to find out whether there are copies floating around or whether there is just the one copy going in between the three or four—

**Mr Metcalfe**—As I have said, we will need to make a phone call once we have a break and we will let you know.

**Senator ROBERT RAY**—How long was the synopsis of the report given to the Prime Minister?

**Mr Meltcalfe**—I think it went to about two pages, from memory. I could check on that.

**Senator ROBERT RAY**—But it did go beyond these two dot points.

**Mr Meltcalfe**—It provided a summary of the key conclusions of the report. As I have said, that is exactly what someone could do if they read the report in full.

**Senator ROBERT RAY**—It is a two-page synopsis.

**Mr Meltcalfe**—It was a speed-reading exercise. It enabled the Prime Minister to understand what was in the report.

**Senator FAULKNER**—Who requested it?

**Senator BRANDIS**—Let us assume that the width of the obligations under section 7(3) are contained in those two dot points in the letter. I am struggling to understand how any minister could satisfy himself as to those matters without having read and studied the report and, if need be, had a synopsis prepared for him. Would you agree?

**Mr Meltcalfe**—That could well be the case.

**Senator FAULKNER**—Who tasked that the synopsis be prepared?

**Mr Meltcalfe**—I think the Prime Minister's office asked for it.

**Senator ROBERT RAY**—So they have a copy of the report—we know they have a copy of the report.

**Mr Meltcalfe**—That is right. They were a conduit. I can check whether a copy went directly from the Prime Minister's office to ONA or whether a copy came to the department and then to ONA. I can check whether there are one or more copies within the department.

**Senator ROBERT RAY**—Just for the record—I know what the answer is—can we have your assurance and Mr Jordana's assurance, having read the report, that you did not disclose any part of it to the media?

**Mr Meltcalfe**—Absolutely, I can speak on behalf of the department.

**Senator ROBERT RAY**—I am just eliminating suspects here. Mr Jordana?

**Mr Jordana**—I can confirm that.

**Senator BRANDIS**—We now have a copy of the act and subclause 7(3) of the first schedule, which is what Mr Jull is paraphrasing in his letter, says this:

- (3) The Committee must obtain the advice of the responsible Minister or responsible Ministers concerned as to whether the disclosure of any part of the report would or might disclose a matter referred to in subclause (1).

The matters referred to in subclause 7(1) are in fact more extensive than appear in the paraphrase appearing in Mr Jull's letter. It says:

- (1) The Committee must not disclose in a report to a House of the Parliament:
- (a) the identity of a person who is or has been a staff member of ASIO or ASIS or an agent of ASIO, ASIS or DSD; or
  - (b) any information from which the identity of such a person could reasonably be inferred; or
  - (c) operationally sensitive information or information that would or might prejudice:
    - (i) Australia's national security or the conduct of Australia's foreign relations; or
    - (ii) the performance by an agency of its functions.

So the paraphrase in Mr Jull's letter puts the statutory obligation somewhat more narrowly than in fact it is. I come back to my earlier question. Mr Metcalfe, have a look at the provision and, having considered it, you might care to answer my question. How could the responsible minister be satisfied as to each of those several matters without having taken the steps that you have outlined have been taken?

**Mr Metcalfe**—I agree. The objective of this exercise was for the committee to interact with the relevant agencies through the responsible ministers as to the matters that were required in the statute. The committee went about that properly and diligently. As the minister at the table has said, this committee does not have any statutory mandate in relation to the Office of National Assessments, but it was agreed at the beginning of the inquiry that ONA would more or less be folded under this particular process. The role of PM&C has been very simple, and we believe it is absolutely consistent with appropriate requirements to ensure that the three agencies involved were able to work together in relation to examining the report and identifying those issues that may give rise to concerns under the act. As part of that process we were asked for a piece of work in relation to what the report means, to contextualise these particular issues, and that is something that we did.

**Senator BRANDIS**—So now that you know what the statutory obligation in fact was, not merely Senator Ray's paraphrase of Mr Jull's paraphrase, are you able to say that that statutory obligation was discharged?

**Mr Metcalfe**—I certainly believe so.

**Senator ROBERT RAY**—Have you gone beyond it?

**Mr Metcalfe**—I do not think so.

**Senator ROBERT RAY**—Why did you seek advice in the initial period? Did you have some doubts?

**Mr Metcalfe**—In anything relating to issues dealing with parliamentary committees, I normally seek advice. In this case, my recollection is that I did not specifically seek the advice

myself. It was done by Mr Jordana, who had a discussion with the senior officer in the department who was acknowledged as an expert on these matters.

**Senator ROBERT RAY**—I see. Was the question of parliamentary privilege raised?

**Mr Jordana**—I do not think I would put it in those terms, necessarily. Not having extensive experience with these types of matters, I wanted to go to someone in the department who I was confident did have extensive experience and ask them for guidance on what was and what was not appropriate in the circumstances.

**Senator BRANDIS**—In effect, Mr Jordana, the statute creates an exception to parliamentary privilege because, but for the statutory provision, it would have been a breach of parliamentary privilege to disclose that to anyone. The fact that the statute mandates its disclosure under certain circumstances for defined purposes means that, as long as those purposes are not gone beyond, parliamentary privilege is not relevant to you.

**Senator ROBERT RAY**—Of course, even with your wider definition, you act within that and not go beyond it.

**Senator BRANDIS**—I accept that.

**Senator ROBERT RAY**—The question is: preparing advice to the Prime Minister to get him ready to respond to the report, which we all know has happened, goes beyond it. Really, you are a low rent outfit if you cannot see that.

**Senator HILL**—I do not think anybody is saying it is illegitimate of the minister, or in this instance the Prime Minister, to read the report. I find it hard to see a distinction of any significance between the Prime Minister reading the whole report and the Prime Minister requiring his National Security Division to provide him with a precis, which he then read—if that is what occurred.

**Senator ROBERT RAY**—Yes, but what we are looking at is whether the precis has been provided to meet those definitions in the act or whether the precis has been provided to inform the Prime Minister to make his political response.

**Senator BRANDIS**—That is not right, Senator Ray, with respect. Surely it is the case, isn't it, Minister, that a precis is a precis of the report for all purposes, which the Prime Minister or the responsible minister will receive for a more limited purpose—that is, the discharge of the statutory obligations in clause 7(1) of schedule 1 of the act? But a precis of the report cannot be anything other than a faithful precis to report. It cannot be, as it were, skewed by reference to those criteria. The use to which it can be put may be limited, but it can only be a precis of the document.

**Senator ROBERT RAY**—It is a question of when the precis is done, George. The precis is done after the report has been put down in parliament, and that is how governments respond to parliamentary reports—ever thus. What we do know is that, on several occasions, reports have been sent over to departments, mostly the department of communications, so they can get an early run at it and a response to it. If you go back through the Privileges Committee reports, you will find those cases dealt with and people reprimanded over it.

**Senator BRANDIS**—Minister, can I put it to you that the responsible minister, including the Prime Minister, is under a statutory obligation to be satisfied as to several matters?



**Senator ROBERT RAY**—No, he is not.

**Senator BRANDIS**—He could not possibly be satisfied as to those matters without having considered the report. And if it is legitimate, as you say, for him to consider the report, it must be legitimate for him to consider a synopsis of the report, which is not to be skewed by reference to those matters. He has to be satisfied that the report meets those criteria. How can he do that without knowing what is in the report?

**Senator Hill**—I did not hear all of what Senator Brandis read out, but if you read subclause (1) as a whole—which he might have done—it goes to the broader issues of whether:

- (c) operationally sensitive information or information that would or might prejudice:
  - (i) Australia's national security or the conduct of Australia's foreign relations; or
  - (ii) the performance by an agency of its functions.

**Senator BRANDIS**—Minister, that is the point. He has to be satisfied on all of those matters.

**Senator Hill**—As I said from the outset of this discussion, I think it is doubly complicated in this instance by agencies other than those specified in the legislation giving evidence and the responsible minister for those agencies being given the opportunity—which I do not quarrel with; I think it is just fair play—to make a similar assessment.

**Senator ROBERT RAY**—Let me ask you this: has the Prime Minister now corresponded on these matters to give his opinion to the committee?

**Mr Metcalfe**—My understanding is that the agencies themselves will respond.

**Senator ROBERT RAY**—Of course.

**Mr Metcalfe**—On the basis that it was the agency that had the view.

**Senator ROBERT RAY**—Exactly. That is why it was sent over—so that the agency could respond, not so that the Prime Minister could prep himself.

**Senator Hill**—I understand that there was some confusion among agencies as to exactly who, under the terms of the legislation, should be responding. For at least one of my agencies I have responded. But I also suspect that the agency might have responded—or, through Mr Metcalfe's coordinated process, maybe part of an agency has responded.

**Senator ROBERT RAY**—If there is misunderstanding, the coordination process is not going too well.

**Senator Hill**—This is not an attempt to in any way defeat the provisions of the act; it is an effort not only to interpret them but also to be helpful. It may come out of this discussion that it is not appropriate for agencies to confer and put in one response. I do not know that it is the responsibility for agencies to respond at all when I read the provisions of this act, but I think that they might.

**Senator ROBERT RAY**—You seem to have said that the whole thing is confused, yet we know that PM&C are there as the shining light coordinating agency. They have not done too good a job if all this confusion exists. Who appointed you as coordinator of this, Mr Metcalfe? Were you directed to by the Prime Minister or his office?

**Mr Metcalfe**—I think we were asked to. I will have to check—

**Senator ROBERT RAY**—It is amazing: we are striking a lot of questions that we are not getting answers to when they get a bit hard. Why do we not know? You are sitting at this table. Who got you to coordinate this? Surely someone at the table knows.

**Senator Hill**—But that is what you do, isn't it? You are sent a copy from somewhere and you immediately start coordinating.

**Senator ROBERT RAY**—Senator Hill, we are dealing with something that happened in the last three weeks. If you are saying that the corporate memory at the table cannot tell me who initiated the coordination of these things, you have got to be joking! Of course someone at the table can remember!

**Mr Metcalfe**—I think we have been quite clear in saying that there was such a process. Whether it was my idea or someone else's idea, it happened. It was done—

**Senator FAULKNER**—Who informed the other agencies that you were coordinating it, then? Who did that?

**Mr Metcalfe**—I think that we informed the other agencies to—

**Senator FAULKNER**—Who is 'we'?

**Mr Metcalfe**—'We' as in Prime Minister and Cabinet.

**Senator FAULKNER**—But this is obviously done on a more formal basis, isn't it? If you were going to take a coordinating role with a very small number of agencies, surely you would know who would be telling the agencies that that was the case.

**Mr Metcalfe**—We had a discussion with the agencies, and some of the agencies were saying to us, 'We've got this thing. Should we be talking with each other? How are we going to talk this through?'

**Senator FAULKNER**—So you did that yourself, Mr Metcalfe, did you?

**Mr Metcalfe**—What I am saying is that PM&C—

**Senator FAULKNER**—Who in PM&C did it?

**Mr Metcalfe**—Did what exactly?

**Senator FAULKNER**—Who contacted the agencies or had the discussion with the agencies? Which one of your officers?

**Mr Metcalfe**—There was a meeting held—

**Senator FAULKNER**—A meeting?

**Mr Metcalfe**—between the agencies.

**Senator FAULKNER**—When did that take place?

**Mr Metcalfe**—I will have to check the record. I do not know.

**Senator FAULKNER**—Who was present at the meeting?

**Mr Metcalfe**—It was the heads of the relevant agencies.

**Senator FAULKNER**—Who convened it?

**Mr Metcalfe**—It was held at Prime Minister and Cabinet, and I chaired the meeting.

**Senator FAULKNER**—Well, this is all new!

**Mr Metcalfe**—This was all in an attempt to ensure that the committee got a response in a timely way.

**Senator ROBERT RAY**—No-one is doubting your motives here, Mr Metcalfe. We are just trying to get to the facts, first of all.

**Senator FAULKNER**—Three-quarters of an hour later! Perhaps this is something you may well have offered up a little earlier.

**Senator BRANDIS**—Oh, come on, Senator Faulkner!

**Senator FAULKNER**—You chaired a meeting at PM&C.

**Mr Metcalfe**—That is correct.

**Senator FAULKNER**—When was the meeting held?

**Mr Metcalfe**—I will have to check. It would have been within a few days of the report being received.

**Senator FAULKNER**—Who took the initiative to hold such a coordinating meeting?

**Mr Metcalfe**—I think it was probably me, in response to discussions that I had with the agencies and which my colleagues had with the agencies.

**Senator ROBERT RAY**—Let me move on. Mr Jordana, you said to the committee, via the secretariat, that you are heading up the whole of government coordination on this, didn't you—on Friday night?

**Mr Jordana**—Yes, that is correct.

**Senator ROBERT RAY**—That is fine; that is factual. I do not object to that. Who appointed you to do that?

**Mr Jordana**—As Mr Metcalfe said, there were inquiries coming in from some of the other agencies as to how they should handle the particular response to the report.

**Senator ROBERT RAY**—So who appointed you to do it?

**Mr Jordana**—I cannot say anyone appointed me. It was part of the discussion we were having with the agencies.

**Mr Metcalfe**—This is what we do.

**Mr Jordana**—This is what we do.

**Senator ROBERT RAY**—By what authority, by what request or by what direction do you do this particular thing, when in fact there are clear statutory lines as to who is to respond?

**Senator Hill**—No, the statutory lines are not clear in these circumstances.

**Senator ROBERT RAY**—They are in terms of yourself and they are in terms of Mr Downer, so we will restrict it to that.

**Senator Hill**—I have been sitting here reflecting on what has been occurring. I had two agencies: one under the act and one not under the act.

**Senator ROBERT RAY**—That is right.

**Senator FAULKNER**—That is right.

**Senator Hill**—So what was my obligation in relation to the second?

**Senator ROBERT RAY**—What is your obligation?

**Senator Hill**—I treated them, within the spirit of the process, as coming within the same provision.

**Senator ROBERT RAY**—Have you read the report?

**Senator Hill**—I read the report. I would have thought it was irresponsible not to. I am obliged statutorily to report. Whilst I have great faith in my agencies, I would like to know what I am reporting about.

**Senator ROBERT RAY**—Did you send the report to your department?

**Senator Hill**—Yes.

**Senator ROBERT RAY**—So who made the copies in your department? I am trying to get a reflection.

**Senator Hill**—I do not know. I assume we sent one copy, which I assume they would have then given to the two separate agencies. It is a little bit like PM&C. Although there are two specific agencies, we put in—I do not know whether we can talk about what submissions we put in, but there are a number of ways we could have done it. We could have had each agency put in separate reports or we could have put in a coordinated one. If it gets coordinated by the intelligence division in Defence, it seems to me that it would be reasonable for them to provide the copies to the relevant agencies to get their feedback and provide a Defence response.

**Senator FAULKNER**—Were you aware that Mr Metcalfe had chaired a coordinating meeting of agencies in PM&C?

**Senator Hill**—No. At some time or other I can remember hearing that PM&C was coordinating the agencies. That was after I had said—

**Senator FAULKNER**—Mr Metcalfe, who was present at the meeting you chaired?

**Mr Metcalfe**—I will have to check to make sure I have the list complete, but it was the head of the Defence Intelligence Organisation; I am fairly sure it was the Deputy Secretary of Intelligence and Security Issues within the Department of Defence who DIO, DSD and DIGO report to; I think the acting head of ONA was there.

**Senator ROBERT RAY**—No-one from Foreign Affairs?

**Mr Metcalfe**—I will have to check in relation to that. There was a senior officer from ASIS.

**Senator ROBERT RAY**—I was putting it politely by encompassing it all in Foreign Affairs.

**Mr Metcalfe**—This committee covers that agency. Essentially, it was either the head or a very senior officer of the relevant agencies. I will have to check on who else may have been there.

**Senator FAULKNER**—I would appreciate it if you could come back to us.

**Mr Metcalfe**—We should be able to do that after dinner.

**Senator FAULKNER**—With the full representation at the meeting you chaired.

**Mr Metcalfe**—Yes.

**Senator FAULKNER**—I would also be very interested to know on what basis the meeting was held.

**Mr Metcalfe**—I think I can answer that. It is what PM&C does, which is to coordinate government activity in relation to this issue. I accept that it is certainly more complicated because of the statutory provisions relating to this particular committee, but this was a process designed to ensure that there was knowledge between the relevant agencies so that if, for example, one was saying, ‘Gee, this particular reference here causes us concerns,’ the others would be able to have an informed view in relation to that.

**Senator ROBERT RAY**—It is commonsense. This is not the first report that has gone to ministers for approval. Has PM&C ever had a coordinating role before?

**Mr Metcalfe**—I would have to check. I have not had any experience of that personally.

**Senator ROBERT RAY**—I think you should because it think the only reason you had a coordinating role this time was that a copy went to the department because ONA quite cooperatively gave evidence which was very useful for the inquiry. But you have never done it before.

**Mr Metcalfe**—I suspect you are right, and we can check on that. I suspect on previous inquiries the department would not have had a copy of the report because it would not have been sent to the Prime Minister. On this occasion ONA had given evidence to the committee and cooperated with the committee and, as the responsible minister, the Prime Minister was involved.

**Senator ROBERT RAY**—Let us go back to Mr Jordana. What questions did you ask advice for—and tell me if my characterisation is wrong? In terms of analysis and circulating this committee report, what matters did you seek advice of from the Government Division?

**Mr Jordana**—Could you repeat the question please.

**Senator ROBERT RAY**—I think you were the one—and correct me if I am wrong—who sought advice on how this sort of report should be handled. I am asking what subject areas you asked for advice on. We know it is not in writing, which makes it a lot harder for us to pursue. What were the areas you asked for advice on in terms of how to handle this report and what precedents were quoted to you?

**Mr Jordana**—As I recall, the kinds of questions that I asked of the head of Government Division were, first of all, whether or not it was appropriate, for example, for PM&C to have a copy of the report for one and, secondly, whether or not it was appropriate for us to in any way provide advice to the Prime Minister on the contents of the report. I cannot recall the

conversation in detail, as you can appreciate, but they were the two lines of drive of my questioning.

**Senator ROBERT RAY**—As a working assumption, let us say—and I do not really challenge it—that it was appropriate for PM&C to have a copy of the report. So we can take that off the table. When we get to how appropriate is it to give advice to the PM, was that broken down in terms of just those statutory requirements quoted so eloquently by Senator Brandis or in a more general sense?

**Senator BRANDIS**—I just read them out.

**Senator ROBERT RAY**—It was one of your better contributions, and I want the record to show that. It was a really good effort from the junior council.

**Mr Jordana**—It was a broad question and I was not too sure of the kinds of questions I should be asking, but I was trying to come to grips with whether or not it was appropriate for us, for example, to do a precis of the report and advise the Prime Minister on the contents of the report.

**Senator ROBERT RAY**—Did you ever go back to the secretariat—I think is the fairest way of saying—just to check that? I know you have gone to the Government Division, but did you actually come back to the committee to ask what their intention was in providing the report to departments and ministers et cetera?

**Mr Jordana**—No, Senator.

**Senator ROBERT RAY**—You never had any conversation with the secretariat to that effect at any stage? I have to qualify that. I am not talking about in the last four or five days when other events may have taken over. That would be an unfair question, but prior to that?

**Mr Jordana**—No, Senator.

**Senator ROBERT RAY**—Do you think you might next time?

**Mr Jordana**—It would depend on the circumstances.

**Senator ROBERT RAY**—In what sense?

**Mr Jordana**—You are hypothesising about the possible circumstance in which—

**Senator ROBERT RAY**—It is a slightly hypothetical question, which I apologise for, Chair, but it may help elicit an answer. If a copy came into your possession of a Senate references committee report from the Senate Foreign Affairs, Defence and Trade References Committee, what would your standing instruction be? If it lands on your desk, what would you do with it, given the normal way you operate?

**Mr Metcalfe**—I think that is quite a hypothetical situation to try to describe.

**Senator ROBERT RAY**—Hold on. You are supposed to be trained in this. You are signed up to be trained in this, to know how to behave in certain circumstances. It is not that hypothetical, because it has happened on several occasions.

**Mr Metcalfe**—You are asking what I would do if a report landed on my desk, there would have to be a lot more contextualisation around this hypothesis before I could give an answer.

**Senator ROBERT RAY**—It is sent from the Prime Minister's office: 'Here is an advance copy of a references committee report that will be tabled in the future in parliament.' What do you then do? Other departments have faced this dilemma, by the way.

**Mr Metcalfe**—I think I would ask for some advice. It would depend on what was being asked of me and on the question of how it got there. But, if I were being asked to do something about it, I would usually seek some advice.

**Senator ROBERT RAY**—What a couple of other departmental secretaries have done is immediately notify the committee, return the copy and make sure there were no copies floating around.

**Mr Metcalfe**—As I said, we can hypothesise as to how it came there, whether it was simply by mistake or whatever.

**Senator Hill**—This is a report that has been written but not yet released. Is that right?

**Senator ROBERT RAY**—Yes. This has happened several times, and a couple of times departments immediately contacted the relevant areas of parliament and said, 'We shouldn't have a copy of this.' Back it goes and that is the end of the story.

**Senator Hill**—So you are adding to your hypothetical example that it should not have been in the possession of the minister.

**Mr Metcalfe**—If that were the case, we would behave appropriately. I am not suggesting that we would do anything that would be other than appropriate. That is why we checked on this occasion.

**Senator ROBERT RAY**—But it is the basis of that advice, not that you can have a copy but what you can do with it, that I am interested in exploring.

**Senator Hill**—That would depend on who had given it to you and for what purpose. If we are talking about hypotheticals, perhaps the committee had agreed that a copy could be given to a particular agency to check certain security issues.

**Senator ROBERT RAY**—I am not going to go round in circles, so I will not persist with this. The whole point is that it was given for one purpose and, I suspect, it was used for another. That is just not on. You will never find the committee ever again, whether ONA gives evidence or not, sending a copy over to the Prime Minister's office, especially when one of its key recommendations ends up on the front page of the *Australian*. There is no absolute correlation with that, but there is a high suspicion, I have to say.

**Senator Hill**—I think that is grossly unfair. There are obviously a lot of potential sources for that.

**Senator BRANDIS**—Not only that, Minister. Not only is there not a skerrick of evidence that it has been used for an improper purpose; but there is direct and unequivocal evidence from Mr Metcalfe that it has not been.

**Senator ROBERT RAY**—That is your judgment. The evidence does not show that.

**Senator BRANDIS**—But you cannot make up the evidence from your questions.

**Mr Metcalfe**—On that point, I thought I was direct and unequivocal.

**Senator BRANDIS**—You were.

**Mr Metcalfe**—We have not spoken to the media about it.

**Senator ROBERT RAY**—I am sure that you have not. I am positive you have not.

**Mr Metcalfe**—Thank you, Senator.

**Senator ROBERT RAY**—And I am pretty certain that Senator Hill's outfit has not and I am pretty certain that Mr Downer's outfit has not. But we know that people are speaking to the media, because we dealt with that earlier in the day. I do not think we denied, did we, Senator Hill, that someone spoke to the media about those other matters in Mr Forbes's article? Unfortunately, we just do not know who.

**Senator Hill**—As I said this morning, I would not as yet draw too many conclusions from that article.

**Senator ROBERT RAY**—I am talking about the accuracy of the article.

**Senator Hill**—That was referring to somebody from an agency.

**Senator ROBERT RAY**—Yes. However, I would not accuse a journalist of just making up a story and not talking to someone from an agency, which is the point that some people do talk. We are trying to get back to this advice that Mr Jordana got about the use of the report. Mr Jordana, can you expand on what the advice was to you?

**Mr Jordana**—I will have to try to talk to my colleague in the Government Division about that. To get the conversation correct and to characterise it to you properly, I would like to have an opportunity to talk to her, if that is appropriate.

**Senator ROBERT RAY**—I think that sounds okay. Would you be able to do that some time tonight?

**Mr Jordana**—Yes.

**Senator FAULKNER**—Mr Jordana, could you indicate to me whether you were present at the meeting with the agencies that Mr Metcalfe chaired?

**Mr Jordana**—Yes, I was.

**Senator FAULKNER**—And either Mr Jordana or Mr Metcalfe, can you indicate to me whether there was a representative of the Prime Minister's office there?

**Mr Jordana**—There was not.

**Mr Metcalfe**—From recollection, there were three people there from PM&C. Mr Furlonger and the relevant acting branch head would have been there as well, I suspect. I have undertaken to come back to you with advice as to who was there.

**Senator ROBERT RAY**—We will have to come back to some of these issues.

**Proceedings suspended from 6.11 p.m. to 7.34 p.m.**

**CHAIR**—The committee is still examining output 3.1, International and security policy advice and coordination.

**Ms Scott**—We were asked a question earlier this afternoon about the cost of gardening at the Lodge and Kirribilli and how that compared over time.



**Senator FAULKNER**—Who asked that question, Ms Scott?

**Ms Scott**—I think it was Senator Ray.

**Senator Hill**—Senator Ray said it was impossible to compare because you are looking at in-house and out-of-house—

**Senator ROBERT RAY**—Don't verbal me. I said that once you're outsourced—

**Senator Hill**—I did my best to interpret what you said.

**Senator ROBERT RAY**—No, you did not. You just verballed me completely. What I said, Senator Hill—are you listening for once?

**Senator Hill**—We are trying to be helpful and we get a mouthful of abuse from your colleague.

**Senator ROBERT RAY**—You are being very unhelpful by verbalising me and distorting it. I said it is very difficult—

**Senator FAULKNER**—It is reasonable to ask, 'Who asked that question?' when we always get these answers—

**Senator Hill**—This is starting very badly.

**Senator FAULKNER**—because you are concerned about the way these things are being reasonably interpreted. What happens after the break is that someone comes back to give more information, hopefully to put the spear into somebody else. That is what you do. It is a useful tactic.

**Senator Hill**—We are trying to correct the record, to expand and be helpful.

**CHAIR**—Senator Ray, do you have any questions?

**Senator ROBERT RAY**—No, we are going to get some additional information, not as previewed, reviewed and distorted by Senator Hill. The witness is going to give us an answer.

**Ms Scott**—There was a statement about the cost of market testing versus in-house provision. Gardening at the Lodge has been outsourced for quite some time. Previously it was outsourced to ACT Parks and Gardens as a precursor to the current arrangements. In 1994-95—

**Senator ROBERT RAY**—Hold on. In 1994-95?

**Ms Scott**—Yes.

**Senator ROBERT RAY**—We were told this was outsourced in 1999. That was wrong, was it?

**Ms Scott**—That was wrong, yes.

**Senator ROBERT RAY**—That is why I have rubbers on the end of pencils—one mistake.

**Ms Scott**—In 1994-95 it was \$160,000; in 1995-96, \$164,000; in 1996-97, \$154,000; in 2000-01, \$84,400; in 2001-02, \$151,000; in 2002-03, \$117,500; and in 2003-04, \$130,000.

**Senator FAULKNER**—There are a number of intervening years missing, are there?

**Ms Scott**—I do not have the figures for 1997-98 and 1998-99. I do have 1999-2000, \$104,000. I do not know why I do not have those two figures, but I do not have them. In relation to Kirribilli, previously two gardeners were employed. In July 1998-99, the wage cost combined was approximately \$91,000. The first full year of outsourcing, I am advised, was 2000-01, and the cost was \$70,900; in 2001-02, \$84,900; and in 2002-03, \$73,500. I think the question originated with the half-year cost of \$45,000. Making that comparison, because it goes back to 1998-99, you could imagine that the wage would have increased over time by some modest amount.

**Senator ROBERT RAY**—Have you put those figures in constant dollars?

**Ms Scott**—No, these are in nominal dollars—current dollars.

**Mr Metcalfe**—We took a number of issues on notice prior to the break and undertook to come back to the committee. I think Mr Jordana has some information that will assist.

**Mr Jordana**—You asked whether or not we knew how ONA secured their copy of the report. We received advice that a copy of the report was conveyed directly from the Prime Minister's office to ONA. In terms of our receipt of the report, we received a copy of the report from the Prime Minister's office on 21 January. As to how many copies of the report were made within the department, our investigations have indicated that probably three copies exist within the department. One of those copies, as we indicated before, Andrew Metcalfe has; one copy I have; and the third copy was used by two officers who were working on the subject matter.

**Senator ROBERT RAY**—It is two now?

**Senator FAULKNER**—Who were those two?

**Senator ROBERT RAY**—So it is correcting your earlier evidence.

**Mr Jordana**—Peter Furlonger, who is the head of the section I referred to before, and one of his officers Adrian Lochrin.

**Senator ROBERT RAY**—Just before you continue, a copy has not been made available to the secretary of Prime Minister and Cabinet?

**Mr Metcalfe**—We have not been able to check with the secretary, because he has been in a meeting and I have not been able to get to him. My recollection is that he has not seen a copy, but we have discussed the issue with him.

**Senator ROBERT RAY**—Has he seen the precis?

**Mr Metcalfe**—Yes.

**Senator ROBERT RAY**—How many other people have seen the precis? We will come back to the rest of the answer, but I would just like to rule these things off now.

**Mr Metcalfe**—Again, I would have to check on that. It would be the four people who have been mentioned, plus the secretary—

**Senator ROBERT RAY**—But no more?

**Mr Metcalfe**—Within the department I will have to check as to whether there was any other distribution. I just do not know on that. And the document would have been directed to the Prime Minister.

**Senator FAULKNER**—Who wrote the precis?

**Mr Metcalfe**—I think it was written by Mr Furlonger and Mr Lochrin.

**Senator ROBERT RAY**—When was the precis completed?

**Mr Jordana**—I am sorry, Senator, I do not have that information.

**Senator ROBERT RAY**—When was it sent to the Prime Minister?

**Mr Jordana**—That was not a question that we asked during the break. We can check that again.

**Mr Metcalfe**—We can find that out as well.

**Senator ROBERT RAY**—No, I am asking it now. I thought you might know.

**Mr Jordana**—I am sorry, I do not.

**Senator ROBERT RAY**—I am not asking whether you checked it during the break; I am asking whether you know the answer.

**Mr Jordana**—I cannot tell you off the top of my head. You asked when the interagency meeting was convened. It was convened on Friday, 30 January. You asked who attended that meeting. I will give you what is probably about a 90 per cent accurate report on that. Peter Furlonger is on sick leave at the moment, so we still have a few questions over the exact detail, but we have had discussions with one of the officers at the department and he has been able to provide this advice. I can promise it is as accurate as we can possibly make it at this stage. Andrew Metcalfe; myself; Mr Bonighton, who is the deputy secretary responsible in Defence; Mr Eyers, who was the acting head of ONA at the time; Mr Lewincamp, head of DIO; and a senior officer from ASIS.

**Senator ROBERT RAY**—Statutorily, you cannot name him; we accept that. But it is a senior officer from ASIS.

**Mr Jordana**—There were two officers from Foreign Affairs and Trade there, David Stuart and John Quinn, and Mr Furlonger and Mr Lochrin were there.

**Senator ROBERT RAY**—Where is he from?

**Mr Metcalfe**—He is the fourth PM&C officer.

**Senator ROBERT RAY**—The other one that had access to the report?

**Mr Jordana**—That is right.

**Senator ROBERT RAY**—Sorry, I did not connect the two. Adrian, is it?

**Mr Jordana**—Yes. We think Mr Keen was there from ONA as well. That is about as much as we can piece together at this stage.

**Senator ROBERT RAY**—Okay. So we know that happened on a Friday a bit over two weeks ago. The reason for convening the committee is to have an all-of-government response to the report in those areas as defined by the statute.

**Mr Metcalfe**—I described it not as there being a single response but ensuring that the three operational agencies were talking with each other. That is precisely the process that had been undertaken prior to submissions being made to the committee last year, to again ensure that agencies were talking to each other. So it was quite consistent, in many respects, with work that had been undertaken previously.

**Senator ROBERT RAY**—Is there any other information you gathered in the break?

**Mr Metcalfe**—The meeting was a process meeting. The thing I would stress here is that what we talked about there was not the report but more the task that was before the agencies and our desire of ensuring that they were talking with each other. There was some information provided by at least one of the agencies—indeed, I recollect all three—who said, ‘Look, we have looked at the report.’ I am aware that one of the agencies identified one issue that went to security. There was also a discussion about the fact that—

**Senator ROBERT RAY**—Just stop there. I do not think we need to go into that detail here.

**Mr Metcalfe**—I suppose the point I would make is that it was a process discussion. I understand that there was a working-level follow-up meeting a couple of days later, which had people within those agencies again looking at the detail of the responses that would be made to the committee.

**Senator ROBERT RAY**—Was there ever an indication given to the committee secretariat that there would not be a sign-off on this report by ministers unless certain changes were made?

**Mr Jordana**—On the question of exactly what the committee required in terms of sign-off: once it had been determined that the heads of the agencies would communicate in letters to the committee, then we heard—and that was later confirmed in discussions I had with the committee—that they would like to see a letter come from the responsible ministers, Senator Hill and Mr Downer. That kind of evolved later on, though. At the beginning of the process it was not clear to us that that is what the committee would eventually require.

**Senator ROBERT RAY**—It is probably quite a proper process that it evolves that way: that is, the agencies convey—and they may not have; who knows—things to the committee. Then the process is that before the committee can table its report it does require the sign-off, not of the Prime Minister but of the other two ministers. Was any indication given by your group coordinating that unless certain changes were made or suggestions adopted the ministers may not sign off on it?

**Mr Jordana**—No, that was not part of the dialogue.

**Mr Metcalfe**—I certainly have no—

**Senator ROBERT RAY**—I am asking Mr Jordana here.

**Mr Jordana**—No, that was not part of the dialogue.

**Mr Metcalfe**—I was just confirming that. As I have said, we did not go to what might happen if certain things did not occur; it was a question of how could we ensure that the committee was provided with the views of the agencies.

**Senator ROBERT RAY**—That has dealt with the meeting. Were you pursuing anything else over the break?

**Mr Metcalfe**—There was obviously the advice that was acted upon. There is one thing I want to say, and I will be very careful in how I say it. I have described PM&C's actions in relation to this matter. In no way do I want to say anything that could publicly confirm or indicate what may or may not be in the report because, as you know, I have knowledge of what is in the report. It is important to recognise that these events were happening contemporaneously with international events relating to the Hutton inquiry and activities by the British and US governments to establish subsequent inquiries. I do not want to leave the committee with an impression that the department has not provided advice on that range of issues. The department is providing advice to the Prime Minister on a broad range of issues and we have provided advice in that area.

**Senator ROBERT RAY**—We are just putting the overall thing in context so we understand it—that is fine. Were there any other matters that you were pursuing? What we were chasing, Mr Jordana, was your recollection of what you sought and what you received. Have you been able to refresh your memory in that regard?

**Mr Jordana**—You are referring to the discussions I had with—

**Senator ROBERT RAY**—With whoever. What I am pursuing here is not going back to the source of the advice but what you sought and what you thought you received.

**Mr Jordana**—In terms of the advice?

**Senator ROBERT RAY**—Yes.

**Mr Jordana**—I would like to set the record straight. Before the break I indicated a couple of areas that I sought advice on, and I apologise for that. That was inaccurate because it was based upon a reading of a scribbled note that Barbara provided.

**Senator ROBERT RAY**—Tell us where you were inaccurate and then go on to be accurate.

**Mr Jordana**—I think I said prior to the break that I had asked Ms Belcher about whether or not PM&C should have received the report at all; I did not ask her about that. I also said I asked whether it was okay to brief the PM. That was not one of the questions I asked explicitly of Ms Belcher. I just wanted to set the record straight.

**Senator ROBERT RAY**—Those are the two things that you did not ask. Do you want to detail what you asked?

**Mr Jordana**—The kinds of questions that I asked of Ms Belcher related to the appropriateness of getting agencies together to identify matters that should be conveyed back to the committee as a result of the request that they were making—the appropriateness of the exercise of calling agencies together—and coordinating the logistics of that particular exercise, and I was informed that that was an appropriate course of action. As part of our discussion, I asked Ms Belcher—it arose; I do not know if I actually asked the question—and Ms Belcher said to me that it would also be appropriate, and in fact it would be responsible on the part of the agency, to point out if there were some straight up and down factual errors in the report. She said it would be not only appropriate for it to do so but perhaps not responsible

to leave out advice to the committee on factual errors. I further sought advice when she said that to me on what the definition of factual errors was—what about if it went to questions where there were disagreements as to what was in the report? I recall her saying that she would not necessarily close off on that particular avenue but you would obviously have to be careful about how you went down that route. That is my recollection of the kinds of things that Ms Belcher and I talked about.

**Senator ROBERT RAY**—Mr Metcalfe, if we reflect on that answer—and I appreciate that the office has corrected the record—you would understand that, if we had had that evidence prior to the dinner break, five, 10 or 15 minutes of questioning around that could have disappeared. I was concerned about whether advice had been sought about whether it was appropriate to have the copy and the appropriate uses of it. We went up that dry gulch, essentially not through any deliberate misleading but because officers could not recall at the time. We have been up there for no particular purpose, but I do not think we should go into any more detail now about the modus operandi. I think Mr Jordana has pushed that about as far as he should without our taking that part any further, because these are matters between the agencies and the committee to be resolved in the fullness of time. I think we can leave that matter.

**Senator FAULKNER**—Moving for this division to output 3.2, Defence, Intelligence and Security Policy, what was the broad role that the division was playing on advice to the Prime Minister in connection with Iraq's WMD? Can you very briefly indicate that to me?

**Mr Metcalfe**—I might answer, Senator, and Mr Jordana can supplement anything I might say. If I can just beg your indulgence and go back in time, you will recall that this division was established in July last year. Essentially, it was born out of the International Division and reflected the fact that security, intelligence and defence issues were placing a very substantial workload on the department and we needed to increase our resourcing associated with it. In relation to the division's activities relating to Iraqi WMD, that has, strictly speaking, only been an issue since July last year when the division was established. Prior to that time, responsibility for the work fell to the Defence and Intelligence Branch within the International Division. In giving you my response, I am talking about the work of that branch which, before July last year, was in International Division and, since July last year, has been in the National Security Division.

**Senator FAULKNER**—You are answering this question, which is a very fair way to do it, for the department.

**Mr Metcalfe**—Thank you, Senator. Essentially our role has been to provide advice and briefing to the Prime Minister on the issue. That extends from issues which go to any discussions that may have occurred in cabinet through to preparations of the draft answers to parliamentary questions or whatever. It has been a standard policy role in relation to an issue undertaken by a PM&C division.

**Senator FAULKNER**—So would that include commenting on and perhaps briefing on completed ONA reports?

**Mr Metcalfe**—We do not double guess or brief or comment on ONA reports. As you would know, Senator, ONA reports go directly to the Prime Minister and his office. Of course,

we operate in the same area, but in no way would I describe us as being an analysis body or a body that was providing an independent view as to the accuracy or otherwise of those reports. We took them as we saw them.

**Senator FAULKNER**—Did you ever have a situation where PM&C officers were canvassed during the preparation of ONA reports?

**Mr Jordana**—I can only speak with authority from July onwards. I can say categorically from that position that our views are never sought on the contents of any agency's reports. Really, that is not standard practice at all. It would be considered to be quite unusual.

**Senator FAULKNER**—So you would suggest, Mr Metcalfe, that we have got a situation really where the department is limiting itself to the policy implication of these issues, including ONA assessments?

**Mr Metcalfe**—That is correct. It extends to preparation of talking points and other things, but in no way are we involved in the preparation of assessments or in an iterative or discussive process that might lead to a conclusion being made by an intelligence agency.

**Senator FAULKNER**—So you are not presenting, for example, alternative views of the interpretation of intelligence that might be contained in such assessments?

**Mr Metcalfe**—The only exception I can think of, and again I will be careful, is that from time to time on a whole-of-government basis a report may be commissioned—this is not in relation to the WMD issue; it is on an entirely separate issue, I hasten to add—and it is not unusual in that circumstance for us to talk with ONA about the sorts of issues that we are interested in having their conclusions about. We may see a draft analysis but our comment would be, 'Gee, it would be good if they covered these issues,' as opposed to us seeking to double guess or insert our own views as to what the conclusions of the agency are. As I have said, to the best of my knowledge no such discussions occurred in relation to the matter that you have been raising.

**Senator FAULKNER**—But you would not be drawing on your own sources?

**Mr Metcalfe**—No. It would be: 'Look, in relation to this issue that you are providing some analysis and an assessment in relation to, it would be nice if you covered this bit. We would like to know about that.' So I agree with you, Senator.

**Senator FAULKNER**—Did at any stage any departmental officers cast doubt on or question ONA assessments at the time?

**Mr Metcalfe**—Not to my knowledge.

**Senator FAULKNER**—Mr Jordana is not in a position to know.

**Mr Metcalfe**—We would not see that as being our role. Indeed, we would not have the competence to do that.

**Senator FAULKNER**—What role did PM&C play in the appointment process for a new head of ONA?

**Mr Metcalfe**—We were advised of the identity of the nominee and we prepared appropriate material for cabinet and for the Executive Council. I would have to check as to

whether the secretary had discussions with the Prime Minister about candidates. That would not be unusual.

**Senator ROBERT RAY**—But to your knowledge there was not a short list?

**Mr Metcalfe**—Not to my knowledge, but I will take that on notice because I do know that the issue of senior appointments is something on which the Prime Minister frequently canvasses the views of the secretary—even in those situations where the secretary does not have a statutory responsibility to advise, as he does in relation to secretarial appointments. Whether that happened on this occasion, I just do not know. I know personally that I was advised of the name of the Director-General appointee, and we prepared the appropriate papers to put that into effect.

**Senator FAULKNER**—I am not clear of where, if it is in PM&C, the arrangements in relation to the appointment of a new head of an agency like ONA are made. Is it a PM&C responsibility?

**Mr Metcalfe**—We do that in relation to any head of a portfolio agency. Quite often that is undertaken in relation to assistances provided in relation to appointments to heads of departments.

**Senator FAULKNER**—Is the head of ONA either internally or externally advertised? Is it that sort of appointment?

**Mr Metcalfe**—I am not sure what may have happened in the past; I do not think it was on this occasion.

**Senator FAULKNER**—You do not think so or you can assure me that that was not the case?

**Mr Metcalfe**—I cannot assure you. The agency has a long history. I am not sure how the position has been filled on each and every occasion, but I do know that on this occasion it was not the subject of an advertisement.

**Senator FAULKNER**—If there is a preparation of a short list, for example—if this did occur; and we do not know—is that done within the Department of the Prime Minister and Cabinet?

**Mr Metcalfe**—As I said, the secretary quite often can provide advice. The Prime Minister might ask him for advice; occasionally the secretary may offer advice. I will have to check as to whether that involved a shortlist, whether advice was provided and whether a short list was developed elsewhere. I am just not sure.

**Senator FAULKNER**—You will take on notice as to whether there was—

**Mr Metcalfe**—I have taken that on notice, Senator, and I will assist you as much as I can.

**Senator FAULKNER**—Thank you. And you could perhaps indicate to us whether Mr Varghese was on the short list, if one was developed.

**Mr Metcalfe**—One would assume that he was.

**Senator FAULKNER**—That is not an assumption I—



**Senator ROBERT RAY**—The Electoral Commission has not made it without it being on a short list.

**Mr Metcalfe**—I was speaking in the sense that he was obviously the successful appointee.

**Senator FAULKNER**—Yes, but that is a different issue, isn't it? Mr Varghese worked in the Prime Minister's office too, didn't he?

**Mr Metcalfe**—He was the Prime Minister's Senior Adviser (International) for around six months, previously having been a deputy secretary in Foreign Affairs, and I am sure you are aware of his previous distinguished career.

**Senator FAULKNER**—Yes. You might take on notice whether there was a short list; if there was, whether Mr Varghese's name was on it—in other words, if an original list that was provided to the Prime Minister or the Prime Minister's office contained his name. If not, you might indicate to us if and when his name was put forward or added to the list.

**Mr Metcalfe**—I will take that on notice.

**Senator FAULKNER**—Thank you.

**Senator ROBERT RAY**—The publication of the Federation of Australian and Scientific and Technological Society tells us there is a scientific and technical unit being set up within your area, Mr Jordana. Would you like to tell us about it?

**Mr Jordana**—Yes. The Science, Engineering and Technology Unit began operation in a very nascent form about the end of August last year and has since grown a little in size from one person to now six officers. Essentially, the role of the unit is to try to identify what requirements the users of counter-terrorism technology might have and to marry those particular requirements with what the providers of such technology might be able to provide. In a sense, its role is to try to place some priorities on what technology and what research into that technology is that which is most required or most needed and to try to have that deliver some product to meet those needs.

**Senator ROBERT RAY**—That is the aim of it; what has it achieved so far?

**Mr Jordana**—As I said, the unit was set up in August, so it is still definitely a 'work in progress'. The unit has undertaken quite an extensive series of consultations with user agencies to identify areas of technology, and they have begun to draw together the results of those discussions to try to identify what the priority requirements might be of the user community. That is part of a process, obviously, that once you have the requirements of the users then you will enter into a deeper dialogue with the potential providers of those requirements, and that process has already commenced to a certain extent because there are already providers of technology who have come forward and offered information on what they have to provide. Obviously, research agencies from around the Commonwealth are also providing input about what they have the capacity to provide. There has also been the initiation of discussions with counterpart types of agencies overseas, including in the United States, to see if there is the possibility of collaborative work in the area of counter-terrorism technology.

**Senator ROBERT RAY**—How many seconded officers do you have in this area? How many of the six are seconded?

**Mr Jordana**—They are all secondees at this point in time.

**Senator ROBERT RAY**—How many do you have on half pay?

**Mr Jordana**—All of the six secondees in the unit are paid by the home department.

**Senator ROBERT RAY**—By the home department; not by you.

**Mr Jordana**—That is right.

**Senator ROBERT RAY**—That is a nice little earner. No wonder you set up a new unit.

**Mr Jordana**—Earlier I think we discussed the decisions on how secondees are going to be funded. It will depend to a significant extent on the benefits that will be derived. We know that many agencies were very pleased to hear that there would be one central unit to provide this kind of advice. They were more than happy to provide seconded officers.

**Senator FAULKNER**—We will obviously come to a range of these issues when ONA appears before us.

[8.11 p.m.]

**CHAIR**—We now move to output group 4, Support services for government operations. Are there any questions on output 4.1, Cabinet secretariat?

**Senator FAULKNER**—Is this the output that deals with leak inquiries or is that handled elsewhere?

**Ms Scott**—Where it relates to cabinet material that is normally the case.

**Senator FAULKNER**—What are you able to tell us, Mr Hamburger, about current leak inquiries? How many do we have?

**Mr Hamburger**—The cabinet area does not handle all the leak inquiries.

**Senator FAULKNER**—Only the cabinet leaks.

**Mr Hamburger**—Yes.

**Senator FAULKNER**—Why don't you just tell us about the cabinet leaks. There are quite a lot of them, aren't there?

**Mr Hamburger**—They happen occasionally, yes. As to current inquiries, it is a question of how you classify the work and family issue which has come up very recently. Other than that there is nothing current in my area.

**Senator ROBERT RAY**—What has been concluded in the last couple of years in the way of cabinet leak inquiries?

**Mr Hamburger**—There have been five or six.

**Senator ROBERT RAY**—Let us go through them.

**Mr Hamburger**—Since the middle of 2001 there has been—working backwards—the sugar reform-ethanol issue. We had a police inquiry into that but were not able to get to the bottom of it.

**Senator ROBERT RAY**—No result?

**Mr Hamburger**—No result. There was a result but we have not been able to establish what happened. It was a negative result.

**Senator FAULKNER**—You got a result but you did not find the culprit.

**Mr Hamburger**—Yes, it was not the result we wished for.

**Senator FAULKNER**—I will put that down as a no result; is that fair?

**Mr Hamburger**—Yes.

**Senator FAULKNER**—What was the next one?

**Mr Hamburger**—There was the leak of the 2001 budget brief.

**Senator FAULKNER**—I suppose we have found the culprit there, have we?

**Mr Hamburger**—Not in that case, Senator.

**Senator FAULKNER**—I will put that down as a cross—no return.

**Mr Hamburger**—That is right. There was the leak of a document investigated at the behest of the Department of Employment and Workplace Relations on government assistance to small business. That was a cabinet submission, from memory.

**Senator FAULKNER**—Did you find the culprit for that one?

**Mr Hamburger**—No, Senator.

**Senator FAULKNER**—Another no return. I will put that one down as a cross.

**Mr Hamburger**—There was a cabinet submission in relation to digital television.

**Senator FAULKNER**—Digital television? The person responsible for that is in jail, I suppose, are they?

**Mr Hamburger**—No. There was no result in that case either.

**Senator FAULKNER**—They did not find the culprit?

**Mr Hamburger**—No.

**Senator FAULKNER**—But you got lucky with the last one, I suppose, did you?

**Mr Hamburger**—No.

**Senator ROBERT RAY**—Which one was that?

**Mr Hamburger**—In fact, there are two more. The second last one is Integrated Film Support Package.

**Senator ROBERT RAY**—There are so many; I had forgotten that one.

**Mr Hamburger**—Again, it was a cabinet submission. Since 2001—

**Senator ROBERT RAY**—Don't say there is no result because we have written that down already.

**Mr Hamburger**—The inquiry was organised by the Department of Communications, Information Technology and the Arts. We simply hear the result. The other one—

**Senator FAULKNER**—I am sorry, what was that last thing you said?

**Mr Hamburger**—We simply hear the result; we were not involved in the investigation.

**Senator FAULKNER**—And it was a no result?

**Mr Hamburger**—There was no result in that case.

**Senator FAULKNER**—Gee, that's a surprise.

**Mr Hamburger**—The last one I have listed is regional policy initiatives, Department of Transport and Regional Services.

**Senator ROBERT RAY**—Yes, I remember that. Is that complete?

**Mr Hamburger**—That is the full list that I have and—

**Senator ROBERT RAY**—Sorry, is that inquiry complete?

**Mr Hamburger**—The inquiry? Yes, I believe it is, again with no result.

**Senator ROBERT RAY**—No result. I do not suppose anyone has ever kept a tally since the Howard government came in of how many inquiries there have been into cabinet leaks?

**Mr Hamburger**—Not that I am aware of.

**Senator ROBERT RAY**—If I had to guess, I would say there were about 10 or 11 before these six. I did get the figures at one stage, but anyway.

**Senator FAULKNER**—It would not be hard to keep a tally on the number of times a culprit has been found.

**Senator ROBERT RAY**—That is once.

**Senator FAULKNER**—Once, yes. We should not name him because he actually was a government staffer.

**Senator ROBERT RAY**—No, don't knock him.

**Senator FAULKNER**—We have all got our faults.

**Senator ROBERT RAY**—You do not actually pay for these inquiries, do you? It is not user charged?

**Mr Hamburger**—That is correct, we do not.

**Senator ROBERT RAY**—I was about to ask, 'Would you be more reluctant to launch them if you had to pay for them yourselves?' but that is quite a fair question for an officer.

**Senator FAULKNER**—The work and family is a current leak, is it not? That seems to be a continual leak, doesn't it? Every time I turn on the Channel 9 news this leak seems to be running strong. That is in a bit of a different category, is it not?

**Mr Hamburger**—Some of it does appear to involve cabinet documents, but that has come up quite recently.

**Senator FAULKNER**—Do we have an inquiry into that one?

**Mr Hamburger**—Not a police inquiry yet.

**Senator FAULKNER**—Is there an internal inquiry into it?

**Ms Scott**—I indicated earlier, in answer to some questions, that we are looking at the material, checking records to see how many copies were produced, and we will be contemplating what to do next once we have examined the material.

**Senator ROBERT RAY**—Who actually puts it in the hands of, say, a Federal Police investigation? What is the formal process?

**Mr Hamburger**—Of the ones that we have initiated from PM&C, we normally send a letter from our secretary to the Federal Police.

**Senator ROBERT RAY**—So it is signed off by the secretary to refer it?

**Mr Hamburger**—Yes, the ones we have done recently have been.

**Senator FAULKNER**—Thanks for that status report.

**Senator ROBERT RAY**—Wasn't one of the reasons CabNet was set up was to try and track down leaks—not the sole reason obviously?

**Mr Hamburger**—It was certainly set up with a view to tightening control of documents and making tracking of them easier. It also somewhat reduces the number of paper copies that exist.

**Senator FAULKNER**—Has there been any assessment of the effectiveness of CabNet?

**Mr Hamburger**—Its general effectiveness was assessed about 18 months ago and as a document management system it stacks up quite well. It is probably by now starting to pay off in financial terms and still has some years of life. Stopping leaks, or making them harder, was never the sole, probably not even the major, role. It is hard to assess whether it has made that harder or not.

**Senator ROBERT RAY**—When you say it has a few years of its life to run, are you already anticipating its successor at some stage?

**Mr Hamburger**—We are anticipating that we will need to plan for a successor and start planning in a year or two. We have just gone through a midlife upgrade and it would have at least another two years, probably closer to four.

**Senator ROBERT RAY**—So it is some time off?

**Mr Hamburger**—In about a year we will look seriously at whether we should be looking at a further revival or a complete replacement.

**Senator FAULKNER**—Because of our dinner break tonight I managed to catch the ABC News here in Canberra and I noticed that they were claiming that there was a leak of correspondence between the Prime Minister and Senator Vanstone last year. Has that come to anybody's attention?

**Ms Scott**—I saw the news item as well.

**Senator FAULKNER**—So you can confirm that that is an official leak, can you?

**Ms Scott**—No, I cannot confirm that that is an official leak.

**Senator FAULKNER**—So it is an unofficial leak?

**Ms Scott**—I partially saw a letter on the screen. I need to check the content of that letter.

**Senator FAULKNER**—So has this very effective machine to track down the leak been galvanised into action?

**Ms Scott**—Yes.

**Senator FAULKNER**—Good. I am sure that has got the culprits quaking in their boots. Thank you for that. Mr Chairman, I am happy to move to 4.3. Senator Brandis is very keen to get to the Audit Office and I would like to be as cooperative as I can be.

**Senator ROBERT RAY**—And I want to see what Dr Phelps gave him to ask, so we are anxious to move on. It was so blatantly done and transacted in front of us. The time honoured thing is that you sneak out the back before a ministerial staffer gives you your questions to ask at estimates.

[8.22 p.m.]

**Senator FAULKNER**—Does the Australia Day award come in 4.4 or 4.3? Can you help me with that?

**Mr Metcalfe**—Which particular award—the Australian of the Year Award?

**Senator FAULKNER**—The Australia Day celebrations.

**Mr Metcalfe**—It would come in 4.3.

**Senator FAULKNER**—What is the current situation in relation to the ceremonies on Australia Day? I think it is called the Australia Day Concert. That is the correct terminology for the event itself.

**Mr Metcalfe**—There is a whole range of things on Australia Day. There was a concert here in Canberra on the night before, if that is what you are referring to.

**Senator FAULKNER**—No, I am just referring to the televised awards ceremony.

**Mr Metcalfe**—The televised awards ceremony was on 25 January, which a couple of hours later was followed by a concert, and the award ceremony was held essentially in Federation Mall outside Parliament House.

**Senator FAULKNER**—What media outlet was responsible for broadcasting or televising the Australian of the Year ceremony?

**Mr Metcalfe**—Channel 10.

**Senator FAULKNER**—How does that work?

**Mr Metcalfe**—As you are probably aware, the National Australia Day Council is responsible for matters associated with the Australian of the Year as well as Australia Day itself, and it works collaboratively with state and territory organisations. The NADC seeks and obtains sponsorship, media partners and others as part of its process, and this year its telecast partner was Channel 10.

**Senator FAULKNER**—But is it put out to tender?

**Mr Metcalfe**—No, I think it is a series of discussions with possible sponsors; I do not think it is the subject of a tender process. I can check.

**Senator FAULKNER**—Is the ABC in the hunt to do the Australian of the Year award ceremony? This is not a criticism of Channel 10, but I think a lot of people would—

**Mr Metcalfe**—No, they did an excellent job—

**Senator FAULKNER**—Did they?

**Mr Metcalfe**—but Channel 7 had undertaken the work the year before, so certainly it is an annual process of obtaining sponsors and partners. That is something that is done by the staff of the council.

**Senator FAULKNER**—So are you able to say what the sponsorship deal and arrangements were?

**Mr Metcalfe**—Depending on the level of detail you want to go into—I may need to take certain elements on notice and check—essentially the arrangements were that Channel 10 would be the host broadcaster, which meant that it would achieve a national television audience. It was keen to combine that activity with a televised concert and it fitted in nicely with the vision of the National Capital Authority, which was keen to use the event as a way of showcasing Canberra as the national capital as well.

**Senator FAULKNER**—But this is a commercial arrangement with Channel 10?

**Mr Metcalfe**—It is a sponsorship arrangement in that they provide the broadcast facilities, and the value of that is obviously quite substantial in terms of the amount of effort they put into the whole affair. It is very much in line with the NADC's charter, which is to celebrate and promote Australia Day.

**Senator FAULKNER**—But does this mean that because of these sorts of arrangements the ABC is not in the hunt?

**Mr Metcalfe**—It is a question as to whether the ABC is prepared to undertake the necessary activity. I can check as to whether or not the ABC has been approached, or indeed whether it has sought to be involved in the issue, but as I think I have demonstrated it is not simply the one television station that has a monopoly from year to year; it has changed in the last couple of years.

**Senator FAULKNER**—Do you read Danny Weidler's sports column in the *Sun Herald* newspaper?

**Mr Metcalfe**—It is not something I would normally read, no.

**Senator FAULKNER**—You might have missed it; it was on page 111 of yesterday's newspaper.

**Mr Metcalfe**—I did see the *Sun Herald*, but I missed that bit I think.

**Senator FAULKNER**—A lot of Australians start reading newspapers from the back. I have been guilty of doing that sometimes myself.

**Mr Metcalfe**—These Sunday papers are in so many sections now that it is hard to know where to start.

**Senator FAULKNER**—I am not too proud to admit that. Anyway, inside the back cover of the *Sun Herald* in Sydney yesterday is an article saying 'Crikey, say it ain't so', suggesting

that Steve Waugh was the second choice as Australian of the Year. Are you aware of this article?

**Mr Metcalfe**—I am not aware of that article. I am aware that a journalist—it may well have been this journalist—was making inquiries of the executive director of the council with that proposition. It sounds like it has resulted in that article.

**Senator FAULKNER**—Are you able to shed some light on this for us?

**Mr Metcalfe**—I am a member of the council.

**Senator FAULKNER**—That is why I am asking you.

**Mr Metcalfe**—I have to advise that the council's deliberations on these issues are confidential.

**Senator ROBERT RAY**—It would be good if you could get some of them in PM&C then and tighten up. That would be good.

**Mr Metcalfe**—Steve Waugh is Australian of the Year and we are delighted that he is. There were a number of very good candidates from all around Australia.

**Senator FAULKNER**—He certainly is, and I am delighted that he is too, but it does say in this article—it may not be accurate; I don't know:

Since the announcement of Waugh's honour we have been hearing persistent whispers—  
let us hope they don't come from your council—

that he only got the gong by default after Steve Irwin dropped out of the running for the award. Our mail is very strong that Irwin was over the line and knew he'd got the chocolates but blew it when he decided to feed a crocodile with one hand and hold his baby son Bob with the other.

Are you able to shed any light on this at all?

**Mr Metcalfe**—I do not think it is appropriate that I go into that in a public way. The council has a view that its deliberations are confidential and I do not think there is any interest served in going into what happened, when or why. We know what the outcome was, we know that there were some terrific Australians who were recognised through the process and we are delighted at the outcome.

**Senator FAULKNER**—Is there a short list? I know there are nominees from the states and territories?

**Mr Metcalfe**—Essentially each state and territory finalist—that is, the Australian of the Year from Queensland, New South Wales et cetera—is considered by the national council, so all of them are eligible for consideration.

**Senator FAULKNER**—Do you draw up a short list from those nominees?

**Mr Metcalfe**—There is a process within the council of identifying and discussing the individuals. I would not regard it as a short list; I would say that all of the eight state and territory finalists are considered for the national finalist position.

**Senator FAULKNER**—But you would keep records there, wouldn't you?

**Mr Metcalfe**—The council would have records, yes.



**Senator FAULKNER**—If a candidate withdrew, there would be a record of that. You would know about that, wouldn't you?

**Mr Metcalfe**—Yes. I am not saying I do not know; I am just saying I think it is confidential matter.

**Senator FAULKNER**—You are just saying you are not going to tell us. It does appear as if some of this information—accurate or inaccurate—is starting to dribble out about this process. I am sure you would be concerned about that.

**Mr Metcalfe**—People can speculate about all sorts of things, but I am not going to give it any dignity by commenting on it.

**CHAIR**—Can I ask a question about the process?

**Senator FAULKNER**—Sure. I know you have an interest in this matter, because you made a speech about it in parliament quoting a very eminent source.

**CHAIR**—Mr Metcalfe, does the Australian of the Year have to come from one of the state nominees or can they come from anywhere?

**Mr Metcalfe**—That I understand is the new approach. It has been the approach over the last two or three years since we have moved to an almost federated approach of each state and territory Australia Day committee selecting their finalists and the national body then considering those eight people. My understanding—and this precedes my involvement—is that previously anyone amongst the hundreds who are nominated could be considered by the national body.

**CHAIR**—So in effect the short list of the state nominees is the short list.

**Mr Metcalfe**—In effect, the short list is provided by the work that is done by the state and territory committees.

**CHAIR**—Thank you.

**Senator FAULKNER**—Can you tell me if any—that is, any that you are aware of—nominations for Australian of the Year have ever been withdrawn?

**Mr Metcalfe**—Many hundreds of people are nominated.

**Senator FAULKNER**—Yes.

**Mr Metcalfe**—Are you asking me whether any of those people—

**Senator FAULKNER**—I am talking about those that received the gong from the states and territories.

**Mr Metcalfe**—Are you talking about whether any of the state and territory finalists have withdrawn?

**Senator FAULKNER**—Finalist—is that the word?

**Mr Metcalfe**—Yes.

**Senator FAULKNER**—I apologise. Finalist—I should have used that terminology.

**Mr Metcalfe**—I am aware of a couple of people over the last couple of years who have indicated that they did not wish to be considered for the national award. I do not need to go into why; they simply indicated that they did not want to be considered.

**Senator FAULKNER**—Can you confirm that that happened this year?

**Mr Metcalfe**—Yes.

**Senator FAULKNER**—Can you confirm the name of the person or persons concerned?

**Mr Metcalfe**—I do not think it is appropriate to try and come at the same issue through the other way.

**Senator FAULKNER**—I am just trying to see the accuracy of some of the stuff that is being speculated on.

**Mr Metcalfe**—As I have said, I do not think it adds anything to the celebration of Australian of the Year to get into speculation about this. We have had a process. It is a confidential process. We have an outcome and we are thrilled with it.

**Senator ROBERT RAY**—Who is on the committee that makes the choice?

**Mr Metcalfe**—The chair is Lisa Curry Kenny, former Olympian and company director. There are a number of other community representatives appointed: Dr John Yu AC, former Australian of the Year; Mr Reg Clairs AO; Mr Michael Robinson AO; Mrs Marjorie Turbayne MBE, OAM; Dr Tony Cocchiaro; Mr Ian Elliot; and me.

**Senator FAULKNER**—Did you attend all the key meetings this year, Mr Metcalfe? I know how busy you have been.

**Mr Metcalfe**—Unfortunately, I missed one or two meetings. I did have a proxy attend in my stead when I was unavailable. Once I think there was a direct clash with a cabinet meeting and, on another time, I had the funeral of a close relative to attend interstate.

**Senator ROBERT RAY**—I think it is fair to say that a few years ago this organisation ran into some financial difficulties and management difficulties.

**Mr Metcalfe**—That is correct.

**Senator ROBERT RAY**—How is that going now?

**Mr Metcalfe**—We are very happy with the budgetary situation of the council's very prudent financial management. There is a strong and healthy audit committee chaired by Mr Reg Clairs. It is an issue that is uppermost in our minds.

**Senator ROBERT RAY**—Who was the previous chair of the committee when it was in trouble?

**Mr Metcalfe**—Just let me check, Senator.

**Senator FAULKNER**—Think Olympics.

**Mr Metcalfe**—I am reminded that it was Mr Kevan Gosper.

**Senator FAULKNER**—Speaking of matters relating to Australia Day, what association, if any, does your Awards and Symbols Branch now have with Australian honours? What is the link currently?

**Mr Metcalfe**—To the Australian honours system, as opposed to the Australian of the Year system?

**Senator FAULKNER**—Yes.

**Mr Metcalfe**—The Awards and National Symbols Branch has policy responsibility for Australian honours issues. You would probably be aware that I am a member of the Council of the Order of Australia and that Mr Paul O'Neill, the assistant secretary, is a member of the Australian Bravery Council.

**Senator FAULKNER**—This is why I can always ask you these questions, Mr Metcalfe. You seemed to get it wrong with Mr Paul Afkos this year, I think—don't you? He got an OAM, didn't he? Sorry, I think that is 2003, not this year.

**Mr Metcalfe**—I am sorry, I do not have particular knowledge of that matter.

**Senator ROBERT RAY**—He is described to us as a great bloke—a pillar of the community.

**Senator FAULKNER**—I was not aware of that.

**Senator ROBERT RAY**—I thought that was what the PM called him in Perth a couple of weeks ago.

**Senator FAULKNER**—I dug out Mr Afkos's citation—I am sorry, the citation of Mr Afkos OAM: 'For service to the Greek Australian community of Western Australia and to the business sector through a range of commercial organisations.' Things have not gone so well over the last few days, I would have to acknowledge. You are not aware of this at all?

**Mr Metcalfe**—Now that I have been reminded, Senator, I think I know who you are talking about.

**Senator FAULKNER**—Who reminded you?

**Mr Metcalfe**—Ms Scott reminded me.

**Senator FAULKNER**—That was good.

**Senator ROBERT RAY**—A good corporate memory.

**Senator FAULKNER**—Mr Afkos has just been punted—he resigned, I think—as the endorsed Liberal candidate for the seat of Stirling in Western Australia. What are the procedures that are followed if members of the community feel that the award of an OAM is not appropriate to a particular individual? Can you just run us through that?

**Mr Metcalfe**—A person having been awarded an OAM is then the subject of some controversy—is that what you are saying, Senator?

**Senator FAULKNER**—I think that is the situation we have in this case. I am trying to be as fair as I can. You know I am a very fair person.

**Senator Hill**—I am not sure that you are being fair. I do not think you are being necessarily fair at all, actually.

**Senator FAULKNER**—But then you would not, Senator Hill. We know that.

**Senator Hill**—As I understand it, he has chosen to withdraw because of certain circumstances—

**Senator FAULKNER**—What—withdraw his OAM?

**Senator Hill**—No. You would not have mentioned him but for certain political connections, and you mentioned that yourself.

**Senator FAULKNER**—I would not be too sure of that, Senator Hill.

**Senator Hill**—As I understand it, he is a very distinguished Australian and extremely well regarded within the Greek community in Perth. Sometimes you withdraw from a political process because you fear that some activity may be used against your own party whereas your personal circumstances do not necessarily justify such a change.

**Senator ROBERT RAY**—That is fair enough. If you get one of your cars picked up full of amphetamines and ecstasy, of course it might embarrass you.

**Senator Hill**—It is easy to come up here under parliamentary privilege and drag someone's name through the mud.

**Senator ROBERT RAY**—It has been in the newspapers; it is nothing to do with parliamentary privilege.

**Senator Hill**—What was in the newspaper? What did the police say? Did you read the previous day's newspaper?

**Senator ROBERT RAY**—I read yesterday's papers, yes.

**Senator Hill**—That was when he withdrew. But he withdrew after the police had found that there was nothing of concern to them.

**Senator ROBERT RAY**—Really.

**Senator Hill**—That is the way I read it.

**Senator FAULKNER**—Is it not usually the case, Senator Hill—this is where I was going and I notice your prejudicial and unfair comments, but one gets used to those and, fortunately, I have an extremely thick skin—and it seemed to me—

**Senator Hill**—I'm prejudicial! You're prejudicial.

**Senator FAULKNER**—Normally these sorts of gongs are given to people who have basically retired from the political process—not exclusively obviously.

**Senator Hill**—He can get his gong for participation in the political process, but his gong, as I understand it, is for other services to the community.

**Senator FAULKNER**—I know, I have read the citation. I am sure a lot of people have. Anyway, I was going to ask what the procedures were if someone decided there was too much controversy—I was not specifically relating my question to this particular individual about his behaviour—

**Senator Hill**—You used him as the premise for your questions.

**Senator FAULKNER**—His behaviour does beg the question about whether it is appropriate for him to have an OAM, frankly. Let us keep it more general. What do you do

when one of these awards becomes very controversial? We have had this situation before. I think we had it in relation to another very prominent Western Australian businessman. Senator Murray would recall.

**Mr Metcalfe**—It is open to the council to consider whether or not an advice should be provided that an order should be revoked, and that happens, in my experience over the last couple of years, very occasionally. But there are processes available.

**Senator FAULKNER**—When it happens—and I know it has happened in the past—are the citations removed from the web site?

**Mr Metcalfe**—I would imagine the answer is yes, but I—

**Senator FAULKNER**—Mr O'Neill no doubt would help us. He is an expert in these things.

**Mr Metcalfe**—Yes, I was just looking to see if he was still with us.

**Mr O'Neill**—As it is an historical record, the web site does maintain the record of the individual whose award may have been cancelled, but it does not go back in time to wipe the slate. It is cancelled with effect from whatever date the Governor-General agrees.

**Senator FAULKNER**—Is there a listing of individuals who have had their awards removed?

**Mr O'Neill**—No, we do not keep that. There have been about 20, I think, in the life of the award.

**Senator FAULKNER**—How do you know if you look up the web site—and there are a couple of very prominent people who fall into this category—that the award is no longer relevant, extant?

**Mr O'Neill**—The community would not know—

**Senator FAULKNER**—There is no indication at all; you just leave them on the web site?

**Mr O'Neill**—Yes, it stays there as a—

**Senator FAULKNER**—How sensible is that?

**Mr O'Neill**—It is a historical record.

**Senator ROBERT RAY**—What you are saying is that the web site is a list of those who have been granted an award as a historical record rather than those who have retained an award?

**Mr O'Neill**—Yes. There are very few out of the close on 19,000. There are about 20 in the lifetime of the Order of Australia that have—

**Senator ROBERT RAY**—Let us say you do get struck off. Do you write to them and say, 'Could you please return your medal and your pin'?

**Mr O'Neill**—Yes. Government House operates that, and perhaps that is a question better addressed to them. There is a process, as Mr Metcalfe pointed out. If the Governor-General does agree to the council's recommendation that an award be cancelled, the person is advised and then they are asked to return the insignia.

**Senator MURRAY**—Has Mr Bond been instructed?

**Mr O'Neill**—Mr Bond lost his Officer in the Order of Australia some years ago when he was sentenced to jail.

**Senator MURRAY**—I think it is remarkable that you can be struck off live but that if you are found to be an awful person and you are dead you retain the honour, as I discovered with the disgusting Brother Keaney.

**Senator ROBERT RAY**—Oh, I see.

**Senator MURRAY**—He got the British honour.

**Senator FAULKNER**—So you are saying, Senator Murray, they cannot be removed posthumously?

**Senator MURRAY**—That is the evidence we have had here, yes.

**Senator FAULKNER**—It just seems odd to me that there is no recognition made on the web site when this occurs, but I suppose it is not the biggest deal in the world. You might care to take that up, Mr O'Neill, with the relevant people. You would think there should be a short annotation indicating that the reward has been revoked.

**Mr Metcalfe**—I think that is an issue that we should look at. I am not familiar with the establishment of the web site and how clear it indicates that it is a historical record of grants as opposed to a contemporaneous record of those who hold the honour, but whether or not some notation or whatever should be made we will take on notice and examine it.

**Senator MURRAY**—Quite frankly, there is another aspect to it, and that is if the number of disgraced recipients is so low it is an indication that the system is working quite well. Twenty out of nearly 20,000 is a very low percentage of bad choices, if you like.

**Senator ROBERT RAY**—You mentioned before the Governor-General. The Governor-General recently gave a speech on honours and awards bemoaning the fact that he did not think the penetration was quite right in certain areas, and I think scientists was one and one or two others. Have you read that speech, Mr O'Neill?

**Mr O'Neill**—I have seen reference to it in the media. I think it was in Tasmania he made the comments.

**Senator ROBERT RAY**—Then it was only a couple of days ago.

**Mr O'Neill**—Yes. The Governor-General prior to that, when he was Governor of Western Australia, was quite active in the community in encouraging people to make nominations, and he is commended for it because obviously the reach into the community for the Order of Australia is important.

**Senator ROBERT RAY**—But it is part of your responsibility in your magazine and elsewhere to do that. Is the job you are doing really reflecting what the Governor-General is advocating or is it falling short, because that is what he seems to be saying?

**Mr Metcalfe**—We can always do better is I think the point that Mr O'Neill is making. Another area that we have paid some attention to is tradespeople. There are certain professions which understand the award system well and they are good at nominating people

who are very distinguished and worthy of recognition. I suspect that there are other areas where we can do more. That is part of the promotional work that we do and speeches by the Governor-General obviously draw attention to it as well.

**Mr O'Neill**—There has been an over 50 per cent increase in nominations in the past few years, which has been published in the reports of Government House.

**Senator ROBERT RAY**—Have you identified any areas from which you think there are insufficient nominations by way of regions, gender, ethnic background, occupation or whatever?

**Mr O'Neill**—The Office of the Status of Women has been conducting a nominating women program with women ambassadors. I do an analysis of the nominations each year and recently some of the traditional trades—for example, the nursing profession and hospitality—have not perhaps been getting the reach we were hoping for. Within rural and regional Australia, we have been establishing networks within the communities so that people have an understanding and are passing information on to the wider communities. The professions are quite well represented. It is very difficult with ethnic communities. The Order of Australia accommodates those who are Australian citizens. The honorary side accommodates the non-Australian citizens, so it is a bit hard to identify within ethnic communities. People will claim that they all well represented in the honours system but, then again, some older ethnic groups perhaps do not quite have the same reach. So Mr Hardgrave, the Minister for Citizenship and Multicultural Affairs, recently wrote to a wide range of community leaders in ethnic communities, including in the newer groups in Australia, and that has had a very positive response.

**Senator ROBERT RAY**—Has there ever been a breakdown of nominees—either people who have been nominated or successful nominees—on the basis of whether they went to a state or private school?

**Mr O'Neill**—That is highly unlikely. The information on nominees does not go into schooling. It relates to the person's achievements and basic details such as date of birth and address, but it does not go beyond that.

**Senator MURRAY**—I want to ask about those who are nominated and do not pass the test or whatever and do not get an honour. How does that work? I will tell you why I ask. I know of a social justice campaigner who was nominated and did not get an honour and I wondered why. I could not see any obvious reason. Do you rely just on referees? Is there a police test or a blackball system? How are people excluded?

**Mr O'Neill**—I think the process is a very good one. It relies on nominations from the community. The Council for the Order of Australia consists of 19 people representing each state. There are community representatives. There are ex officio representatives. They form a judgment based on written material. It does not involve going out to interview people. The written material that Government House gathers is put to the council. There are a lot of nominations, and I would estimate that approximately 50 per cent are successful. It means that there are a lot of people who are not successful based on that process. It is based on achievements and service—outstanding service. It is meritorious, so there is naturally going to

be a level. There are quotas on the three senior levels, which are the Companion, the Officer and the Member; there are no quotas on the medal, which is the broader service award.

**Senator MURRAY**—You are saying that, if someone gets excluded, it is not necessarily because they are not of good character or have some blight on their past. They may be seen not to have achieved enough—is that what you are saying?

**Mr O'Neill**—That is true. Character is determined through the referee process. Government House does very extensive research, which is why it takes some time for nominations to come through the process. Assessments are made and referees are approached to be able to verify the services they say. If there are any blemishes they usually come out as evidenced by the few.

**Senator MURRAY**—No referee system is perfect, and I do not expect it to be in this case, but do you have a kind of detector for malicious activity that knocks somebody off who might otherwise be deserving? Does that happen? Do you ever come across that?

**Mr O'Neill**—That is a question you should address to Government House. I am not aware of the detail that may be considered before coming to the council.

**Senator ROBERT RAY**—I would be happy one day, Minister, to have the honours secretariat and Government House here together when we are asking these questions. It is like a game of tennis. The responsibility just goes over the net backwards and forwards all the time.

**Mr O'Neill**—The clear line is that the administration of the Order of Australia and the other major components is handled at Government House. Some of the Defence awards are done in Defence and other components. So there is a split throughout a number of agencies, but Government House or the Governor-General is the peak of the honours system and his authority is on which the awards are made.

**Senator FAULKNER**—That is very clear.

**Senator Hill**—I am sure that if that is the wish of the committee we can accommodate it, Mr Chairman—couldn't we, Mr Chairman?

**Senator FAULKNER**—He is not interested.

**Senator Hill**—Couldn't we, Mr Chairman?

**Senator ROBERT RAY**—He is off on a frolic.

**CHAIR**—I am distracted by my colleague.

**Senator ROBERT RAY**—Just nod your head.

**Senator Hill**—Tell him later when he has agreed.

**Senator FAULKNER**—Was the department or the Government Division involved in the preparation of advice on the issue of parliamentarians' superannuation in the last week or so?

**Ms Belcher**—Yes. Government Division prepared a paper for consideration by cabinet.

**Senator FAULKNER**—Can you indicate to the committee when you were asked to prepare that paper?



**Ms Belcher**—It was last week.

**Senator FAULKNER**—Yes, but when? I am just trying to nail it down a little.

**Ms Belcher**—Wednesday.

**Senator FAULKNER**—Wednesday of last week. Where did the request come from?

**Ms Belcher**—It came almost simultaneously from the secretary and the Prime Minister's office.

**Senator FAULKNER**—When was the brief completed?

**Ms Belcher**—Wednesday.

**Senator FAULKNER**—So it was a same day effort. You had a busy day then. Are you able to indicate to the committee, without going into the detail of the advice, the broad issue that was canvassed in relation to this? I am not interested in what the content of the brief was.

**Senator Hill**—Where do you draw the line?

**Senator FAULKNER**—The line that has been drawn at the moment is a brief has been prepared on parliamentarians' superannuation.

**Senator Hill**—For the Prime Minister.

**Senator FAULKNER**—We do not know that yet. We are assuming it is for the Prime Minister. We do not know that. We know that the secretary of the department and the Prime Minister's office at the same time requested Ms Belcher prepare a brief on Wednesday of last week and that was finalised on Wednesday of last week. You may know it was done for the Prime Minister, Senator Hill, but then again you are on the inside. You are a very important player, you know that. So let us ask who it was prepared for so we can just clarify that.

**Ms Belcher**—It was prepared for the Prime Minister on the understanding that it might be put to cabinet.

**Senator FAULKNER**—That it might be.

**Ms Belcher**—I have just been reminded that, although we completed it on Wednesday, it was cleared by the secretary on Thursday morning.

**Senator FAULKNER**—So did it become a cabinet-in-confidence document at some point? Are you able to say that?

**Senator Hill**—Whether it is that or just advice for the Prime Minister, it is still not appropriate—

**Senator FAULKNER**—You would know, Senator Hill, you were involved in that panic cabinet meeting on Thursday.

**Senator Hill**—I am not sure what advice Ms Belcher is talking about.

**Ms Belcher**—And I am not sure what was put around the cabinet room or if anything was put around the cabinet room. I will need to check on that.

**Senator FAULKNER**—So you do not know?

**Ms Belcher**—No, I don't.

**Senator FAULKNER**—And you do not know, Senator Hill?

**Senator Hill**—Whether it is classified as cabinet-in-confidence? No, I do not know that, because I do not know the advice. I have seen lots of stuff.

**Senator FAULKNER**—Did you get input from outside your division, Ms Belcher? You sometimes do, I know, on these sorts of issues.

**Ms Belcher**—We sought some factual information from the Department of Finance and Administration.

**Senator ROBERT RAY**—Did they tell you what public servants get as a contribution by their employer? Did they put a percentage figure on that?

**Ms Belcher**—That gets to the question of what we put in the paper.

**Senator ROBERT RAY**—Can I ask anyone at the table what the percentage is, without saying whether or not it was in the paper? Does anyone know? I just thought you might.

**Ms Belcher**—It does depend which scheme one is in. It is in—

**Senator ROBERT RAY**—If you are in the defined benefits scheme that operated up until about 1994.

**Ms Belcher**—I do not know. It is something in the 20s—between 20 and 30 per cent—but I do not have an exact figure.

**Senator ROBERT RAY**—Thanks.

**Senator FAULKNER**—We still have a Government Actuary, do we not?

**Ms Belcher**—Yes, we do, but there was no contact with the Actuary.

**Senator FAULKNER**—In light of the decision that was announced by the Prime Minister following the hastily convened cabinet meeting and the very friendly discussion in the government party room at the end of last week, has Government Division been tasked with any follow-through activity as a result?

**Ms Belcher**—I am not sure. I think it is possible that the Department of Finance and Administration is working on drafting instructions, but I really have not been involved in that, so I cannot say it with certainty.

**Senator ROBERT RAY**—Do you know, Senator Hill, what the legislative program is for this change that the Prime Minister has—

**Senator Hill**—No, I do not know. Senator Minchin, as I understand it, has the conduct of the matter, and I think they are simply working to ‘as soon as possible’.

**Senator ROBERT RAY**—Are you getting an indication of whether it will be in the autumn or the winter session? You do not know?

**Senator Hill**—I do not know.

**Senator FAULKNER**—The tasking of the OPC would not necessarily come through the Government Division, though, would it, Ms Belcher?

**Ms Belcher**—Sorry?

**Senator FAULKNER**—The tasking for the preparation of any legislation would not necessarily be a matter that would come across your division's desk, would it?

**Ms Belcher**—Only to the extent that we deal with requests for policy approval for legislation, so to the extent that any matters need further policy approval that would come through Government Division, not so much because of an interest in superannuation as that we have the parliamentary legislation section that looks after drafting priorities and the like.

**Senator FAULKNER**—After the announcement the Prime Minister made, or after the cabinet decision, which I think is different from the announcement that he made, there has been no further tasking of PM&C? Is that right, Mr Metcalfe, you can confirm that?

**Mr Metcalfe**—I have no knowledge. Ms Belcher may be able to assist.

**Ms Belcher**—No, Senator.

**Senator FAULKNER**—Thank you very much. Was any attempt made within the department to be trying to measure the public responses on this particular issue—for example, on talkback radio, this sort of thing?

**Ms Belcher**—No, Senator.

**Senator FAULKNER**—Are you aware of any involvement by the Department of the Prime Minister and Cabinet with the Government Actuary or of any other actuarial advice being sought in relation to pension entitlements for former governors-general?

**Ms Belcher**—I will ask Ms Costello to answer that.

**Ms Costello**—We did seek advice for Dr Hollingworth. He was the first of our governor-generals paying tax. We had to seek actuarial advice for him regarding the superannuation surcharge.

**Senator FAULKNER**—When was that advice sought?

**Ms Costello**—I do not have the actual actuarial advice, but in June 2003 we had notification of the amount that we had to look at to manage his superannuation surcharge.

**Senator FAULKNER**—In June 2003?

**Ms Costello**—We asked for it and we received the advice in July 2003.

**Senator FAULKNER**—What was the date of former Governor-General Hollingworth's resignation? Can someone help me with that?

**Ms Belcher**—It was during the first or second week of May 2003.

**Senator FAULKNER**—Are you able to provide a copy of that actuarial advice?

**Ms Costello**—I would have to take advice on that because it goes to an actuarial assessment that looks at Dr Hollingworth from a whole number of—

**Senator FAULKNER**—His individual circumstances?

**Ms Costello**—Yes. We have to make an assessment. The Department of the Prime Minister and Cabinet effectively acts as his superannuation scheme, so we make an actuarial assessment on a one-off basis for the surcharge.

**Senator FAULKNER**—Was that actuarial assessment based on outside advice or was it from the Government Actuary?

**Ms Costello**—It was from the Australian Government Actuary.

**Senator FAULKNER**—Is that sort of advice provided on a fee-for-service basis?

**Ms Costello**—Yes.

**Senator FAULKNER**—How much did that set you back?

**Ms Costello**—I do not have that information with me.

**Senator FAULKNER**—I assume the department would have paid for that, Mr Metcalfe. You would not have slugged former Governor-General Hollingworth for it; would that be right?

**Ms Belcher**—I do not think we would.

**Senator FAULKNER**—You will take on notice the cost of that; you do not have it available.

**Ms Costello**—We will take it on notice.

**Senator FAULKNER**—Is some of this information in the public arena or not? Are you aware of whether the pension being paid to a former Governor-General is publicly known information?

**Ms Costello**—The actual amount of the pension is set by the Remuneration Tribunal and the Governor-General Act 1974. The benefit is 60 per cent of the salary payable to the Chief Justice of the High Court.

**Senator FAULKNER**—Is such a matter determined in legislation?

**Ms Belcher**—Yes; it is set out in the Governor-General Act.

**Senator FAULKNER**—So why would you need actuarial advice? What was the point of that?

**Ms Costello**—It is to do with the superannuation surcharge component.

**Senator ROBERT RAY**—And this is the first time you have had to calculate it, isn't it?

**Ms Costello**—Yes.

**Senator FAULKNER**—Is this because Governor-General Hollingworth was the first Governor-General to pay tax? Is that the significant issue?

**Ms Costello**—Yes.

**Senator FAULKNER**—Fair enough.

**Ms Belcher**—I should correct that: he was not the first to pay tax, he was the first to pay the surcharge. The surcharge legislation came in after the amendment to have governors-general pay income tax.

**Senator FAULKNER**—I see.

[9.14 p.m.]

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**Office of the Inspector-General of Intelligence and Security**

**CHAIR**—Welcome, Mr Blick.

**Mr Blick**—Thank you, Mr Chairman. With your indulgence, I will be very brief. I am, as you know, retiring very shortly—although I may still be around for a few days or weeks. My term finishes tomorrow. At the end of this enjoyable career that I have had I wanted to say that, surprise, surprise, I have actually enjoyed my time appearing before these committees over the years, for the most part. As surrogate for all the committees that I have appeared before I would like this committee to accept a small token of my appreciation for the interest and significance that the work of the committees has given me in my career. If you can share it with the staff I would be most appreciative.

**Senator Hill**—What a precedent for other public servants!

**Mr Blick**—One hesitates to create precedents. Secondly, Minister, you are the latest in a long line of ministers who have sat next to me and been extremely supportive over the years. I would like to give you a slightly smaller token for all of you.

**Senator FAULKNER**—Can I just say on behalf of the opposition, Mr Chairman—

**CHAIR**—And the whole committee.

**Senator FAULKNER**—I think the other members can speak for themselves. I am sure that, in this regard, I can speak for the whole committee. We very much enjoyed having you in many different guises before this committee and certainly as a long-term officer of the Department of the Prime Minister and Cabinet. From time to time, of course, as you know, the matters that are being canvassed at these sorts of committee hearings can get a little willing. I think we all appreciate the genuine integrity with which you have undertaken your very important responsibilities over a very long period. I think the best thing I can say is that we are all going to miss you. We are certainly going to enjoy eating all those chocolates. This goes to show—I think I can say this to you, Bill—that you are far and away the most generous witness we have ever had.

**CHAIR**—Can I just say that I have enjoyed your elegant appearances before this committee so much that I bought a tweed jacket just like yours.

**Senator Hill**—On behalf of those who have had to sit in this seat in the past, and on my own behalf, I would also like to thank Bill. I have had some experience of his work that has not got before the committee—that is, the very constructive and helpful way that he has assisted some of my agencies in terms of meeting the high demands of government and the public. I know they have appreciated the way that he has gone about his job. Of course, it has been a very important job. I feel a little embarrassed that I do not have a gift to return, Bill. So if you change your mind and come back next time, I promise I will have something for you.

**Senator ROBERT RAY**—Just do not alter his superannuation. Go quick!

**Senator FAULKNER**—Does this mean, Mr Chairman, that now we can go and eat our very large number of chocolates and Senator Hill can eat his small number of chocolates?

**CHAIR**—Did you have some questions?

**Senator FAULKNER**—I would not dare.

**Mr Blick**—If you had some questions I would be very happy to answer them.

**Senator ROBERT RAY**—We have got other fish to fry!

**Proceedings suspended from 9.19 p.m. to 9.41 p.m.**

**CHAIR**—We will recommence with output 4.4.

**Senator FAULKNER**—I would like quickly to deal with some issues relating to the GCU, if I could, and would appreciate it if Mr Williams and Mr Taylor on this occasion could assist the committee because we are now very much pressured for time. I just wanted to go through the current advertising campaigns that I am aware of very quickly. The first is the joint Job Network employer campaign. I think Lavender is the agency with this from memory. As I understood it, this is a \$1.35 million campaign. Is that still the current cost for this campaign? Would it be easier for you just to give us a status report on what we have got, where it is up to, what is planned—just cut to the chase and leave it at that? Would you be able to assist us with that, Mr Williams, or we can go through it in the usual agonising way?

**Mr Williams**—It is never that quick, but we will do the best we can.

**Senator FAULKNER**—That would be good.

**Mr Williams**—On quarantine matters, there is the possibility of a further run of that this year. The department are considering their position.

**Senator FAULKNER**—Does that have a budget for quarantine?

**Mr Williams**—It had a project budget of \$7 million over three years.

**Senator FAULKNER**—How much of that has been expended?

**Mr Taylor**—It is \$4,378,427.

**Senator FAULKNER**—And the balance of that is to be expended by what date?

**Mr Williams**—That campaign started at the end of 2002, so I think it goes 2002-05, but I would have to take it on notice to be certain.

**Senator FAULKNER**—So quarantine matters was the first one. What is the next one? The government department is AFFA.

**Mr Williams**—Yes, AFFA is the department; AQIS is the agency. We mentioned in response to a question on notice that a trafficking in persons campaign was in prospect. It is very, very early stages and there is a project budget of around \$400,000.

**Senator FAULKNER**—Trafficking in persons?

**Mr Williams**—Yes, that is Attorney-General's.

**Senator FAULKNER**—And it is a \$400,000 campaign?

**Mr Williams**—Yes. Those budgets are only indicative at this stage but—

**Senator FAULKNER**—Yes, it is an indicative budget of \$400,000.

**Mr Williams**—That is the budget we have for it.

**Senator FAULKNER**—When is that likely to air?

**Mr Williams**—I could not tell you.

**Senator FAULKNER**—It is in early planning stages?

**Mr Williams**—It is in very early planning stages. They need to do exploratory and developmental research.

**Senator FAULKNER**—What is the next one?

**Mr Williams**—The co-contribution campaign.

**Senator FAULKNER**—That is the Campaign Palace campaign, is it not?

**Mr Williams**—That is right.

**Senator FAULKNER**—Is the super co-contributions still a \$4.4 million campaign?

**Mr Taylor**—It is \$4.8 million.

**Senator FAULKNER**—When will it be launched?

**Mr Taylor**—Early March.

**Mr Williams**—That is the current planning, but clearly we have got to get the creative right.

**Senator FAULKNER**—Including TV?

**Mr Taylor**—That would include TV.

**Senator FAULKNER**—Only TV?

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

**Senator FAULKNER**—Does the budget for trafficking in persons of \$400,000 include placements?

**Mr Williams**—That is the budget we have for the project, so I am assuming it will include placements.

**Senator FAULKNER**—What is the next one?

**Mr Taylor**—Defence force recruitment has a project budget \$20.8 million.

**Senator FAULKNER**—Yes.

**Mr Taylor**—So far \$18.470 has been expended.

**Senator FAULKNER**—Yes.

**Mr Williams**—New Apprenticeships, which will be another phase of that campaign—

**Senator FAULKNER**—New Apprenticeships is a new one on me, I think.

**Mr Williams**—That has been running for a while. That is the one where they show various workplaces where—

**Senator FAULKNER**—Is Lavender the agency?

**Mr Williams**—The agency is Batey House.

**Senator FAULKNER**—What department is that?

**Mr Williams**—That is the Department of Education, Science and Training.

**Senator FAULKNER**—What is the figure for that?

**Mr Taylor**—It is \$5.3 million and so far \$5.251 million, according to my figures, has been committed.

**Senator FAULKNER**—So it is almost done.

**Mr Williams**—This phase is almost done. There could be another phase.

**Senator FAULKNER**—When is the next phase planned for?

**Mr Williams**—They are talking about midyear but that is not definite at this stage.

**Senator FAULKNER**—What is the budget for the second phase?

**Mr Williams**—We do not have that second phase budget at this stage.

**Senator FAULKNER**—All we know is that there is a midyear second phase.

**Mr Williams**—In contemplation, yes.

**Senator FAULKNER**—Right.

**Mr Taylor**—Job Network employer campaign, with a \$4 million budget.

**Senator FAULKNER**—I thought the last figure we had was \$1.35 million, from memory.

**Mr Williams**—That might have been media placement.

**Senator FAULKNER**—Was there a research company for that campaign?

**Mr Williams**—TNS Social Research.

**Senator FAULKNER**—Yes.

**Mr Taylor**—Lavender is the creative there.

**Senator FAULKNER**—When is this one going to kick off?

**Mr Williams**—I am not sure what the timing is on that.

**Senator FAULKNER**—Approximately?

**Mr Williams**—I do not have the answer here. They ran some retail ads in January just to let employers know that service was available but the more extensive creative will be coming but we do not have a date.

**Senator FAULKNER**—Could you take it on notice when that one is to kick off, please?

**Mr Williams**—Yes.

**Senator FAULKNER**—What else do we have?

**Mr Taylor**—The safe travel SmartTraveller.

**Senator FAULKNER**—Yes.

**Mr Taylor**—We have a project budget of \$9.7 million over four years.

**Senator FAULKNER**—This is the DFAT campaign?

**Mr Taylor**—That is correct.

**Senator FAULKNER**—Travel safe, I think it is.

**Mr Williams**—SmartTraveller.



**Mr Taylor**—It is \$9.7 million over four years.

**Senator FAULKNER**—How much has been expended so far?

**Mr Taylor**—It is \$2.66 million.

**Senator FAULKNER**—What is timeframe for this campaign?

**Mr Williams**—I am not sure we have a timeframe. We have just run the first element of it, but I am not sure we have a timeframe for the second element at this stage.

**Mr Taylor**—The current status is the first phase of advertising for the three-year campaign currently running is what we have. We can give you more details on notice.

**Senator FAULKNER**—I would appreciate that. What about road funding?

**Mr Taylor**—Nothing on road funding.

**Senator FAULKNER**—The better and safer roads campaign. There has been newspaper advertising about that.

**Mr Williams**—They were in the nature of non-campaign ads, Senator.

**Senator FAULKNER**—Non-campaign ads?

**Mr Taylor**—One-off appearance.

**Senator FAULKNER**—You do not know what the budget for it was?

**Mr Taylor**—It was in the vicinity of \$500,000 for that one appearance, which were full page ads in—

**Senator FAULKNER**—Do you know what prompted that burst of advertising in the newspapers?

**Mr Taylor**—We were approached by the Department of Transport and Regional Services and asked to assist them in doing it, but I do not know what the genesis of it was.

**Senator FAULKNER**—So it is one-off. It is not going to be extended?

**Mr Taylor**—We have received nothing to indicate that there is going to be an extension of that.

**Senator FAULKNER**—I am surprised you say the budget is limited to \$500,000. I thought it would have been bigger than that.

**Mr Taylor**—All I am saying is that that is what has been expended. We booked the placement for it, so we know what it cost. But I do not have any information on what is planned.

**Senator FAULKNER**—You are not aware. You booked the placements. Do you know which papers these advertisements appeared in?

**Mr Williams**—They appeared in the metropolitan Sunday papers, the major non-metropolitan papers, including in Townsville, Cairns, Geelong, and the regional newspapers.

**Senator FAULKNER**—Are any security campaigns planned that you are aware of?

**Mr Taylor**—The national security campaign is still regarded as a live campaign because we do not know of it being stopped. We have not got anything happening at the moment, though. We have not had anything come back to us on plans for that.

**Mr Williams**—We have had some discussions with the Attorney-General's Department about running some more advertising for national security as part of that extension but nothing has been finalised for that stage.

**Senator FAULKNER**—So there may be as part of that extension?

**Mr Williams**—Yes, but no final decision has yet been taken.

**Senator FAULKNER**—What about problem gambling?

**Mr Taylor**—Nothing is happening on problem gambling. Nothing has come back to us at all.

**Mr Williams**—At the moment we have selected a research company. We have not finalised the selection of a public relations company. It is with the minister and we are awaiting further developments and advice.

**Senator FAULKNER**—What is the environment and resource management campaign?

**Mr Taylor**—That is a new campaign which replaces the existing Natural Heritage Trust campaign and the National Action Plan for Salinity and Water Quality. It is designed to promote the role of the Commonwealth government in the management of natural resources.

**Senator FAULKNER**—Do we have an agency yet?

**Mr Williams**—No. We have appointed a researcher, but we have not as yet selected an advertising agency.

**Senator FAULKNER**—What is the name of the research company?

**Mr Williams**—It is the Open Mind Research Group.

**Senator FAULKNER**—Are they doing qualitative research?

**Mr Williams**—They will do developmental research initially and, then, the normal course of events is that they will do the concept testing when we have an agency on board to refine the message. I am not sure whether they will do the quantitative tracking research.

**Senator FAULKNER**—Is this campaign basically about salinity, water use and the like?

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

**Mr Williams**—I understand that salinity and water quality will be part of this campaign.

**Senator FAULKNER**—Is anything planned on bird flu?

**Mr Williams**—I will have to take that on notice, but I suspect not.

**Senator FAULKNER**—Are there any other campaigns that I have not identified?

**Mr Williams**—There is a possible further burst to citizenship. The citizenship campaign has been pretty successful over the few years it has been running. We have also had an early approach from Health and Ageing to have a further instalment of the National Illicit Drugs campaign, but that is not well advanced yet.

**Senator FAULKNER**—So there are further campaigns on citizenship, on health and on illicit drugs.

**Mr Williams**—Yes, and there is a campaign on waste oil management, which is a fairly small campaign.

**Senator FAULKNER**—Did you say ‘waste water’?

**Mr Williams**—No, it is a waste oil campaign, for when people have their car serviced and that sort of thing.

**Senator FAULKNER**—What is the budget for the further burst to the citizenship campaign?

**Mr Williams**—The original project budget was \$6.3 million, but we will have to take on notice to provide you with what has been spent.

**Senator FAULKNER**—When is it planned for?

**Mr Williams**—They have yet to determine when it will run this year. It has to be run this year, but we do not have a time limit.

**Senator FAULKNER**—When is it proposed to run the drugs campaign?

**Mr Williams**—That is a fairly early one, and I do not think we have a timing on that.

**Mr Taylor**—Shall we go on to the next one?

**Senator FAULKNER**—If you like. Don’t we know the answers on the health one?

**Mr Williams**—Not at this stage. The unit had its first meeting with Health and Ageing last Friday, so it is very early days.

**Senator FAULKNER**—The next one that you mentioned was waste oil management. Which department is doing that?

**Mr Williams**—The Department of the Environment and Heritage.

**Senator FAULKNER**—What is the budget for that one?

**Mr Williams**—The original budget, we were advised, was \$3 million over four years.

**Senator ROBERT RAY**—Is there an indication of how much for this year?

**Mr Williams**—No, we do not have that breakdown for this year.

**Senator FAULKNER**—Are there any Family and Community Services or other family based campaigns in the post budget environment that you are aware of?

**Mr Williams**—Not that we are aware of.

**Senator FAULKNER**—Are there any other ones in the pipeline that you have not mentioned?

**Mr Williams**—Only one—the regional telecommunications inquiry campaign, which was a follow-up of an earlier campaign.

**Senator FAULKNER**—This is regional telecommunications?

**Mr Williams**—Yes

**Senator FAULKNER**—What is the budget for that campaign?

**Mr Williams**—About \$5½ million.

**Senator FAULKNER**—When is that going to air?

**Mr Williams**—We do not have a timing on that at this stage, but possibly midyear.

**Senator FAULKNER**—Can you assure the committee that there are no other campaigns that you are aware of, apart from the ones that have been mentioned previously in questions on notice?

**Mr Williams**—One that was mentioned this morning was the sexual assault campaign for OSW, but you are aware of that. Based on the briefing we have here, there are no other campaigns that we are aware of.

**Senator FAULKNER**—What is the current budget for the domestic violence campaign?

**Mr Williams**—It is \$13.7 million.

**Senator FAULKNER**—Over what period?

**Mr Williams**—That budget is over the period 2002 to 2005.

**Senator FAULKNER**—This calendar year?

**Mr Williams**—We do not have a split, but we can take that on notice.

**Senator FAULKNER**—What has happened to Mr Andrews' campaign for older workers? Are you aware of that one?

**Mr Williams**—No. It is not something that we have been approached by the department about.

**Senator FAULKNER**—It was reported in the *Australian* on Christmas Eve that there would be an advertising campaign for older workers. You are not aware of that one?

**Mr Williams**—We tend to react to departmental advice rather than what is in the newspapers.

**Senator FAULKNER**—I tend to react sometimes to newspaper articles because I do not have the benefit of other material. Anyway, you are saying that it is not in the pipeline.

**Mr Williams**—We have not been approached.

**Senator FAULKNER**—With the regional telecommunications campaign of \$5.5 million, did you say that the regional telecommunications inquiry was a follow-up?

**Mr Williams**—That is right.

**Mr Taylor**—I am not sure of the history of this, but there was a previous campaign.

**Senator FAULKNER**—I just want to get the nomenclature right.

**Mr Williams**—There was an inquiry into regional telecommunications. I am not sure—

**Ms Scott**—It was Besley.

**Mr Williams**—Yes, I think it was the Besley inquiry. This will indicate what access to telecommunications people in regional Australia have, following that inquiry.

**Senator FAULKNER**—It is hardly a follow-up of the inquiry.

**Mr Williams**—That is the working name that the department gives it, and it is the working name that we use.

**Senator FAULKNER**—Mr Williams, don't you think it would be useful for these estimates exercises to try to tabulate this sort of material. We have been going through it for years now. Instead of having to look through these briefs like this, the material could be tabulated. A lot of the material is tabulated in answers to questions on notice, and we will have to do it again. It just seems to me that it could be presented in a far more accessible way. Am I right in adding this up to say that there is a further \$60 million worth of new advertising campaigns, further bursts, for this year?

**Mr Williams**—We have given you project costs; that is not media spend. In relation to media spend, I have not added up the numbers—

**Senator FAULKNER**—But I have. It is \$60 million this year—and I think that is a conservative figure—for further campaign bursts, not counting anything to do with national security. It is an additional \$60 million.

**Mr Williams**—I am not sure what you are adding up there.

**Senator FAULKNER**—I am adding up the figures that you have given me.

**Mr Williams**—For example, we quoted a figure for Defence Force recruiting, of which \$18 million has been spent. That is not prospectively to be spent this year.

**Senator FAULKNER**—I am not adding that in.

**Mr Williams**—I do not know what you have added in and what you have not added in. I am saying that if you have added that in—

**Senator FAULKNER**—It is a further \$60 million this year.

**Mr Williams**—I cannot comment because I have not seen your list.

**Senator FAULKNER**—It is actually your list, Mr Williams.

**Mr Williams**—If you have added up the numbers we have given you, they are for project costs and not media spend. It would be misleading to say that, in prospect, there is \$60 million in media advertising based on the numbers we have given you.

**Senator FAULKNER**—Do you think it would be possible, Mr Metcalfe, at future hearings of this committee for us to get this information in an easily accessible format? Is that beyond the capacity of the department? We have had similar experiences before. Time is short tonight, and I do not want to delay the committee. We could spend hours and hours trawling through this sort of material. I will have to go back to this now and ask questions on notice, flowing from this. The answers will be provided in tabulated form. This committee have had this experience dealing with MAPS in the department of finance. They are able to predict the sorts of questions that are asked and provide information in a tabulated form for the committee, which is useful and saves a hell of a lot of time. I respectfully commend such an approach in this area of government communications.

**Mr Metcalfe**—We will look at that. I cannot give you an undertaking, but we will take that on board.

**Mr Williams**—The only firm information we hold in the department is the media spend. We do not hold the contracts with the various providers that are associated with putting a campaign together. They are held by individual departments. The numbers we give you here tend to be an early indication of the project budget, which may end up being greater or lesser than the actual expenditure.

**Senator FAULKNER**—Of course, but any tabulation, Mr Williams, can make that abundantly clear.

**Mr Williams**—We have over the years given you details of media spend on completed campaigns.

**Senator FAULKNER**—I know that.

**Senator ROBERT RAY**—I was just observing that we have probably wasted 20 minutes while you have looked up your files today—while you have looked at this page and that page and while there was a delay of a minute here and there. I hope that that is not just a tactic to wear us down. Take that question about how many DLOs work for the minister. We have asked it twice of this department. Lo and behold, every time we turn up now we are too frightened to ask it, because there it is on the table and there is no change. You should be able to have this in a two- or three-page document that you can just go straight to it. If you have not worked out the sorts of questions that Senator Faulkner asks by now, you might as well give up.

**Mr Williams**—We produce material from our register of current projects, which has a reasonable amount of detail. It has been my experience that you want detail, and we have a system that produces it. We just run through the material produced by that.

**Senator FAULKNER**—If we need further detail we can go to it, but on many occasions we are only looking for the broad picture. I think you are aware of that. On certain campaigns we have asked for more detail. I am sure it is useful to have that material available. I commend to the department the possibility of providing this information without trying to extract it like a wisdom tooth or something. Just provide the material. I think that will assist all of us. I think it can be done in a pretty clear and concise format that would save an awful lot of time. I have no alternative now but to follow these issues up with questions on notice, which I hope the department will respond to as quickly as possible.

**Senator FAULKNER**—Minister Hockey featured on the Nine Network on 26 November 2003 on the *Reno Rumble* program. I did not actually watch it myself, but I have been informed by a number of people who did that there was an issue here about the donation of funds to the Children's Cancer Institute Australia. Was there an approach to PM&C seeking funds for a donation to that program?

**Ms Scott**—I am unaware of the issue.

**Senator FAULKNER**—You are not aware of it?

**Ms Scott**—No.

**Senator FAULKNER**—Mr Hockey went on the program and presented a huge cheque—it was huge in size, and it was a substantial amount of money. He said that he had asked Mr Howard for a donation and Mr Howard had said that the charity concerned could have \$50,000, and then the couples from *The Block* all jumped up and down and cheered. The compere said, ‘Thanks very much, John Howard, for the donation, and thanks to all those other people who donated money to charity.’ These funds did not actually come from the Department of the Prime Minister and Cabinet, did they, let alone from Mr Howard himself?

**Ms Scott**—We will have to take the question on notice.

**Senator FAULKNER**—It was a bit of a put-up job really, wasn’t it, when it is all said and done? You would know if the Department of the Prime Minister and Cabinet had donated funds to that charity. It is a very worthy charity. I am just worried about the way these things are spun on television. Can you confirm that PM&C did not donate \$50,000 to that institute?

**Ms Scott**—We have not heard of it. I am happy to take the question on notice, though.

**Senator FAULKNER**—Do you know where the money did come from?

**Senator Hill**—They do not know. They will have to check.

**Senator FAULKNER**—It was donated in the Prime Minister’s name. It in fact came from the Department of Health and Ageing. You are not aware of it?

**Ms Scott**—I am not personally aware of it.

**Senator FAULKNER**—Are there any departmental guidelines in place for these sorts of grand pronouncements that this money is coming from Mr Howard, when it does not come from Mr Howard or from Mr Howard’s department but from another Commonwealth department? However worthy the charity is—and in this case I believe it is and in this case I think it is a good thing that the Commonwealth government has donated to it—it is not true that Mr Howard or his department provided it. It is all this political spin. Are there any guidelines about that, Mr Metcalfe?

**Mr Metcalfe**—None that I am aware of.

**Senator FAULKNER**—Don’t you think there should be?

**Mr Metcalfe**—To be honest, none of us are familiar with the precise circumstances. We have undertaken to take the issue on notice. I do not feel that I am able to answer the question on the basis of the knowledge I have.

**Senator FAULKNER**—This occurred on this program on 22 November 2003. You are not aware of any guidelines in relation to ministers coming on with a gigantic cheque, saying it is from Mr Howard, when it is from the Commonwealth Department of Health and Ageing?

**Mr Metcalfe**—I am not aware of any such guidelines.

**Senator FAULKNER**—So that is okay, is it?

**Mr Metcalfe**—I am just saying that I am not aware of any such guidelines.

**Senator FAULKNER**—Perhaps there ought to be. We will chase it through at the next estimates round, Mr Metcalfe, so you can get across the *Reno Rumble* and you can get across

the incident in relation to Mr Hockey. I would really appreciate your checking what, if any, guidelines would apply to this.

**Mr Metcalfe**—We will.

**Senator FAULKNER**—I am very disappointed to hear that apparently none do—that, when ministers give cheques, they are not required to say that these funds come from a Commonwealth department.

**Mr Metcalfe**—I do not think I can say any more. I do not know precisely what happened. We will obviously have a look at it and, if we can assist, we will.

**Ms Scott**—Chair, would this be a convenient time to give an answer to a question we were asked earlier?

**CHAIR**—That would be fine.

**Ms Scott**—I think Senator Ray asked a question about secondments in and out of the department. There are 24 secondees, which includes temporary transfers in the department, for whom PM&C pays 100 per cent of their salary costs; there are 12, for whom we pay 50 per cent of the salary costs, with 50 per cent covered by their home department; and there are 22 for whom their home department covers 100 per cent of the cost. In total, we have 58 secondees, including temporary transfers. For secondments out, we have one officer overseas on a transfer arrangement with the UK, for whom we pay 100 per cent of their salary costs; there is one for whom we pay 50 per cent of their salary costs—that is domestic—and seven officers in other departments, including temporary transferees, for whom the other department pays 100 per cent of the costs. So we have nine out and 58 in.

**Senator ROBERT RAY**—So you pay 1½ salaries for the nine that are out. Is that right?

**Ms Scott**—That is right.

**Senator ROBERT RAY**—I doff my hat. I think you are doing well—top management, push down your salary bill, load it onto other departments and get away with it. Go ahead.

**Senator FAULKNER**—Let me refer you to yet another newspaper article that I have benefited from reading, which relates to a Christmas Party and Kirribilli House. The article was headed ‘Party time with the Howards’, down there at ‘party central’ at Kirribilli House.

**Senator ROBERT RAY**—I can hardly wait for that one.

**Senator FAULKNER**—Are you aware of this? Who are you pointing to, Mr Metcalfe?

**Mr Metcalfe**—Ms Scott has responsibility for this area.

**Senator FAULKNER**—Are you aware of this particular function at Kirribilli House?

**Ms Scott**—What date did you say that was, Senator?

**Senator FAULKNER**—It was reported on Sunday, 21 December, and the article described it as follows:

On the eve of a seasonal break for good books and cricket watching, the Howards welcomed 240 “friends” to Kirribilli House on Friday night.

I do not know the precise date, but I assume they do not have 240 friends to invite every night. How many friends do they have, Senator Mason?



**Ms Scott**—This would appear to be the cocktail party for a wide cross-section of the Sydney community.

**Senator FAULKNER**—What date was that?

**Ms Scott**—I do not have the date, but it certainly was in December and it was at Kirribilli House.

**Senator FAULKNER**—How many other parties have been held recently at Kirribilli House?

**Ms Scott**—Four official functions were held in December—a dinner for cabinet members, the cocktail party that I just referred to, the Prime Minister's office staff Christmas party and a dinner on New Year's Eve.

**Senator FAULKNER**—Were these all government funded functions?

**Ms Scott**—Yes.

**Senator FAULKNER**—What was the dinner on New Year's Eve?

**Ms Costello**—We do not have the detail on that dinner.

**Senator FAULKNER**—Do you know how many guests were there?

**Ms Costello**—No, I do not know. I just have information that the function occurred.

**Senator FAULKNER**—Is it true that 240 guests were at this cocktail party?

**Ms Costello**—Again, I just have information that the event occurred; I do not have the details of the event.

**Senator FAULKNER**—Who issued the invitations to this?

**Ms Costello**—We will check that.

**Ms Scott**—We will have to take it on notice because we do not have the information that you require.

**Senator FAULKNER**—Were they issued by the Department of the Prime Minister and Cabinet? Surely you must know that.

**Ms Scott**—Senator, we do not have the detail that you require at our fingertips. We will have to take the question on notice.

**Senator FAULKNER**—Are you saying to me that you do not know whether the Department of the Prime Minister and Cabinet was responsible for issuing invitations to this cocktail party at Kirribilli House? For God's sake, 240 people were there; you must know whether you were involved in issuing the invitations.

**Ms Scott**—I am advised that the department did not do the issuing of the invitations; it was a matter for the Prime Minister's office.

**Senator FAULKNER**—The Prime Minister's office did it?

**Ms Scott**—I understand that is correct.

**Senator FAULKNER**—What role did the department have in this function?

**Ms Costello**—I have no further detail on this function. We will have to find that out. I just know that it occurred. We would normally have the staff at the house doing their normal functions.

**Ms Scott**—Senator, we have just checked with the two relevant officers, and we do not have any detail here that will enable us to answer those questions. We are not trying to be evasive; we simply do not have the information here.

**Senator FAULKNER**—Are you able to tell me what costs were borne by the Commonwealth for this cocktail party?

**Ms Scott**—We will have to take the question on notice. We do not have the information with us.

**Senator FAULKNER**—You do not have any idea of the costs?

**Ms Scott**—We have a list of the functions, which I read out to you earlier, but we do not have the costs for those functions.

**Senator FAULKNER**—You do not have any further detail apart from the list of the functions?

**Ms Scott**—Not on that matter.

**Senator FAULKNER**—But you are able to say to me that the costs were borne by the Commonwealth. You told me that.

**Ms Scott**—There were four official functions.

**Senator FAULKNER**—Yes. There were four official functions so the costs were borne by the Commonwealth.

**Ms Scott**—Correct.

**Senator FAULKNER**—But you cannot tell me what the costs were.

**Ms Scott**—Given the number of functions, we do not actually have the detailed costing of those functions with us tonight.

**Senator ROBERT RAY**—But they do exist per se?

**Ms Scott**—Yes. I am sure we can arrive at a cost for the functions, and I am happy to take the question on notice. We just do not have the information with us tonight.

**Senator ROBERT RAY**—While you are taking it on notice, could we have the figures for December and the previous five months disaggregated per month per function?

**Ms Scott**—We will take it on notice.

**Senator FAULKNER**—And brought up to date for the early part of this year too—January. Why not?

**Senator ROBERT RAY**—I am just worried about whether all the bills would be in yet for January.

**Senator FAULKNER**—It could be that they are not, because there would be a substantial number of bills. Fair enough, let us be reasonable.

**Senator ROBERT RAY**—Just to the end of December then.

**Senator FAULKNER**—So you are going to provide us with a list of official functions at Kirribilli House from 1 July 2003 to 1 January 2004.

**Ms Scott**—We will take the question on notice.

**Senator FAULKNER**—And you are going to indicate the costs for each of those official functions, borne by the Commonwealth.

**Ms Scott**—Yes, Senator, we will take the question on notice.

**Senator FAULKNER**—I indicate to you that, after that material has been received, at the next round of estimates I would like to go through in detail the expenditure down there at ‘party central’ at Kirribilli on these and other functions. Perhaps I can flag that with you so that you can be well prepared in the next estimates round for us to be able to look at what these particular functions have cost the Commonwealth. Could you also, in relation to the cocktail party, provide a copy of the guest list, please?

**Ms Scott**—I will take the question on notice.

**Senator ROBERT RAY**—While we are on the subject, just on a very minor matter: in an answer to a question on notice No. 55 there is a reference to the transfer of two armchairs. For some reason they seemed to go from Kirribilli to the Lodge and later to Kirribilli at a cost of \$250. I am just wondering what that is about.

**Ms Costello**—There is furniture in both Kirribilli House and the Lodge that belongs to the Australiana Fund. At times furniture is moved to see if it suits one area better than another. These particular armchairs were brought down while other armchairs were being replaced, and they were later returned to Kirribilli House. It was just a transfer of them for a period of time to see if the size and shape were suited—

**Ms Scott**—Better suited.

**Ms Costello**—better suited to the Lodge

**Senator ROBERT RAY**—But then, when they were not, they were sent back.

**Ms Costello**—Replacement armchairs have since been bought and these chairs have been returned.

**Senator ROBERT RAY**—What was the cost of the replacement armchairs that have been bought?

**Ms Costello**—There have been replacement armchairs as part of the refurbishment of the Lodge. There were a total of 10 armchairs that were replaced in the Lodge—

**Senator ROBERT RAY**—As part of the refurbishment.

**Ms Costello**—as part of the general refurbishment of the public areas, the reception rooms, in the Lodge. The replacement cost for those armchairs was \$23,406 for 10 armchairs.

**Senator ROBERT RAY**—So that is \$2,300 per armchair.

**Ms Costello**—I am advised there is some other furniture in that as well. I just have a total cost for replacement furniture.

**Senator FAULKNER**—So what other furniture was there?

**Senator ROBERT RAY**—I would hope so, because it seems a bit pricey for armchairs.

**Ms Costello**—I do not have that detail here.

**Senator ROBERT RAY**—What detail do you have?

**Ms Costello**—The total replacement furniture for those reception areas was \$23,406. I know that the armchairs were part of the buy.

**Senator ROBERT RAY**—We know that there are 10 armchairs. What sorts of other things were there?

**Ms Costello**—Some small tables I am aware of. I do not have the details so I am reluctant to give you that in detail.

**Senator ROBERT RAY**—What other refurbishments have been done there, apart from furniture—or is this the list?

**Ms Costello**—This is part of the ongoing refurbishment that has been done.

**Senator ROBERT RAY**—What else?

**Ms Costello**—Two of the reception area bathrooms were refurbished.

**Senator ROBERT RAY**—What was the cost of refurbishing the two bathrooms?

**Ms Costello**—\$14,280.

**Senator ROBERT RAY**—Any other refurbishment apart from the bathrooms and the furniture?

**Ms Costello**—They are what has been expended in the last period. This refurbishment has been going on for some time.

**Senator ROBERT RAY**—Yes. What was the previous amount, so I can get a rough idea. In this rolling program of refurbishment we have two items. I am wondering what the previous one to that was and how long ago that was so that I can take it out of my calculations.

**Ms Costello**—I have not got what you have been told in the past.

**Senator ROBERT RAY**—But nothing this financial year?

**Ms Costello**—Going back in time then, there is carpeting of \$16,000—

**Senator ROBERT RAY**—I do not actually want to know these figures if they are not in this financial year.

**Ms Costello**—Right. This refurbishment has been ongoing for 18 months so I do not have the time at which these were expended.

**Senator FAULKNER**—Let us get the full picture over the last 18 months at the Lodge.

**Senator ROBERT RAY**—You have talked me into it. How much was the carpeting?

**Ms Costello**—\$16,170.

**Senator ROBERT RAY**—Prior to that?

**Ms Costello**—Painting and timber work—

**Senator ROBERT RAY**—I would be interested in this as I need a bit of painting done at home.

**Ms Costello**—\$22,120.

**Senator ROBERT RAY**—Oh, I do not need it that much. We might have a working bee on that.

**Senator FAULKNER**—What else have we got in this 18-month refurbishment of the Lodge?

**Ms Costello**—Removal of some timber work at \$4,570.

**Senator FAULKNER**—Anything else?

**Ms Costello**—Design fees at \$28,875.

**Senator FAULKNER**—That seems a lot.

**Senator ROBERT RAY**—Would this be on the relatively high side because you are dealing with a heritage type building or something?

**Ms Costello**—There is certainly a lot of heritage involvement and work with the Official Establishments Trust. Also it is not just design; it is sourcing appropriate material, manufacture and those sorts of things. When I say ‘design fees’, it is not just design work; it is a complete service, together with a lot of work with the Official Establishments Trust.

**Senator FAULKNER**—What else have we got?

**Ms Costello**—Curtaining at \$26,695. It is for all the reception rooms, and that is the total that I have.

**Senator FAULKNER**—Plus two bathrooms at \$14,280; and the furniture, including 10 armchairs, at \$23,406.

**Ms Costello**—Yes.

**Senator FAULKNER**—Is that the full horror? Nothing else?

**Ms Costello**—That is correct.

**Ms Scott**—It seems to cover the entrance foyer, the morning room and the drawing room.

**Senator ROBERT RAY**—Those are expenditures so far. Are there any other anticipated areas, especially from the design consultant recommending other things apart from the ones we have covered here? Have we completed the 18-month program or are there other things?

**Ms Costello**—There is still some carpeting to be done.

**Senator ROBERT RAY**—More carpeting?

**Ms Costello**—More carpeting.

**Senator FAULKNER**—What is the budget for that?

**Ms Costello**—I do not have a budget for the carpeting per se. It is for the foyer area and the stairs, where it has become extremely frayed. I would point out that these rooms were last refurbished in 1986, so there was a lot of work to be done. It was a major refurbishment.

**Senator FAULKNER**—Obviously. Anything else, Ms Costello?

**Ms Costello**—There is some other furniture: smaller chairs and—

**Senator FAULKNER**—More furniture. Do you have a budget for that?

**Ms Costello**—No, I do not have a set budget for that.

**Senator FAULKNER**—Anything else?

**Ms Costello**—That should complete the refurbishment.

**Senator FAULKNER**—Would I be correct in saying that with the furniture at \$23,406; two bathrooms at \$14,280; curtains at \$26,695; design fees at a whopping \$28,875; carpeting at \$16,170 and something else at \$22,120, whatever that is—

**Senator ROBERT RAY**—That was timbers.

**Senator FAULKNER**—Timber, yes.

**Ms Costello**—There is one additional element, which is lighting at \$3,524.

**Senator FAULKNER**—This all adds up to a grand total of \$141,940. I am sure you have a grand total. I reckon it is \$141,940.

**Ms Costello**—No.

**Senator FAULKNER**—No? Going north or going south?

**Ms Costello**—We are just checking. Did you double the toilet number of the \$14,290?

**Senator FAULKNER**—No, I did not double it. It is two bathrooms at \$14,280.

**Ms Costello**—That is correct.

**Ms Scott**—That is about the right figure.

**Ms Costello**—What was your figure, Senator?

**Senator FAULKNER**—My figure, although Senator Forshaw has a different figure, is \$141,940 for expenditure at the Lodge, not counting future furniture costs and future carpeting costs.

**Ms Costello**—Our total is \$139,640.

**Senator ROBERT RAY**—Pretty close, we reckon—closer than Senator Faulkner's.

**Senator FAULKNER**—Not counting more furniture costs and carpeting?

**Ms Costello**—That is right. As I said, carpeting for the foyer and the stairs, which are in a bad state of disrepair, is still to be done. That is currently in discussion. Again, none of these rooms have been refurbished since 1986 and it has taken heritage work to restore them.

**Senator ROBERT RAY**—Has there ever been a study done of moving the Prime Minister out to Yarralumla and building a purpose-built building for the Governor-General/future president? You will never ever rebuild a residence for a Prime Minister; we know that—right? Politically, it just would not occur. But you could probably argue, I think fairly strongly, for a residence for a Governor-General or a future president and then move the Prime Minister into the slightly more spacious Yarralumla where international guests could be properly entertained. I think even you would concede, Minister, it is difficult to do so at the Lodge.

**Senator Hill**—I do not know if there has ever been a proper study done.

**Senator FAULKNER**—That would be dependent on the Prime Minister being willing to live in Canberra, wouldn't it?

**Senator ROBERT RAY**—No, I am just saying that sooner or later you are going to have to cut the Gordian knot of the Lodge. It is obviously a very expensive place to upkeep.

**Senator FAULKNER**—How can we be assured that this expenditure—

**Senator Hill**—It is expensive, but it is not all that expensive if it was last done almost 20 years ago—by the time you take into account the heritage requirements and the like. It sounds like not a bad deal actually when I look at the costs of friends who have recently renovated.

**Senator FAULKNER**—But you would say that, wouldn't you, Senator Hill? How can the rest of us be assured that this whopping amount of expenditure—\$139,640, not counting the additional furniture and carpeting costs—is value for money? You can assure the committee of that, can you? That is the grand statement you are making.

**Senator Hill**—I think anyone who has done house renovations in recent years would not think it is an extraordinary sum of money.

**Senator ROBERT RAY**—But you are only renovating a small part of the Lodge, aren't you?

**Ms Scott**—The entrance foyer, morning room, drawing room and obviously the toilet facilities have been renovated.

**Senator FAULKNER**—Aren't there are an awful lot of houses around that would only cost that amount to build, Senator Hill? It is all very well for you to make the comment you do, but it is a pretty small part of one official establishment.

**Senator Hill**—I do not know. I just happened to visit a friend recently who had one small room added and two bathrooms done, and that was over \$70,000. They were pleasant but modest.

**Senator FAULKNER**—And how is Mr Turnbull?

**Senator Hill**—And if you are going to look at the nature of the Lodge, I agree it is not an easy building to work with but it does not seem to me to be extraordinary at all.

**Senator FAULKNER**—So you are defending it of course, loyally, as you always do.

**Senator Hill**—But it can be reasonably defended, if it is work that has not been done for almost 20 years. There does not look like any splurge in those figures to me.

**Senator ROBERT RAY**—It would be fair, though, to add another \$250 to this because the chairs were moved up as part of this exercise.

**Senator Hill**—If you want to add \$250, add \$250.

**Senator ROBERT RAY**—I know it is penny-wise and pound-foolish, but it seems extraordinary to run a chair from Kirribilli to the Lodge and back.

**Senator FAULKNER**—What I would like to know is why we can get the disaggregated costs of these renovations at the Lodge—the Prime Minister still lives at Kirribilli House,

doesn't he? I am just checking that. That is right, isn't it? There has been no change? That is right, Senator Hill, isn't it?

**Senator Hill**—Well—

**Senator FAULKNER**—I am surprised that we can get these disaggregated figures—

**Senator Hill**—He occupies both houses, doesn't he?

**Ms Costello**—Yes.

**Senator FAULKNER**—He lives at both houses? That is terrific.

**Senator ROBERT RAY**—Where is he on the roll—in his electorate?

**Senator FAULKNER**—I am surprised, Senator Hill, we can get these disaggregated figures about all these renovations of the Lodge, but we cannot get any detail about the parties the Prime Minister is throwing at Kirribilli House. Why can't we get some indication of how much that has cost the taxpayers?

**Senator Hill**—I presume it is a timing issue. When were all these renovations done?

**Ms Costello**—The renovations have been taking place over the last 18 months, and each of them has been an individual procurement process.

**Senator Hill**—There you go.

**Senator FAULKNER**—We look forward to the detail. I suppose you were invited to that cocktail party, were you, Senator Hill?

**Senator Hill**—I do not think so.

**Senator FAULKNER**—You weren't. You were not amongst the Prime Minister's 240 friends. Missed out again?

**Senator Hill**—I think I missed out on this.

**Senator FAULKNER**—You at least would have gone to the cabinet dinner funded by the Australian taxpayer. You would have been there, wouldn't you?

**Senator Hill**—I went to a cabinet dinner, yes.

**Senator FAULKNER**—That was a cabinet dinner at Commonwealth expense. It was not paid for by the cabinet fund or anything like that. It was paid for by the taxpayer, just like the staff party was paid for by the taxpayer, just like the New Year's Eve party was paid for by the taxpayer, just like the cocktail party was paid for by the taxpayer.

**Senator Hill**—Well, it is one cabinet dinner a year.

**Senator FAULKNER**—Okay, fair enough, and I hope you enjoyed it.

**Senator ROBERT RAY**—It should have come out of the cabinet fund.

**Senator FAULKNER**—Yes, that is right. That is the point I am making; exactly.

**Senator Hill**—Between two full cabinet days—it does not strike me as unreasonable either.



**Senator ROBERT RAY**—We have been looking at renovations and accommodation. The former Governor-General has been accommodated on the 21st floor of 101 Collins Street; is that right?

**Ms Costello**—Yes, in 101 Collins Street. I did not catch the floor number; I am sorry.

**Senator ROBERT RAY**—Twenty-one.

**Ms Costello**—I think that is correct.

**Senator ROBERT RAY**—Do you know what the square metreage of this accommodation is?

**Ms Costello**—I do. It is 145 square metres for him and his support staff.

**Senator FAULKNER**—How many support staff are there?

**Ms Costello**—One.

**Senator FAULKNER**—Just one, as is every other former Governor-General's entitlement.

**Ms Costello**—That is correct.

**Senator ROBERT RAY**—You are aware that people like Senator Conroy were forced to move out of Collins Street down to Treasury Place. Why wasn't the Governor-General offered accommodation there?

**Ms Costello**—We did seek accommodation in Treasury Place. Sir Zelman Cowan and Sir Ninian Stephen are both there, but there was no space available.

**Senator ROBERT RAY**—Probably because a couple of Labor members were forced to go down there, but anyway. The former Leader of the Opposition has got an office there.

**Senator FAULKNER**—One hundred and forty-five square metres for two people? That is bigger than a lot of houses in this country, isn't it?

**Ms Costello**—I do not know.

**Senator FAULKNER**—Well, I do.

**Ms Costello**—It is consistent with the space that Sir Zelman Cowan and Sir Ninian Stephen have.

**Senator FAULKNER**—It is pretty substantial.

**Senator ROBERT RAY**—I can recall the massive expense involved in some of those renovations. Were any renovations required to this office?

**Ms Costello**—There was a fit-out required, yes.

**Senator ROBERT RAY**—There was a fit-out. How much was that?

**Ms Costello**—The total cost?

**Senator ROBERT RAY**—Yes.

**Ms Costello**—The total cost was \$234,000.

**Senator FAULKNER**—God!

**Senator ROBERT RAY**—It cost \$234,000 to fit out?

**Ms Costello**—Yes.

**Senator ROBERT RAY**—What is the rent per year?

**Ms Costello**—The rent per year is \$85,000.

**Senator Hill**—It makes the Lodge look cheap anyway.

**Senator ROBERT RAY**—This is helping you out here, isn't it?

**Senator Hill**—It shows I was right all along.

**Senator FAULKNER**—Unlikely, Senator Hill, I do not think you have broken it up.

**Ms Costello**—Yes, it is \$85,000.

**Senator ROBERT RAY**—Per annum. Does that include cleaning?

**Ms Costello**—I would have to check that detail.

**Senator FAULKNER**—Just going to the fit-out: is it true that there is black marble flooring in this office?

**Ms Costello**—I do not know. Certainly as part of our fit-out we did not do marble flooring. A large part of the building, of course, is fitted out already, and we have just put in the parts for the office that we needed.

**Senator FAULKNER**—So what did you do for your fit-out?

**Ms Costello**—We have done a small amount for vinyl flooring.

**Senator FAULKNER**—Can we go through this: a \$234,000 fit-out for Dr Hollingworth's office—

**Ms Costello**—Which is comparable with previous fit-outs.

**Senator FAULKNER**—Let us go through the disaggregation.

**Senator ROBERT RAY**—My office was \$10,000. That is all I have spent in 10 years or something.

**Senator FAULKNER**—It looks like it, too!

**Senator ROBERT RAY**—They finally put new carpet in and then the mob upstairs had a flood!

**Senator FAULKNER**—They were onto you! Can you tell us what Dr Hollingworth's \$234,000 fit-out comprised, please? Just run through it.

**Ms Costello**—There is quite a bit.

**Senator FAULKNER**—We know that!

**Senator ROBERT RAY**—I would hope so! He was a long way from the Brotherhood of St Laurence there!

**Senator BRANDIS**—There is no need for cheap shots, Senator Ray. Surely he has done more for the poor than you ever did.

**Senator ROBERT RAY**—Probably—and for himself. He is doing all right: \$85,000 a year; a \$234,000 fit-out. When I do that you can criticise me.

**Senator Hill**—What about some of the bigger items?

**Ms Costello**—Some of the key items are security—

**Senator FAULKNER**—What is the cost of that?

**Ms Costello**—The cost was \$14,000 as part of the fit-out.

**Senator FAULKNER**—What else do we have?

**Ms Costello**—Joinery was \$50,000.

**Senator FAULKNER**—God. Does that also include polished wood panelling?

**Ms Costello**—I do not know. I have not seen the fit-out. I am advised that the cleaning is not included and that the black marble is in the building foyer, not in the Governor-General's office.

**Senator FAULKNER**—Thank you.

**Senator ROBERT RAY**—You might let us know what the cleaning costs are so we can add that in. Quite often that is included in rent. Is parking space included in rent or is that a separate charge?

**Ms Costello**—No. From memory it is a separate charge, but I do not have that here.

**Senator ROBERT RAY**—Could you add it in at some stage?

**Ms Costello**—Yes. The cost of fire services was \$3,000; mechanical, which would be airconditioning, \$13,000; communications, \$7,000; power and lighting, \$16,000; building works, \$24,000; furniture, \$31,000; a compactus, \$11,000; flooring, \$1,000; and painting, \$4,000. There are some elements that I do not have details for; I just have provisions for them.

**Senator FAULKNER**—Remind me: Dr Hollingworth was Governor-General for less than two years, wasn't he?

**Ms Costello**—I do not know the exact dates.

**Senator FAULKNER**—That is my memory.

**Ms Costello**—Yes.

**Senator FAULKNER**—I thought that was right. What about artworks?

**Ms Costello**—I have no advice on artworks.

**Senator FAULKNER**—Would they be lent by the Australiana Fund?

**Ms Costello**—No; I am advised not.

**Senator FAULKNER**—Does that mean there are no artworks on the walls there?

**Ms Costello**—Not to my knowledge. That is not in the project costs I have.

**Senator FAULKNER**—This work has been completed now?

**Ms Costello**—It has. We are in the defects period, but it is substantially complete.

**Senator FAULKNER**—How does this compare to the accommodation costs of other former governors-general?

**Ms Costello**—The differences between the CBD in Melbourne and Brisbane are comparable, although the Melbourne lease being more recent is slightly more expensive. The fit-out costs are comparable with those of Sir William Deane. We did his fit-out two years ago. So it is in the ballpark.

**Senator ROBERT RAY**—Could you tell me how it applies to Treasury Place? Do you get charged?

**Ms Costello**—We do get charged rent.

**Senator ROBERT RAY**—What is that, on average?

**Ms Costello**—It is \$320 per square metre.

**Senator ROBERT RAY**—For 140. Are you saying it is the same size?

**Ms Costello**—It is 143 compared to 145.

**Senator FAULKNER**—Is it now being used by the Governor-General and his staff member?

**Ms Costello**—Yes, it is.

**Senator ROBERT RAY**—About half the price at Treasury Place. Is that right, or can't I add up? Half the rent.

**Ms Costello**—Treasury Place is certainly cheaper, at \$320.

**Senator ROBERT RAY**—Was application made to go to Treasury Place and people said there was just no room?

**Ms Costello**—It was before I was in the position. I understand there was an approach made but there was no room.

**Senator FAULKNER**—Did Dr Hollingworth express a preference not to be at Treasury Place?

**Ms Costello**—I do not know. I was advised an approach was made for space in 4 Treasury Place, and there was no space available. But we had two other former governors-general there. I can add that we do not have the final costs on cleaning. There are artworks but they are provided from Dr Hollingworth's own collection.

**Senator FAULKNER**—I do not think I could bear asking any more questions about Dr Hollingworth—unless you want to, Senator Ray.

**Senator ROBERT RAY**—Let us move on.

**CHAIR**—How much longer do you think you will be?

**Senator ROBERT RAY**—On what?

**CHAIR**—On output 4.

**Senator ROBERT RAY**—There is only one more area to go, which is CERHOS.

**Senator FAULKNER**—Mr Metcalfe, there was a CERHOS contract, dated 17 December, 2003, for a gift for an official visit. I just wondered what that gift was. It is from Jaymac Promotional Advertising, of Manuka.

**Ms Yeend**—Are you reading from the *Gazette*?

**Senator FAULKNER**—Yes, I am.

**Ms Yeend**—I would have to take that question on notice. I apologise. The gazettal amounts may encompass a range of gifts, and I would have to look at the documentation, which I do not have with me.

**Senator FAULKNER**—That is disappointing. But if you do not have the information, I suppose you will have to take it on notice. Are you using the gift consultant in CERHOS?

**Ms Yeend**—I think you might be referring to some press reports in relation to an amount of \$16,500 that the department paid, which was for the finalisation of the open tender process for the selection of the new gift supplier, who commenced on 1 November 2002.

**Senator FAULKNER**—Isn't there a consultant advising on appropriate gifts?

**Ms Yeend**—It is the official gift supplier; there is no separate consultant other than the—

**Senator FAULKNER**—Who is the official gift supplier?

**Ms Yeend**—It is Jaymac Promotional Advertising in association with Beaver Galleries.

**Senator FAULKNER**—That is obviously a competitive tendering process to appoint the official gift supplier, is it?

**Ms Yeend**—Yes.

**Senator FAULKNER**—What proportion of the gifts come from the official gift supplier?

**Ms Yeend**—All official gifts that are given for outgoing ministerial and prime ministerial visits and official gifts for incoming ministerial and prime ministerial/head of government visits. So it is the official gift supplier.

**Senator FAULKNER**—How long have we had an official gift supplier for?

**Ms Yeend**—The process of having official gifts has been longstanding.

**Senator FAULKNER**—I know that.

**Ms Yeend**—There was an original outsourcing that I think took place in 1997. There was a second tender process and there was a changeover in suppliers. The new supplier began on 1 November 2002.

**Senator FAULKNER**—What happened prior to 1997?

**Ms Yeend**—It was done in-house in the department.

**Senator FAULKNER**—I wonder how we managed. You would be aware, Ms Yeend, of the important question I asked about the Prime Minister's travel arrangements in relation to Mr Howard's stay at Claridges? It seems like weeks ago that we talked about this, but I suspect it was only earlier today. Do you recall that?

**Ms Yeend**—Yes.

**Senator FAULKNER**—Are you able to tell me what the Brook apartment is?

**Ms Yeend**—I am not.

**Senator FAULKNER**—Really? I was hoping you would be able to. Are you able to say whether the Prime Minister uses the Brook penthouse, or Brook apartment, at Claridges?

**Ms Yeend**—Yes. He certainly did not stay there on this occasion.

**Senator FAULKNER**—Has he ever stayed there?

**Ms Yeend**—The information that I have with me indicates that the Prime Minister has not stayed in the Brook apartment.

**Senator FAULKNER**—Has he stayed in the Davies penthouse?

**Ms Yeend**—Not according to the information I have.

**Senator FAULKNER**—These rooms at Claridges have these sorts of descriptions, do they? I am not very experienced with this sort of thing, I am afraid. I am very jealous. I have never stayed at anything like Claridges. Are the names of the apartments mentioned in the material you have in front of you?

**Ms Yeend**—I know that the Prime Minister stayed in what is called the piano suite on the last occasion he visited.

**Senator FAULKNER**—Does that mean there is a piano he can play there?

**Ms Yeend**—I do not know the reason for the naming of the suite, Senator.

**Senator FAULKNER**—That is very nice. No doubt some enterprising person will look it up on the Claridges web site and be able to tell us. Do any other names come to mind, apart from the piano suite?

**Ms Yeend**—The other one is the royal suite, then there is an unspecified one-bedroom suite.

**Senator FAULKNER**—The royal suite! That sounds pretty good. The royal suite, the piano suite—any others?

**Ms Yeend**—Just a one-bedroom suite that seems to be unnamed.

**Senator FAULKNER**—How many nights did he stay in the royal suite?

**Ms Yeend**—Senator, I do not have the number of nights that was stayed on any particular occasion. I will need to check. From 22 to 23 October 1997, the Prime Minister stayed in the royal suite.

**Senator FAULKNER**—And the piano suite?

**Ms Yeend**—He stayed in the piano suite from 12 to 13 February 2003, 6 to 8 May 2003 and 9 to 13 November 2003.

**Senator FAULKNER**—You cannot give me any details about those suites. These are just names that Claridges use for particular suites.

**Ms Yeend**—Yes, Senator.

**Senator FAULKNER**—Oh, well. We could always follow it up next time. Thanks, Ms Yeend.

**CHAIR**—There being no further questions on output group 4, that concludes for the moment the Department of the Prime Minister and Cabinet.

[11.11 p.m.]

**Office of National Assessments**

**CHAIR**—I welcome officers from the Office of National Assessments.

**Senator ROBERT RAY**—The first issue we want to take up with ONA is whether, to their knowledge, the Australian Federal Police have completed their investigation into the leak of a top-secret, AUSTEO document quoted by Mr Andrew Bolton in the *Herald Sun* on about 12 July last year? Was that the date?

**Mr Varghese**—I think the date of the article was 23 June.

**Senator ROBERT RAY**—I am sorry, perhaps the reference was 12 July.

**Mr Varghese**—Were you asking for an update on where things are?

**Senator ROBERT RAY**—My question was whether the Federal Police have completed their inquiry.

**Mr Varghese**—No, they have not. They still have to get back to us on the conclusions of their inquiry. They have concluded one element of their investigation, and that is the separate but related referral that we made which concerned whether there had been any breach of classified information during the hearings at which Mr Wilkie appeared and Senator Macdonald questioned him. We referred that also to the AFP to investigate. They responded on 5 February and advised us that there was no evidence of any criminal offence having been committed.

**Senator ROBERT RAY**—When you referred that matter to the Federal Police, what exactly did you refer?

**Mr Varghese**—We referred to the AFP the question of whether, in posing his questions to Mr Wilkie, Senator Macdonald may have been drawing on information that was classified.

**Senator ROBERT RAY**—So you used the proceedings of the parliament as your source to refer matters to the Federal Police. Is that right?

**Mr Varghese**—I think there were suggestions at the time that perhaps classified information had been drawn on, and we wanted that matter checked. That is what we referred to the AFP.

**Senator ROBERT RAY**—Yes, but on what basis were those suggestions made if not from the proceedings of parliament?

**Mr Varghese**—It was based on the proceedings of the committee.

**Senator ROBERT RAY**—Which are the proceedings of the parliament.

**Mr Varghese**—That is right.

**Senator ROBERT RAY**—A simple understanding of parliamentary privilege would mean that nothing could be led against Senator Macdonald that was within the ambit of the proceedings of parliament. You are not aware of the various precedents where the AFP has started but then aborted inquiries when the only basis for them was the proceedings of parliament? You are not aware of that? When I say 'you' I am talking about ONA; I am not personalising it to you, Mr Varghese.



**Mr Varghese**—I do not think I can add to what I have said. The matter was referred by ONA at the time, and we received a response from the AFP. I assume the AFP took the investigation as far forward as they thought was appropriate and advised of the conclusions.

**Senator ROBERT RAY**—I really think that, when you are under less pressure as an organisation—I know that these are very difficult times—you might at some stage reflect as an organisation on what the ramifications of parliamentary privilege are. I am not here running the chauvinist line that parliament has so many rights and privileges et cetera, but quite clearly none of the proceedings of parliament can be led in evidence in court. They would also probably take the view that they cannot initiate those sorts of inquiries, simply on that basis. If Senator Macdonald puts out a press release in public view making the same sorts of claims, accusations and whatever else then you have grounds. You do not if it is just within the proceedings of parliament. Tell us what they reported back in February.

**Mr Varghese**—The advice from the AFP was that they had concluded their investigation and there was no evidence of any criminal offence having been committed.

**Senator ROBERT RAY**—I think we could have told you that before you referred it. You have obviously familiarised yourself with a variety of legislative instruments now that you have taken on this job. Is it not an offence to receive a top-secret AUSTEO document when you are not entitled to?

**Mr Varghese**—I think it would depend on the circumstances. The circulation of highly classified material is carefully controlled and recorded, and there is an obligation on those receiving that material to properly protect it.

**Senator ROBERT RAY**—I am not talking about those who gave it; I am talking about those who may receive it who are not, for instance, public servants. Is it not an offence under the Crimes Act or another act to receive that sort of information?

**Mr Varghese**—I would have to take some legal advice on that.

**Senator ROBERT RAY**—I thought you might have looked at that situation. None of your colleagues have?

**Mr Varghese**—No.

**Senator ROBERT RAY**—Has any attempt been made to retrieve any top-secret AUSTEO document that a journalist has claimed to have read?

**Mr Varghese**—Are you speaking in relation to this particular incident?

**Senator ROBERT RAY**—Yes.

**Mr Varghese**—We referred the matter to the AFP, and it is their operational investigation now. We have not been involved in the operational investigation. We have sought to account for all of the copies of the document that may have been leaked.

**Senator ROBERT RAY**—Has that been a successful exercise?

**Mr Varghese**—We did a muster of those documents. I am advised that we were unable to trace the whereabouts of one document which our records show had gone to a position in the Department of Defence that has since been abolished.

**Senator ROBERT RAY**—When you say ‘unable to trace’, it was not subject to a burn policy or anything like that that you know of, was it?

**Mr Varghese**—Sorry, Senator, could you just repeat that?

**Senator ROBERT RAY**—You are saying it was not either returned or burned.

**Mr Varghese**—That is right, yes. We have no record of whether the document was destroyed, and it was not returned to us.

**Senator ROBERT RAY**—Do you know when the document was issued—an approximate date?

**Mr Varghese**—The records here show that it was circulated on 17 December 2002.

**Senator ROBERT RAY**—Without revealing too much, a lot of these documents went out around that date, didn’t they?

**Mr Varghese**—That is right.

**Senator ROBERT RAY**—This was the big burst, the big circulation.

**Mr Varghese**—That is right.

**Senator ROBERT RAY**—Was a copy of this document issued to anyone in the week prior to 23 June 2003?

**Mr Varghese**—The records here of the document’s circulation do have a reference to a document being circulated in June, but can I just make the observation that since this matter is the subject of an incomplete—

**Senator ROBERT RAY**—Don’t anticipate the next question. You can answer the question so far and you can assume that I will be smart enough not to ask you the following question—or you can refuse to answer it. But my question is a legitimate one thus far.

**Senator Hill**—I can imagine circumstances where answering that could inhibit the police investigation.

**Senator ROBERT RAY**—In what sense?

**Senator Hill**—The issue of how many copies were circulating and when they were circulating.

**Senator ROBERT RAY**—I have not asked that. I have asked: were any copies circulated to anyone, requested by anyone or delivered to anyone in the week before the Bolt article appeared? It is a pretty simple question; I cannot see how that could inhibit the police investigation. If it did, I would not ask it. If you think I am going to ask, ‘To whom did it go?’, I know I will not ask that question.

**Senator Hill**—No, I do not.

**Senator ROBERT RAY**—Because that would inhibit the police investigation.

**Senator Hill**—I think it is easy to answer questions, but if damage is done it is too late to recover the ground.

**Senator ROBERT RAY**—Sorry?

**Senator Hill**—I said it is easy to answer the question but, once answered, that ground cannot be recovered. We could find out that as a result of answering it this had in some way interfered with the police investigation—because I do not know the tactics that they have adopted; I do not know the questions they have asked or who they have asked those questions of. Certainly, before the question was answered I would want to know from the police that it was not a question that would interfere with their investigation. You might think that is being unduly cautious, but I think that is the proper approach to take.

**Senator ROBERT RAY**—I suppose the logic of that is that, if no-one had asked for a copy in the previous four, five or six weeks, and then suddenly one is asked for and it appears in a column in the newspaper, there would be some suspicion that they may be connected, especially if all but one had been accounted for. As I understand it, it is normal practice to try to account for every document but you are not always able to account for every ONA document on a return-and-burn basis. There are always one or two recidivists somewhere.

**Mr Varghese**—There will be cases where we are unable to account for every document.

**Senator ROBERT RAY**—But not necessarily for sinister reasons.

**Mr Varghese**—Not necessarily for sinister reasons. I should say that we have recently further tightened our procedures to require the return of documents to ONA. Previously we had been satisfied with evidence of destruction outside of ONA, but we now require all documents to be sent back to us.

**Senator ROBERT RAY**—Is that working well?

**Mr Varghese**—Yes, it is. Our monitoring of it seems to show that it is working well.

**Senator ROBERT RAY**—Are you saying, Senator Hill, that you cannot answer my question?

**Senator Hill**—I would like the officials to confer with the police before it is answered.

**Senator ROBERT RAY**—Have you had any indication from the AFP on when they may conclude the substantive part of their inquiry?

**Mr Varghese**—I have had no advice. The letter we received in relation to the Senator Macdonald matter advised that the Bolt investigation was continuing but it did not give us a time frame for when it might be completed. That was earlier this month.

**Senator ROBERT RAY**—Earlier this month? You are right; it has only been in for about 12 days.

**Mr Varghese**—The AFP wrote to us on 5 February.

**Senator ROBERT RAY**—So you will get back to us on the question of whether, in the various acts that cover you—criminal acts, espionage acts—it is a potential criminal offence to receive? I might as well put it very directly—not referring to Mr Bolt here, but generally—if a journalist received a top-secret AUSTEO code-worded document could it be read as a breach of the law? I will not specify Mr Bolt here. You can take that on notice. Hopefully you can take some advice and Senator Hill can inform us tomorrow on the second question. You will not be at estimates tomorrow, will you, Senator Hill?

**Senator Hill**—No, I will not. I have a range of other obligations tomorrow.

**Senator ROBERT RAY**—Fair enough; I understand that. Do you think you might be able to give us an answer on Thursday if we ask you at Foreign Affairs estimates on the progress on these across-government matters?

**Mr Varghese**—We will certainly try to get back to you as soon as possible. On the first one I imagine it would require—

**Senator ROBERT RAY**—Unfortunately your little confab told me the answer. Not everyone was watching, but I think I know the answer. One other point, just to confirm evidence given earlier in the day, did your copy of the Joint Statutory Committee on ASIO, ASIS and DSD come via the Prime Minister's office?

**Mr Varghese**—That is correct.

**Senator ROBERT RAY**—You have not done any multiple copies of that?

**Mr Varghese**—We have made a limited number of copies within ONA to help us with our analysis of it. They were two working copies produced for circulation within ONA.

**Senator ROBERT RAY**—Tell me what has been the nature of the analysis of that report?

**Mr Varghese**—We have not analysed it in relation to whether there were issues of national security.

**Senator ROBERT RAY**—But on those matters in the act?

**Mr Varghese**—And whether there were any factual errors that we thought we ought to point out to the committee.

**Senator ROBERT RAY**—That is all?

**Mr Varghese**—Obviously when reading it we also looked at some of the judgments in the draft report.

**Senator ROBERT RAY**—Because you cannot build Chinese walls. You were not given it to do that, but I guess it is impossible to divorce it. I can understand that.

**Senator Hill**—I think that, correctly or incorrectly—and I can understand the officials' perspective—they believe that, if they saw errors of fact in the document, it was something that they should draw to the attention of the committee.

**Senator ROBERT RAY**—I think it is a grey area, but I do not think any committee would take offence at that, Senator Hill. It does not mean they would necessarily always accept it, but they would take no offence at that.

**Senator Hill**—No, it is not the statutory obligation; it is the natural—

**Senator ROBERT RAY**—No, it is part of the comity between the committee and the agencies.

**Senator Hill**—A natural reaction to it.

**Senator ROBERT RAY**—I look forward to those two answers—one taken on notice and one Senator Hill and Mr Varghese will try to get the information on and convey it to us.

**Mr Varghese**—Certainly.

**Senator FAULKNER**—Mr Varghese, you would have seen an article in the *Age* newspaper on Saturday headed ‘Government warned on intelligence’.

**Mr Varghese**—Yes, I have.

**Senator FAULKNER**—Has there been any activity in ONA as a result of this particular article? Obviously this article does quote a senior intelligence source and does talk about a particular official, who spoke on the condition of anonymity. What action, if any, have you taken in relation to your own officers to assure yourself that none of your officers had provided this information to a journalist?

**Mr Varghese**—There are a number of things that I have done since the publication of that article. I have had discussions with the Director-General of ASIO and the Secretary to the Department of Defence about the most appropriate way of dealing with the issue. The secretary of Defence and I have agreed that the first thing we need to establish is whether the unauthorised release of any classified information was involved in the article, and we have asked our officers to get together and give us their advice on that as quickly as possible. I do not imagine that will take all that long.

Once we have that advice, we will be able to make a judgment on whether it is a matter that we need to formally refer to the Australian Federal Police for investigation. If, on the face of it, it is classified information that appears to have been divulged, my expectation is that we would refer it to the AFP. If there is not classified information involved, we would still need to examine whether we need to conduct any further investigations to see whether it is possible to identify who was responsible for it and, if so, whether there was a breach of the code of conduct or of other aspects of the Public Service Act. I have obviously questioned my colleagues within ONA about any contact with the media, and I am satisfied that there has not been any on the part of those that I discussed it with. But, of course, the article itself does not identify either an individual or an organisation that this alleged individual allegedly works for.

**Senator ROBERT RAY**—It goes to great lengths not to identify, doesn’t it? It is very neutral. We have all pored over it, but you cannot really get a hint at all as to even which department it might be, let alone which agency.

**Mr Varghese**—That is right. The reason I consulted with the secretary to Defence is that in terms of providing assessments to the government the two agencies are ONA and DIO.

**Senator ROBERT RAY**—Just to be clear: you therefore believe it is in the analysis agencies rather than in the collection agencies. Are you making that distinction?

**Mr Varghese**—No. I do not know who, if anyone, is responsible for it but the burden of the article was to quote someone whom the article claims was closely involved in the preparation of assessments for the government. I think it flows from that that we should at least start our examination with the two assessment agencies.

**Senator ROBERT RAY**—Sure.

**Senator FAULKNER**—The particular official was described—whether accurately or not; I am in no position to judge—as someone ‘intimately involved in preparing the assessments’. Those are the words that the journalist used. It is fair to say that such a description could fit many officers in ONA as well as elsewhere. That is fair to say, isn’t it?

**Mr Varghese**—Yes, it is.

**Senator FAULKNER**—Are you able to shed any light on this direct or alleged quote of the intelligence official:

We had said Iraq had a WMD program, but to a large part it represented a latent capability. We said the degree of weaponisation of chemical and biological material in Iraq was unknown.

From an ONA perspective, are you able to make any comment on whether that is an accurate reflection of assessments provided to government?

**Senator Hill**—Is this the place? Isn't that in some ways redoing the process that has taken place in relation to the joint committee?

**Senator FAULKNER**—With respect, as I understand it the chairman of the joint committee—

**Senator Hill**—Sorry—which has been done in a careful and considered way.

**Senator FAULKNER**—I have only read press reports today—Senator Ray may know more, because he is a member of the committee—so I can only comment on the public press reports or wire service reports I have seen. I think Mr Jull himself was mainly commenting that Dr Kay had effectively seen the committee's report outdated. That has been reported on the wire service. Whether or not it is accurate, I do not know; whether or not that is what Mr Jull has said, I do not know. I have been here. Quite clearly, Senator Hill, the reporting in the *Age* newspaper well postdates the provision of the joint committee's report to agencies. We know that. It has only happened on the weekend. We spent a lot of time today going through some of these processes.

**Senator Hill**—Except that—

**Senator FAULKNER**—I think except nothing.

**Senator Hill**—the agencies were tasked with informing the committee of the tenor of the advice that they gave to government.

**Senator FAULKNER**—But things move on.

**Senator Hill**—That is on the record and, as I was saying—or was trying to say—it is given in a considered and careful way by the agencies themselves. I think coming in here and asking the new head of ONA to try to paraphrase advice given by the agency over a considerable period of time, when obviously one can assume a number of different briefings, is probably not really appropriate. I think that there is an issue. The heads of the agencies, the head of my department and Mr Varghese have considered that they should see that there was not a leaking of classified information to satisfy one of their obligations and that there has not been some breach of the Public Service rules. It strikes me as a reasonable way to progress—

**Senator FAULKNER**—What you mean by 'breach of the Public Service rules'?

**Senator Hill**—They are principles and obligations that go beyond the criminal law.

**Senator ROBERT RAY**—Mr Varghese is very much aware of that in terms of another foreign affairs matter that he was at estimates for a year ago. This is a more serious one.

**Senator FAULKNER**—I would have thought that there are greater obligations placed on ONA officers and on officers and officials in other security agencies than what you described as just ‘Public Service rules’, surely.

**Senator Hill**—There are. There are legal obligations as well.

**Senator FAULKNER**—There are a range of obligations. I am sorry: I just do not understand what you mean by your comment in relation to ‘Public Service rules’.

**Senator Hill**—There may be, depending on the circumstances, a breach of the criminal law. According to circumstances, there may be some breach of the obligations of a public servant which could lead to some disciplinary action within the Public Service Act.

**Senator ROBERT RAY**—We have got 10 minutes to go.

**CHAIR**—Only 10.

**Senator FAULKNER**—Yes, it is a problem, Chair.

**Senator Hill**—But, whilst I think it is not unreasonable to ask questions about the process an official intends to take arising from this article, I do not think now is the place for another trawl over the whole of the advice that ONA gave to government on these issues.

**Senator ROBERT RAY**—I tell you what: you are actually wrong on that, but time and other things are against us. This is the only occasion, Minister, when we have the political representative of the government willing to account for their actions. None of you appeared before the joint committee. There is no complaint from me on that, because that is in the nature of the way parliamentary committees have operated on all sides over all types of government. But you are wrong on that, because this would be the one occasion when you, representing the political process, have to answer for yourself. So you could trawl over it here on occasions.

**Senator Hill**—I guess, because of the nature of this particular matter, there has been a lot more put on the public record in terms of the advice given to government by intelligence agencies than I think has ever occurred in the history of this country. Traditionally there has been a standard answer that you will not get it because it is intelligence advice to the government.

**Senator FAULKNER**—We normally do traverse those sorts of issues at this committee.

**Senator ROBERT RAY**—And normally ministers respond by neither confirming nor denying, but we have had a bit of confirming around the place—not on this matter, but on other matters—in the last few years. You cannot have it both ways.

**Senator FAULKNER**—ONA’s appearance before the joint intelligence committee was in fact a quite exceptional circumstance. ONA’s appearance before this committee is standard operating procedure.

**Senator Hill**—When was the last time that ONA gave evidence before this committee on its intelligence advice to the government? It has never done that.

**Senator FAULKNER**—I have asked many questions of ONA on those and associated matters. I refer you to the proceedings of the certain maritime incident committee and a range of estimates committees where ONA has appeared and we have explored in some detail a

whole raft of matters that, in my view, are properly dealt with here. There is always a capacity for Mr Varghese in particular—I think he now has the responsibility placed upon him—to say that answering a question being asked by any senator at any time will in any sense compromise his organisation or our national interest. I am sure he is capable of saying so. Mr Jones, in his previous capacity, was also capable of saying so. Senator Hill, you have stalled it, so congratulations. One up to you: you have managed to stall out the issue.

**CHAIR**—Thank you, Senator Faulkner. Mr Varghese and officers, thank you very much for your assistance to the committee tonight.

[11.47 p.m.]

#### **Office of the Status of Women**

**CHAIR**—I welcome officers from the Office of the Status of Women.

**Senator CROSSIN**—Good evening. We had better get started or else it will be good morning! I take you to the transcript of evidence in November where you advised me in relation to delays in answering questions that you were looking at ways of expediting the process of responding to questions by the due date. Has that occurred?

**Ms Scott**—While we did not meet the nominated deadline of 16 January, our performance on submitting answers to questions on notice has improved from the May and earlier hearings. In terms of responses, we answered 56 questions on 5 February, a further substantive answer was provided on 12 February and three answers were provided on 13 February. So, as a department, we have only three questions outstanding. In terms of implementing changes, we contacted all the relevant areas as soon as possible about the questions taken on notice and asked them to commence work immediately, not to delay in any way responding. We were very conscious of the holiday period coming up and that personnel would be going off on leave. While performance still does not meet the deadline—and I regret the fact that we did not meet the deadline—it has substantially improved.

**Senator CROSSIN**—That is not correct, because I have 21 questions outstanding that I provided on notice to OSW in November. I am still waiting for 21 answers. I am not entirely sure where you get your figures from. They do not seem to be particularly accurate from where I am sitting.

**Ms Scott**—I have had this information checked—

**Senator CROSSIN**—Can I look forward to the list of 21 questions that are still outstanding to me?

**Ms Scott**—We have a full list, including OSW's questions that were taken on notice. Maybe you could refer to the numbers of the questions.

**Senator CROSSIN**—I do not have the same list that you have in front of you in terms of numbers. When I submit questions on notice they go to the committee secretary and I am never sure what number they are given until you give me back the answer.

**Ms Scott**—Maybe the chair can help us here, because certainly the information I have is that we have answered all questions bar three.

**CHAIR**—I think the secretariat is checking that as we speak.



**Senator CROSSIN**—I think we contacted the committee about 10 days ago with a view to raising the matter in the Senate last week. We are waiting on some of these answers in order to progress matters we wanted to pursue at this estimates process.

**Ms Scott**—I have a very substantial number of questions that were directed to OSW where we have submitted the answers already. I would like to see the reason for the disparity.

**Senator CROSSIN**—Are any of the three that you are alleging due to me?

**Ms Scott**—No. One question is from Senator Harradine and two are from Senator Faulkner.

**Senator CROSSIN**—How many questions were actually answered by 16 January?

**Ms Scott**—None were answered by 16 January. There were 56 answered by 5 February. A further substantial answer was supplied on 12 February and three answers were provided on 13 February.

**Senator CROSSIN**—Why was the deadline of 16 January not met at all? Why do we set that deadline in November if you are never going to be able to make it? Why can't you just be honest and say, 'We can't meet that deadline; you have to make it three weeks later'?

**Ms Scott**—We always endeavour to try and meet the date. We make strong progress but, as you know, the process is iterative. We do not have responses to all the questions now; we are waiting on some information that has not been available.

**Senator BRANDIS**—It is a bit unfair to accuse the witnesses of dishonesty when it is the committee that sets the date by which the questions taken on notice are to be answered. With respect, Senator Crossin, it is quite out of order to ask a witness, 'Why can't you be honest?' in circumstances over which she has no control.

**Senator CROSSIN**—We have had no questions answered by 16 January, Senator Brandis. It is a substantial matter. You give us answers to questions with very little time to actually look at them and analyse them. OSW continue to do this, and I am wondering whether it is a deliberate tactic or whether it is just total incompetence at times.

**Ms Scott**—The largest number of questions that were answered by 5 February—I appreciate 5 February is not 16 January but it is a substantial improvement on our performance last time—were actually answers provided by OSW.

**Senator CROSSIN**—You only got them three weeks late instead of six weeks late; is that right?

**Senator FAULKNER**—It was a substantial improvement on last time, Ms Scott, but last time was absolutely pathetic. And you still cannot tell us when any of these questions were provided to the minister's office.

**Ms Scott**—You have already asked that question and we have taken it on notice.

**Senator FAULKNER**—Yes, I know; and you cannot tell us. Again, it is very disappointing.

**Senator CROSSIN**—Just so that we are all clear about this, what day is the deadline for answers to questions taken on notice as a result of this round?

**Ms Scott**—I have not been told that; I have not been advised of that date.

**Senator FAULKNER**—That is a matter for the committee.

**CHAIR**—Senator Crossin, my information thus far is that all questions relating to OSW have been answered except for one, but I think that is just being crosschecked now.

**Senator FAULKNER**—But Senator Crossin is asking about what the relevant date is. That is a matter for the committee. I think you might have dealt with that in your opening statement this morning, Mr Chairman.

**CHAIR**—Yes.

**Senator FAULKNER**—No doubt Mr Metcalfe or Ms Scott should be apprised of it by now, but they will check the opening statement and they have given a commitment to try and improve the situation. I take that commitment at face value. I think—and I try to be balanced, as you know, Mr Chairman, about these things—there is room for improvement. Historically, PM&C has had a very good record in this regard. It would be unfair not to say that, but unfortunately of late—and the OSW questions are a good example of this worsening situation—that has not been the case. So here is an opportunity for PM&C to lift its game, not only in relation to OSW but in all the outputs.

**Ms Scott**—Chair, thank you for your clarification on questions and responses submitted. I would still like to ascertain, if we can, the one question that you feel we have not answered. Our own record suggests that we have answered all OSW's questions, and all those answers were submitted on 5 February.

**Senator CROSSIN**—What is the deadline for this round?

**CHAIR**—It is 31 March.

**Senator CROSSIN**—Can I take you to a matter that I know you dealt with earlier today, and that goes to the community awareness campaign. I am aware of the answers to the questions that you provided earlier this afternoon, so let us hope that we do not actually need to backtrack on that. Can you articulate for me what exactly was being portrayed in the ads? What was the message or what was the image that went into the first round of the campaign?

**Ms Flanagan**—There were a number of concepts being tested and refined at the time, and the subject matter was about portraying the unacceptability of violence against women.

**Senator CROSSIN**—Was it physical violence, verbal abuse?

**Ms Flanagan**—It was a range of violence; it was about the unacceptability of violence within relationships and also the unacceptability of things like sexual assault. So it spanned a range of different scenarios.

**Senator CROSSIN**—Can you give me some examples of a couple of the scenarios? If you had television advertisements, what did they show?

**Ms Flanagan**—They were still in the concept testing stage, so they were—and I am not very good at these sorts of things, not being a PR person—what I understand is called animatics. They were still life with some dialogue about particular scenarios.

**Senator CROSSIN**—Did they, in all cases, show men being the offenders?

**Ms Flanagan**—Yes, they did.

**Senator CROSSIN**—Were they men of all ages or were they just from the particular target group?

**Ms Flanagan**—We had a particular target group. We were looking at young people.

**Senator CROSSIN**—And did it go to men being offenders in terms of physical as well as verbal abuse?

**Ms Flanagan**—There was a range of different types of violence portrayed.

**Senator CROSSIN**—Can you clarify for me whether or not the media campaign has actually been scrapped, or has it been postponed?

**Ms Flanagan**—The media campaign has not been scrapped nor has it been postponed. It is currently being refined. This happens very often with many campaigns that the government runs.

**Senator FAULKNER**—But that is not right, surely. The campaign was planned to go to air in the Christmas period. That is the evidence we have had. It has been deferred, postponed, put off, stood aside for a period of time. We have already heard that today.

**Ms Scott**—We have already indicated that the campaign will proceed in 2004.

**Senator FAULKNER**—Yes, and it has been delayed from going to air over the Christmas period. We heard from Ms Flanagan about the targeting—that it was a good time for the target audience. We should not be critical about this, but that is quite different evidence from what we heard earlier in the day.

**Ms Scott**—It has not been put aside; it is simply the case that it is undergoing some refinement. The campaign will proceed in 2004.

**Senator FAULKNER**—It has been delayed, deferred, postponed, put aside, whatever.

**Ms Scott**—I think ‘put aside’ suggests that it actually will not proceed.

**Senator FAULKNER**—Delayed, postponed, deferred from when it was going to go to air for a particular target audience until later on this year. That is what we heard earlier on today.

**Senator CROSSIN**—What is the date when you intend to proceed with this?

**Ms Scott**—As we indicated earlier in the day, we have put advice to the minister assisting and to the Prime Minister’s office seeking confirmation for some of the refinements to the campaign. Subject to hearing from those two sources, we would then proceed to go to MCGC. We would hope to have the campaign go to finalisation in development and then to be launched. So the timing of that is unclear, but I have a great deal of confidence that it will occur in 2004.

**Senator CROSSIN**—What was the reason behind the MCGC not approving the campaign?

**Ms Scott**—The government considered there was a lack of clarity in some of the messages that the campaign was seeking to convey. The single focus of that campaign is to demonstrate the unacceptability of violence against women.

**Senator CROSSIN**—Can you tell me categorically that one of the reasons was not that all of the offenders were men?

**Ms Scott**—That is not the basis for the refinement of the campaign.

**Senator CROSSIN**—I asked you for one of the reasons as to why the committee sought to not have the campaign proceed. Was one of the reasons that all of the offenders portrayed were male?

**Ms Scott**—Earlier in the day we indicated that we cannot verify the statements made in that article.

**Senator CROSSIN**—I am not referring to the article. I have asked you a question about whether that was one of the reasons.

**Ms Scott**—No, that was not the reason.

**Senator CROSSIN**—So in a redefined campaign you will still have all of the offenders as male?

**Ms Scott**—We have not got to the stage where that is finalised.

**Senator CROSSIN**—Let me put it this way: will you be changing the characters in terms of who is the offender and who is the victim? You might change what they are doing or what they are saying, but will the portrayal still show all of the offenders as male? Surely you must know that at this stage.

**Ms Scott**—The single focus of the campaign will be the elimination of violence against women, and the vast majority of perpetrators of violence against women are men. I imagine that is what the campaign will clearly show.

**Senator CROSSIN**—So you are saying a vast majority, but not all, of the campaign may show that?

**Ms Scott**—Ms Flanagan can correct me but I think the figure is around 87 per cent.

**Ms Flanagan**—I think around 90 per cent of perpetrators are men.

**Ms Scott**—As we have not finalised all the aspects of the campaign, it would probably be premature for me to say that absolutely every characterisation will be like that. But I would anticipate that the vast majority will be about violence against women, where the perpetrators are men.

**Senator CROSSIN**—But in the original campaign that you were planning all of the perpetrators were male. Is that correct, Ms Flanagan? That is what you gave me about 10 minutes ago. Is that correct?

**Ms Flanagan**—Yes, Senator Crossin, that is correct. As Ms Scott has already indicated, this is not one of the reasons why the campaign is being refined. It is clearly recognised that the vast majority of violence that occurs is from men against women, and that will be a clear and central message of this campaign and it always has been.

**Ms Scott**—It will not be a case of portraying male violence against males; it will be a case of the elimination of violence against women.

**Senator CROSSIN**—So in your redefined campaign are we likely to see at least one advertisement where the perpetrators are female?

**Ms Scott**—We do not know that yet.

**Senator CROSSIN**—How different is the campaign you are now varying? You have just told me you are varying the message. Does that also include what the characters are doing or just the message?

**Ms Scott**—We are ensuring a clarity of message, which is about the elimination of violence against women, and exactly how that is conveyed has not yet been determined.

**Senator CROSSIN**—Are you starting from scratch?

**Ms Scott**—No, Senator.

**Senator CROSSIN**—What are you doing then with the ads you have already had designed then?

**Ms Scott**—We have reviewed those ads and considered that some of them are suitable for the refined campaign. A lot of the research we have undertaken will be appropriate for the refocused campaign.

**Senator CROSSIN**—So you are saying that the estimated percentage of domestic violence perpetrated by women on men is around 97 per cent. Is that correct?

**Ms Flanagan**—By men on women.

**Ms Scott**—By men on women.

**Senator CROSSIN**—By men on women?

**Ms Scott**—Yes.

**Ms Flanagan**—It is around 90 per cent.

**Ms Scott**—For some reason I have got 87 per cent in my head, Senator.

**Ms Flanagan**—We can give you the exact figure, but we are in the ballpark.

**Ms Scott**—Senator, I do think, contrary to the press report which might be guiding your questions, that was not the reason for the refocusing of the campaign.

**Senator CROSSIN**—So what is the process when this committee actually makes a decision that such a campaign will not proceed? Is the minister responsible able to override that decision?

**Ms Scott**—I will call to the table Mr Williams from the Resources and Communications Division, who acts as a secretariat for MCGC. He can explain MCGC a little bit more clearly to you, but the decision to refocus the campaign was actually taken by the government, just as the original decision to fund the campaign was taken by the government.

**Mr Williams**—The structure of the committee is that there were four and now there are five permanent members of the committee. The minister whose campaign has been considered and implemented also becomes a member of that committee for the purposes of that particular campaign. The issues are discussed. The members of the committee all contribute, including the minister or the minister's representative whose campaign it is.

**Senator CROSSIN**—I heard all that today. What I am asking is: does the minister who is responsible have the right to override the decision of this committee? Can cabinet override the decision of this committee if they so choose?

**Ms Scott**—The cabinet certainly outrank this committee. This decision about the refocusing of the campaign was taken by the government.

**Senator CROSSIN**—That has been a fairly substantial decision. I do not think you are exactly telling us the truth about why it was decided to be postponed.

**Ms Scott**—I am sorry, Senator, could you repeat that statement.

**Senator CROSSIN**—I think you are trying to evade my question as to why the decision to postpone this was given. I am simply asking you why.

**Ms Scott**—Senator, I have not sought to evade your question. I have answered the question truthfully in each case.

**Senator CROSSIN**—So you are telling me that a committee of this sort of make-up has the authority to be able to ask you to clarify your message?

**Ms Scott**—MCGC's role—and Mr Williams can go into it at great depth—is to review the preparation of campaign material, to provide advice to the people preparing the campaign, the ministers and the departments, and to look at the individual campaigns in a wider setting. They perform that function in relation to this campaign and in relation to all other similar campaigns. The decision to refocus the campaign was taken by the government.

**Senator CROSSIN**—What was the date of that decision?

**Ms Scott**—It was in mid-December.

**Senator CROSSIN**—You do not have a date?

**Ms Scott**—If I were pushed, I would probably say the 16th.

**Senator CROSSIN**—What was the date of the MCGC meeting?

**Ms Scott**—The MCGC met at numerous times during the development of the campaign. As you know, the campaign is part of two programs and I think they saw aspects of the campaign on 11 occasions.

**Senator CROSSIN**—Can you give me the dates of those?

**Ms Scott**—Mr Williams might be able to. While we are looking that up maybe I could explain a bit further to assist you in your understanding. They would be looking at some of the initial concepts and research, calling for more information, retesting of proposals and so on. It is very much an iterative process, one meeting leading on to the next meeting, leading onto the next and so on in terms of clarification and the development.

**Senator CROSSIN**—What was the date of the MCGC meeting when they made a decision to put to government that the campaign should not proceed?

**Ms Scott**—The deliberations of MCGC are confidential, but Mr Williams probably can give you a bit more information on when the committee did consider the matter last.

**Ms Flanagan**—It is not that the campaign is not proceeding; the campaign is proceeding. The decision was taken to get more feedback from government on the clear messaging of the campaign.

**Senator CROSSIN**—To postpone it?

**Ms Flanagan**—I would not characterise it as that.

**Mr Williams**—According to my records, there was a meeting of the MCGC on 20 November.

**Senator CROSSIN**—So that is the last time they met in relation to this campaign?

**Mr Williams**—That is my understanding, yes.

**Senator CROSSIN**—I have also asked for the previous eight occasions.

**Mr Williams**—My records indicate—and this is going backwards—that they met on 4 November, 18 September, 16 September, 17 July, 26 May, 6 May, 26 February and 4 December 2002.

**Senator CROSSIN**—How long has this campaign been in process? When did development, work or research for this campaign start?

**Ms Flanagan**—Again it has been an iterative process. There were two separate campaigns that were brought together. I understand that on those separate campaigns and some other elements that were brought together work has been proceeding for around two years. That does not mean it has necessarily come before MCGC. Mr Williams might have the time when it first came before MCGC.

**Mr Williams**—The first time I have recorded here is 4 December 2002. That was when they approved a research brief and a list of research consultants to undertake research.

**Senator CROSSIN**—Did you say ‘when research consultants were briefed’?

**Mr Williams**—What typically happens is that a brief goes to the committee about the sort of research that is required, and a list of research companies is provided to the committee. They approve the brief and the list of research companies, and then a selection process is done.

**Senator CROSSIN**—Are you telling me that research towards this campaign did not start until after December 2002? Is that correct?

**Mr Williams**—I am telling you that that is when that stage of research started. There may have been earlier research which was drawn upon.

**Senator CROSSIN**—What does that stage of research involve?

**Mr Williams**—I cannot answer that.

**Senator CROSSIN**—You cannot answer it because you are not able to, or is that more a question I should direct to OSW?

**Mr Williams**—It is not a question I can answer, no. It is something you should direct to the OSW.

**Senator CROSSIN**—OSW is sitting beside you. Perhaps they might be able to answer it.

**Ms Flanagan**—I do not have that information with me. I can take it on notice and give you what the research brief was.

**Senator CROSSIN**—You are not familiar with it? What about without the fine details of it? Can you tell me if it differed from any research that OSW had done as part of its domestic violence programs?

**Ms Flanagan**—No, I am not. I have only been in this job for seven months, so I am not aware of the detail of that particular research brief.

**Senator CROSSIN**—Is there anyone here who can assist you?

**Ms Flanagan**—I am afraid that the officers here were not there at that time, either. We do not have the campaign team present because, as you can appreciate, it is a quarter past 12. But we can certainly take that on notice and get you the details of that research brief.

**Senator CROSSIN**—Are you suggesting to me that there could be a situation whereby research into this matter was not started until after December 2002; is that right? Research into this campaign may not have started until after December 2002?

**Ms Flanagan**—I imagine that the research that is being described in 2002 was actually as we were getting into designing product to deliver campaign messages. That would be my understanding. But previous research had been done.

**Senator CROSSIN**—You had a campaign message or a concept prior to December 2002?

**Ms Farrelly**—There was research done that was received in September 2001 on relationship violence.

**Ms Scott**—It might also help you to note that as part of the campaign there have also been a number of other community awareness campaigns—one for Indigenous backgrounds and another for non-English-speaking backgrounds. So, in effect, there are three community campaigns.

**Senator CROSSIN**—I am more than aware of those two. If time permits we might actually compare what you have done with those two with the disaster of this one. To what extent did the research go to in September 2001?

**Ms Farrelly**—I cannot give you that detail at this point.

**Senator CROSSIN**—Why not?

**Ms Farrelly**—I was not there at the time and I do not have that detail.

**Senator CROSSIN**—No-one in OSW has given you a brief about that?

**Ms Farrelly**—I can broadly tell you that it was about men's attitudes towards domestic violence.

**Senator CROSSIN**—What was the outcome of that research?

**Ms Farrelly**—My understanding of the research is that it looked at men's attitudes, but I do not have further knowledge than that.

**Senator CROSSIN**—You cannot tell me what form the research took and what the outcomes were?



**Ms Farrelly**—No, but I would be happy to provide that on notice.

**Senator CROSSIN**—I am just at a bit of a loss as to why officers seem to come to estimates unprepared. You must have known that we were going to ask you questions about the background to this program and the basis on which the research was prepared or analysed.

**Ms Scott**—I think we have been answering questions to date with a lot of factual information conveyed in them.

**Senator CROSSIN**—That might be your opinion, Ms Scott, but those of us who have been following this for nearly 5½ years might have another view about that. Is there anywhere on your web site where a summary of this research or an analysis of this research is posted?

**Ms Flanagan**—I am not aware of that happening, Senator. Again, I am going to have to take that on notice. You would appreciate that we anticipated some of the questions you would ask, but we cannot bring every document to the table. I do apologise for that, but we will try to get you this information on notice.

**Senator CROSSIN**—From your own background or from work you may have read since you have been in this job, Ms Flanagan, what did that research actually show about men's attitude toward violence?

**Ms Flanagan**—My understanding of the attitudinal research is that—as I say, these are my recollections of it—men perceive that it is all right to be violent towards women or that drinking can be an excuse for that. Many of the issues that we hear all the time are actually brought out in the attitudinal research that is done.

**Senator CROSSIN**—Did it perhaps show that men sometimes believe women invoke this violence?

**Ms Flanagan**—Ask for it? Yes, I understand that was part of the attitudinal research too.

**Senator CROSSIN**—Are they the sort of messages that you tried to counteract in your advertising campaign?

**Ms Flanagan**—Yes, Senator. That is correct.

**Senator CROSSIN**—So how much money has actually been spent on the campaign up till now? I have the figures from today—the \$1.6 million for the ads, the \$1.14 million for the television ads and the \$4,350 for the magazine ads. I am assuming that has not been expended and that that is money that has been allocated.

**Ms Flanagan**—That is money that has been invoiced. The invoice was for booking the media campaign for December and January. Mr Williams is more expert at this. What it means is that we can actually move that advertising buy out to later on in the year.

**Mr Williams**—That is right. It is just a matter of rescheduling as it was, as you know, booked for an earlier launch. When the campaign launches this year, we will use that time.

**Senator CROSSIN**—What is the actual amount of money that has been expended?

**Ms Flanagan**—The amount that has been invoiced to date. I need to go back to another page. For the total of the campaign, which is running from 2002 to 2005, the amount that has been invoiced to date is \$4,292,000.

**Senator CROSSIN**—How much has actually been paid out, though?

**Ms Flanagan**—The large majority of that has been paid out. The media buy has been invoiced but not yet paid, but we will be required to pay it under the contract. As I have pointed out, that media buy can actually be used further on in the campaign.

**Senator CROSSIN**—So how much has actually been paid out to this date?

**Ms Flanagan**—It is \$4.292 million minus \$1.5 million. I think it is about \$2.7 million or \$2.8 million.

**Senator CROSSIN**—So around \$2.7 million has actually been paid. The cheques have been written and have left your department. Is that correct?

**Ms Flanagan**—That is correct, Senator.

**Senator CROSSIN**—So you have almost advance booked and paid for television ads, magazine ads and the like. Is that correct?

**Ms Flanagan**—Under a contractual arrangement we are required to pay a media buy that will be able to be used later on in the year. It had been for December and January, and that is what we have been invoiced for—the media buy for December and January.

**Senator CROSSIN**—You might have been invoiced but have you actually paid those amounts?

**Ms Flanagan**—We have not yet paid them.

**Senator CROSSIN**—And the media buy is \$2.7 million worth—is that correct?

**Ms Flanagan**—The media buy is \$1.545 million that we have been invoiced for to date.

**CHAIR**—Senator Crossin, can I interrupt to give you some information you will want to hear. It relates to the questions on notice. My understanding now is that, in the evidence given from the Office of the Status of Women, all questions have been answered except for one. But there was a group of questions from your office sent on 7 November 2003 to this committee, and it is the committee's fault that those were not received. In other words, the committee apologises to you, Ms Scott and Ms Flanagan, because the questions were not forwarded on. So it was not your fault, Senator Crossin—indeed, it was not OSW's fault; it was the fault of the committee. I apologise unreservedly for that. We will obviously send them off this time. I record my apologies on behalf of the committee.

**Senator CROSSIN**—Okay. That clarifies all of that then.

**Ms Flanagan**—It is \$2.7 million that we have spent.

**Senator CROSSIN**—I want to pursue these figures a bit more, but before I go on, so *Hansard* is clear about it, I want to backtrack a little bit. I would still appreciate any information you have about the research that was conducted in September 2001, which formed the basis for this campaign. I am interested in looking at a summary or a valuation—the basis on which this campaign was formulated. I want to make it clear that I am still interested in receiving that information. So you have expended \$2.7 million to date then?

**Ms Flanagan**—Just clarifying that: if it is straight research, we can have a look at that and provide you a summary or try to get that to you. If it is market based research—

**Mr Williams**—Generally, the view with research for all campaigns is that a decision is taken when the campaign is finished as to whether to release the research or not. That is a consistent theme with all campaigns that have been through the MCGC.

**Senator CROSSIN**—I appreciate that.

**Ms Flanagan**—We will check what sort research it is and make a decision.

**Senator CROSSIN**—I appreciate that. What has the \$2.7 million been spent on to date?

**Ms Flanagan**—It has been spent on things like the concept design of the ads.

**Senator CROSSIN**—By whom?

**Ms Flanagan**—Grey Worldwide.

**Senator CROSSIN**—Can you give me a breakdown of these figures at some stage?

**Ms Flanagan**—Yes, I can give you the spends to date. We have also done, as you would appreciate, market testing and market research on the concepts. There has been some draft product produced that has not gone through to final clearance and final refining yet—some pamphlets and a school curriculum kit and things like that.

**Senator CROSSIN**—Can you provide me with a breakdown of each of those components under the \$2.7 million?

**Ms Flanagan**—What I can do is give you a breakdown of the spends under the contracts that we have gazetted with various companies.

**Senator CROSSIN**—How much extra funding will be required now the campaign has been postponed, revised, redesigned—whatever word is going to be used?

**Ms Flanagan**—Senator, continue to use the word ‘refined’. Until we have clear guidance on the way it is to be refined, we cannot answer the question on how much of the money already spent will be useful. We hope that a lot of it still will be, of course.

**Senator CROSSIN**—Will you have to retest the draft product or redo any market research on the redefined campaign?

**Ms Flanagan**—Refined, Senator.

**Senator CROSSIN**—We are redefining the defined campaign now, I think.

**Ms Flanagan**—Yes.

**Senator CROSSIN**—One would assume that there would be additional costs.

**Ms Flanagan**—Yes.

**Senator CROSSIN**—Do you have an anticipated budget allocation for that? Is there a limit to what additional costs you will incur?

**Ms Flanagan**—The total budget for this campaign is \$13.674 million. We are assuming that we will still spend that amount of money.

**Senator CROSSIN**—Were there allocations for what you anticipated spending that money on?

**Ms Flanagan**—In what sense?

**Senator CROSSIN**—Did you have a budget for that? Did you have X amount put aside for advertising, X amount for concept design, X amount for market research and X amount for product marketing? Did you have particular budget amounts within that?

**Ms Flanagan**—We had various budget amounts within that, and we have let those out as contracts. As I say, now that we are looking at how we will refine it, once we have clear guidance we need to go back to those consultants to discuss with them what now needs to be done, given what they have already done and what they have committed to doing for us under those contracts.

**Senator CROSSIN**—Given that the funding for Partnerships Against Domestic Violence ceases, is this campaign part of the PADV money?

**Ms Flanagan**—It is drawn partly from Partnerships Against Domestic Violence money and partly from money for the National Initiative to Combat Sexual Assault.

**Senator CROSSIN**—What amount has come out of each bucket?

**Ms Flanagan**—I do not know that we have that breakdown here. I will need to take that on notice. You would appreciate that these are only notional amounts at this stage.

**Senator CROSSIN**—I understand that the funding for the PADV ceases on 30 June this year. Is that correct?

**Ms Flanagan**—No. It ceases on 30 June next year.

**Senator CROSSIN**—In 2005?

**Ms Flanagan**—Yes.

**Senator CROSSIN**—So you would anticipate completing and running this project and this campaign by June 2005?

**Ms Flanagan**—Yes, that had been our intention.

**Senator CROSSIN**—You do not have a breakdown, a percentage, of exactly how much expenditure from the PADV has been allocated to this campaign?

**Ms Flanagan**—No. I do not have that particular breakdown with me tonight. Partnerships Against Domestic Violence is a \$50 million campaign and the National Initiative to Combat Sexual Assault is a \$16½ million campaign. Partnerships has been running since 1997 and since the total of this campaign is \$13.7 million, you are looking at \$13.7 million out of \$66.5 million.

**Senator CROSSIN**—So one could assume that the bulk of this money is coming out of the PADV money.

**Ms Flanagan**—It is coming out of both programs.

**Senator CROSSIN**—But the bulk of this \$13 million would be coming out of PADV. Is that correct?

**Ms Flanagan**—As I say, I do not have the figures with me.

**Senator CROSSIN**—You did not bring that breakdown with you?

**Ms Flanagan**—No.

**Senator CROSSIN**—Is there a need to reallocate the money from the 2002-03 budget to the 2003-04 budget to accommodate the implementation of this campaign? Or has money just gone from both buckets into one?

**Ms Flanagan**—Until we get clear direction and guidance on what it is going to look like, I cannot answer that question.

**Senator CROSSIN**—Your advice to me in November, when I asked about the underspend for each program, was that in fact the community awareness program had been underspent by \$13 million.

**Ms Flanagan**—I am sorry, can you say that again?

**Senator CROSSIN**—You provided me with a table in November that showed me there had been an underspend of \$13 million in the community awareness program.

**Ms Flanagan**—Did I, Senator? Can you point me to that table?

**Senator CROSSIN**—It is on page 125 of *Hansard*. I asked for details of the underspend for each program listed in the PBS.

**Ms Flanagan**—And was that for the year—

**Senator CROSSIN**—It is in your annual report, in table 1 on page 26.

**Ms Flanagan**—I think that is for the 2002-03 financial year.

**Senator CROSSIN**—Your total underspend in the Partnerships Against Domestic Violence was \$125,000.

**Ms Flanagan**—I think it is around \$100,000.

**Senator CROSSIN**—Isn't it \$125,000?

**Ms Flanagan**—Yes, it is \$125,000 out of \$8.8 million. So our budget estimate under women's programs, including all six women's programs, on page 26 was \$8.8 million and the actual expenditure was \$8.751 million.

**Senator CROSSIN**—Yes, that is correct.

**Ms Flanagan**—It is not unusual to slightly underspend on a program, and there can be a range of reasons for that. But this was within a very small percentage of actually spending the money that was allocated.

**Senator CROSSIN**—So you cannot tell me what percentage of that has now gone into this campaign?

**Ms Flanagan**—Because of the way budgets run these days, the money that was left over—I think this is the question that you are asking—does not actually get moved across into the next financial year and become, in effect, the opening balance for the next financial year.

**Senator CROSSIN**—No, but what I am trying to ascertain is: how much of the community awareness money, and how much of the Partnerships Against Domestic Violence money, has gone into this campaign?

**Ms Flanagan**—As I said, out of the total of \$66½ million for the two big programs that the money is coming out of, \$13.7 million has been committed to this campaign over a number of years.

**Senator CROSSIN**—So what are those years then? Has the research that was conducted in September 2001 been paid for out of the \$13.7 million?

**Ms Flanagan**—We can check that, but certainly we incurred expenditure last year for the campaign. We have incurred expenditure this year and we intend to incur expenditure next financial year. So it was over the three years. I will check whether that research was actually paid as well, because it sounds as though it was in the financial year before that.

**Senator CROSSIN**—Can you then give me a breakdown of how much of the \$66.5 million you have spent, and what it has been spent on and from what dates it was spent, even if you have got to go back to September 2001?

**Ms Flanagan**—In each of our annual reports, and in other documents, we do actually show that breakdown over the years, so I would be going to those. We will see what we can find for you.

**Senator CROSSIN**—If it is in your annual report, please give me the page number, but I am not entirely sure I can find research from September 2001, how much it was and the fact that it was acquitted against this community awareness campaign. That is why I am asking for, under the heading of community awareness campaign, all the elements that you have paid for, the amounts and from what dates and for what.

**Ms Flanagan**—For this particular campaign, we can go back and give you a full account of what has been spent over the last year and a half. What I am saying is that there have been a number of campaigns—I think Ms Scott referred to a number of campaigns that you are well aware of that have been run from this money in the past—so we need to be clear on what you mean by the definition of the campaign, because there is community awareness raising as part of both of these programs.

**Senator CROSSIN**—I am aware it is just called a community awareness campaign.

**Ms Flanagan**—This particular campaign?

**Senator CROSSIN**—Yes.

**Ms Flanagan**—Yes, we can go back and tell you how much has been expended to date.

**Senator CROSSIN**—So we both have an understanding that the campaign that was postponed by the MCGC, for want of a better word, is called the community awareness campaign. We both understand what campaign we are talking about.

**Ms Flanagan**—Okay.

**Senator CROSSIN**—What I am asking for is a breakdown of the costs of each of the elements of that campaign going back to whenever the first amount of money was paid out and for what reason it was paid out. I am assuming one of the first items that was paid for was the research conducted in September 2001.

**Ms Flanagan**—And that is my own query, Senator. I am not sure that it has been included in our figuring, but we will find that out for you.

**Senator CROSSIN**—Just before I finish—and I am going to have put quite a few of these on notice, I am afraid—in September 2002, if I understand it correctly, there was a four-week campaign to raise community awareness that was targeted at non-English-speaking background communities. Is that correct?

**Ms Flanagan**—I know that we did run such a campaign; I am just not sure of the timing of it.

**Ms Farrelly**—Yes, that is correct. In September 2002 there was a four-week campaign. There was a press insert and also radio, and that was in the ethnic press, and there was also information provided in community languages to non-English-speaking background communities.

**Senator CROSSIN**—So the NESB was actually considered a legitimate specific target at that time. Is that correct?

**Ms Scott**—The money was spent on that purpose, so I am sure it was legitimate.

**Senator CROSSIN**—What was the specific target group for this campaign—if it is still current?

**Ms Flanagan**—We were primarily targeting to 16- to 24-year-olds.

**Senator CROSSIN**—Males?

**Ms Flanagan**—The messages needed to go to both males and females.

**Senator CROSSIN**—Aimed at the perpetrator and the victim, or just mainly the perpetrator?

**Ms Flanagan**—It was about community awareness raising on the issue of violence, and it was important that both young men and young women understood the proper behaviour that was expected.

**Senator CROSSIN**—Is that still the target group in the redefined or refined work that is being done?

**Ms Flanagan**—While it has not been finally agreed, we are suggesting that the target group should be widened out.

**Senator CROSSIN**—To include what—females or a larger age group?

**Ms Flanagan**—A larger age group.

**Ms Scott**—More includes females, in the sense that we are trying to change attitudes about women who are also victims of domestic violence.

**Senator CROSSIN**—What sort of age group are we looking at now--men in general? I am asking whether there is any defined age group.

**Ms Flanagan**—We are looking to—and this is just a suggestion—target 18- to 40-year-olds.

**Senator CROSSIN**—How or why has a decision been made to not include younger adolescent males or younger adolescents?

**Ms Flanagan**—The intention is still to include that age group. The suggestion—and it is only a suggestion—from the department is that we widen it out.

**Senator CROSSIN**—You might widen it at one end from 24 to 40 but you are actually taking it up to 18—

**Ms Flanagan**—No, 18- to 40-year-olds.

**Senator CROSSIN**—Was it not originally targeted at 16- to 24-year-olds?

**Ms Scott**—A lot of the argument or rationale behind that thinking is that, when you look at the figures for victims and perpetrators of domestic violence, you see that they are in the older age group rather than in the 16 to 18 age group.

**Senator CROSSIN**—Is there research that backs that up?

**Ms Scott**—Yes.

**Senator CROSSIN**—What research is that?

**Ms Scott**—We have figures on the incidence of domestic violence.

**Senator CROSSIN**—Reportable incidences?

**Ms Flanagan**—There are a number of studies around about the incidence of relationship violence and sexual assault. We know that it does occur in younger adolescents, which is why they were the target group and are still the target group. The suggestion is that we widen that audience out.

**CHAIR**—Senator Crossin, that is it under our agreement. Do you have any questions on notice that you want to put later on?

**Senator CROSSIN**—Of course I do.

**CHAIR**—You will submit them later on?

**Senator CROSSIN**—Tomorrow, in fact.

**CHAIR**—I thank Ms Flanagan and the officers very much for their assistance this evening at this late hour.

[12.48 a.m.]

#### **Australian National Audit Office**

**CHAIR**—I welcome the officers of the Australian National Audit Office, Mr Winder and Mr Coleman. Thank you for being here at this late hour. Unless you have an opening statement, I call for questions from Senator Brandis.

**Mr Coleman**—I have no opening statement.

**Senator BRANDIS**—Mr Winder and Mr Coleman, I want to explore three areas with you. Can those two documents be passed to the witness. Could you take up the booklet first, which are the answers to questions taken on notice. At the last round of budget estimates, on 29 May last year, having explored the discrepancy between the actual rental being paid by your agency and the market value of the tenancy, I put it to the witness—and I think it was you, Mr Winder—



**Mr Winder**—I think it was, yes.

**Senator BRANDIS**—that it would be appropriate to commission a valuation of the building, and you agreed to take that on notice. Can I ask you to turn to the page that is flagged, page 138? What we received from you was an answer supported by what purports to be a letter of advice from Mallesons Stephen Jaques explaining why it was not appropriate to obtain a valuation. Why on earth did you seek advice from a law firm as to whether or not to obtain a valuation? That is not a legal issue. Why did you do that?

**Mr Winder**—It seemed to us at the time that the issue of whether or not a valuation was going to be of assistance to us in an ability to require or assist a reduction in rent was something that we might need legal advice on.

**Senator BRANDIS**—This is not legal advice. Look at the second question you ask Mallesons Stephen Jaques:

(b) The advantages (if any) of obtaining a valuation of the Property at this time.

That is not a question a lawyer knows about. I can understand if you had asked an estate agent or somebody experienced in the commercial property market, but where is the legal advice in paragraphs (c), (d) and (e) of the summary of the advice? Where is the legal advice there? It is on page 139 of the book.

**Mr Winder**—I have a separate copy of it.

**Senator BRANDIS**—I accept that paragraphs (a) and (b) deal with a matter which is arguably something for the lawyers, but on the second topic—‘Is it a good idea to obtain a valuation?’—why couldn’t you, having regard to the fact that it was of interest to at least some members of this committee, have made that decision yourself?

**Mr Winder**—I am trying to find an answer because I have not thought of an answer at this stage. It was in our view something that pertained to the advantages to us in terms of legal assistance in this area.

**Senator BRANDIS**—Given that this question of whether a valuation ought to be obtained was generated by a decision from this committee—indeed, from me—look at the three reasons given in paragraph (c):

a valuation of the Property is ordinarily obtained by a prospective purchaser ...

You knew that that was not a relevant consideration bearing on the reasons it had been suggested to you that you obtain a valuation of this property. You know that, don’t you?

**Mr Winder**—I am not sure that I do, but I will accept your advice on that.

**Senator BRANDIS**—I take it you only thought about it because I asked you to think about it and you knew why I had asked you to think about it. It had nothing to do with anybody being a prospective purchaser, did it?

**Mr Winder**—No, I do not think so.

**Senator BRANDIS**—If you look at the second of the three subparagraphs that summarise the advice, Ms Tracey Fitzpatrick, the author of the advice, says:

(d) if the ANAO were to obtain a valuation ... the valuation would take into account the respective values of the land, structures ... and income generated from the Property. As a result, the valuation ... would probably be increased due to the rent currently payable under the Lease, which far exceeds the market;

Doesn't that strike you as passing ridiculous that, if the purpose of obtaining a valuation is to assess the real rental value of the building, it should be a reason not to obtain the valuation because it is a given that the rental is in fact far in excess of the market value? That is a ridiculous reason, isn't it?

**Mr Winder**—It was not one I was prepared to question the—

**Senator BRANDIS**—You did not adopt that stupid reason, did you?

**Mr Winder**—It was not one that I was prepared to question the legal advice on.

**Senator BRANDIS**—Except that, as you can see, it is not legal advice, is it?

**Mr Winder**—It was advice from lawyers.

**Senator BRANDIS**—The third reason—which, if possible, seems even more absurd than the second—was:

(e) As the rent structure ... is not tied to the valuation ... and ... the ANAO is not intending to purchase the Property, the valuation would be of academic interest only to the ANAO.

**Mr Winder**—you know, don't you, because this has been canvassed by me in this committee for years; it has been canvassed by ministers in both the Senate and the House of Representatives; it has been canvassed by the Prime Minister in the House of Representatives—why is the fact that the matter may be of academic interest to the ANAO germane to the question, when the people who have expressed an interest are the entire government of the country, from the Prime Minister down?

**Mr Winder**—My interpretation of that advice was that it was academic in the sense of our ability to change the situation. That is the way it was read by me.

**Senator BRANDIS**—Mr Winder, you know, don't you, that the real value of this tenancy is a matter of acute concern to the parliament—or, at least, to many members of the parliament—and to the government? The first step in assessing your position would be to obtain a valuation. You know that, don't you?

**Mr Winder**—We could have obtained a valuation—

**Senator BRANDIS**—Yes, you could have.

**Mr Winder**—but, in the light of the advice—as I say, I read it in the context of its not being of any advantage—

**Senator BRANDIS**—Mr Winder, can I suggest to you, with respect, that you did not need this advice to make that decision. This is a pretext. This is a ruse for inaction.

**Mr Winder**—I would not accept that, Senator.

**Senator Hill**—I think, Senator Brandis, that you ought to give the witness time to answer the questions. You are becoming a little intimidating.

**Senator BRANDIS**—Mr Winder, what was the professional fee charged to the ANAO by Mallesons for this so-called advice?

**Mr Winder**—I am sorry, I do not have that with me.

**Senator BRANDIS**—Can you take that on notice, please?

**Mr Winder**—I will take that on notice, if I may.

**Senator BRANDIS**—I daresay that the fee for obtaining the advice about whether to obtain a valuation would have been a four-figure sum.

**Mr Winder**—I do not know, I am afraid.

**Senator BRANDIS**—A top-drawer, top-of-the-range law firm providing advice to a client is not going to be charging a charge-out rate for their senior associates of less than \$300 an hour—and probably more than \$400 an hour—and this would have taken at least a couple of hours to prepare. The lease would have had to be perused, your instructions would have had to be perused and the document would have had to be prepared. So can I suggest to you that this would have cost you a four-figure sum.

**Mr Winder**—It may have done. I am sorry, I do not have the figure.

**Senator BRANDIS**—This afternoon I caused some inquiries to be made as to the cost of obtaining a valuation of commercial premises in Canberra. The inquiries I made revealed to me that the fee that would be charged by Raine and Horne Commercial—a reputable Canberra valuer—to perform a kerbside valuation of that property would have been only \$300. For a full valuation the cost would not have been more than \$2,000. Does it strike you as peculiar that you probably paid more to obtain an opinion about whether or not to obtain a valuation than you would have paid for a valuation?

**Mr Winder**—We did not consider the next step. I am sorry, I did not take that consideration into account.

**Senator BRANDIS**—Can I ask you to have a look at the single sheet I have put in front of you? I should acknowledge that the source of that is an article that was posted on the well-known web site [crikey.com.au](http://crikey.com.au), based on extensive research as to this lease. It is a very reputable and commonly correct web site—commonly, but not always. Mr Winder, I will explain the structure of the document to you.

You will see that there is a tabulation of the actual rent per square metre that has been received under the ANAO contract. Then there is a tabulation of the actual market rent, based on the imputed rental obtained by the ANAO from its subtenant, which I am sure we would agree is the most reliable indicator of the true market value. In the fourth column there is a tabulation of the excess of the rent under the lease and the market rent as determined by the sublease, which is described somewhat polemically as ‘ALP windfall’. Below the double lines there is a projection as to the future market rent, assuming a three per cent annual increase for the next four years of the lease, and a projection of the ‘ALP windfall’, applying the nine per cent formula in the lease. Do you follow all that?

**Mr Winder**—Yes.

**Senator BRANDIS**—If you add up the ALP windfall, you will see—I performed this calculation—that the aggregate windfall to date in the 11 years of the lease, to the end of the current leasing term, will be \$18,049,904. Do you agree?

**Mr Winder**—I think that is the figure that is stated in the article.

**Senator BRANDIS**—If you add the forward projected figures, applying the formula in the lease, to the ALP windfall and applying the conservative three per cent figure—which is a little generous to the landlord—then the total windfall to your landlord over that 15-year period will be \$36,698,103. Do you accept that?

**Mr Winder**—I have not done the mathematics myself.

**Senator BRANDIS**—Let me tell you, because I have done the arithmetic myself that, if you average that figure over the 15-year term of the lease, that is an average return to the landlord in excess of the market value of the property—which we know from the value of the subtenancy—of \$2,446,540 per year. Does that strike you as excessive, outrageous?

**Mr Winder**—I do not have a comment to make on that.

**Senator BRANDIS**—You don't?

**Senator FAULKNER**—That would be a leading question.

**Senator BRANDIS**—It is a leading question. I am perfectly entitled to ask it.

**Senator FAULKNER**—You are now also in the chair, are you?

**Senator BRANDIS**—I am certainly entitled to put propositions to the witness and ask him to comment on them.

**Senator FAULKNER**—Whether you are entitled to lead them—

**Senator BRANDIS**—\$2,446,540 per year. What do you say about that?

**Senator FAULKNER**—I will take a point of order. Can I do that?

**Mr Winder**—It is certainly in excess of market.

**Senator BRANDIS**—That is \$47,049 a week in excess of market.

**Senator FAULKNER**—What about my point of order. Have you ruled against it?

**CHAIR**—Yes, I have.

**Senator FAULKNER**—Okay.

**Senator BRANDIS**—A \$6,721 a day rip-off, every day, 365 days a year for 15 years—\$6,721 a day for 15 years in excess of the true value of this tenancy. What do you say about that, Mr Winder?

**Mr Winder**—It sounds like a large figure.

**Senator BRANDIS**—Sounds like a rip-off, would you agree?

**Mr Winder**—I did not say that.

**Senator BRANDIS**—No, I know you did not. I am putting it to you and I am asking you what you say about it.

**Mr Winder**—The position is that that is what is available under the terms of the lease.

**Senator BRANDIS**—Mr Winder, at my suggestion in an earlier estimates committee, in 2002 the Audit Office approached the landlord, John Curtin House Ltd, and asked for it to consider renegotiating the terms so as to return them to commercial terms. John Curtin House Ltd—this is at page 129 of the book in front of you—wrote, among other things:

Any variation to the rentals would create difficulties for the company in meeting its obligations to the mortgagee.

Do you see that?

**Mr Winder**—Yes.

**Senator BRANDIS**—That representation was made to you. Did you accept that it was made in good faith?

**Mr Winder**—Yes, we did at the time.

**Senator BRANDIS**—Would it surprise you then to know that in the 2002-03 year—that is, the year in which the ALP were making an excess over the market value over the lease of \$3,503,985.90—the landlord, John Curtin House, donated to the Australian Labor Party, as revealed in the party's return for that year, \$1,235,000. Were you aware of that?

**Mr Winder**—Not until recently.

**Senator BRANDIS**—You are now?

**Mr Winder**—I am now, yes.

**Senator BRANDIS**—The statement made then in the letter of 28 July 2002 that the landlord was not in a position to renegotiate the lease because of its commitments to its mortgagee cannot possibly be true, can it, if the landlord in that same year had \$1,235,000 to give away as a donation to a political party?

**Mr Winder**—I find it difficult to comment because I do not know the financial circumstances in full of the landlord.

**Senator BRANDIS**—Mr Winder, can I suggest to you there is at least—to use a layman's expression—a smell of a misrepresentation about the statement made on behalf of the landlord in that letter of 28 August 2002?

**Mr Winder**—I don't know.

**Senator BRANDIS**—It does not strike you as strange that they say we cannot afford to renegotiate the lease and yet they can give almost \$1¼ million away to a political party in the same year?

**Mr Winder**—It would seem so, but I do not know the circumstances of the financial position of the landlord.

**Senator BRANDIS**—Mr Winder, you are familiar with the Morling report, the report of the royal commission established under Mr Justice Morling to review the terms of this lease?

**Mr Winder**—I am not aware of it, no, but my colleague Mr Coleman might be aware of it.

**Senator BRANDIS**—Mr Coleman, you are aware of that, aren't you?

**Mr Coleman**—I am aware of the report, yes.

**Senator BRANDIS**—And you may be aware that, when my colleague Senator Abetz and other members of the government have criticised the terms of this lease in the parliament, opposition senators in defending it have relied upon the Morling report, which found that the lease was not improper to justify it. You are generally aware that that is the position taken by the opposition, aren't you?

**Mr Coleman**—I have read these statements.

**Senator FAULKNER**—It is up to the opposition to put forward its position—

**Senator BRANDIS**—Absolutely, and I am merely asking whether Mr Coleman is aware of it.

**Senator FAULKNER**—and not for you to either represent it or misrepresent it.

**Senator BRANDIS**—Mr Winder and Mr Coleman, let me take you through the bases upon which the Morling report acquitted the lease of any suggestion of impropriety. First of all, Mr Justice Morling at page 44 said:

... the lease contains a provision that if ... the lessee exercises the option of a 5-year renewal, the premises are to be refurbished at the cost of the lessor. This provision is likely to be of considerable benefit to the ANAO.

And:

The 15-year term and the option, taken as a package ... is likely to prove a distinct advantage to the ANAO.

That is what Mr Justice Morling said to support the commerciality of the lease. It is a fact, isn't it, that the ANAO has stated publicly that it will not exercise the option?

**Mr Winder**—That is correct.

**Senator BRANDIS**—So that cannot be a reason, that can no longer be an operative reason, to support the commerciality of this lease, can it?

**Mr Winder**—It was not at the time we took our decision, that is correct.

**Senator BRANDIS**—Another ground upon which Mr Justice Morling supported the commerciality of the lease is that the average annual growth rate may exceed nine per cent—that is at page 52—and that:

... the best evidence presently available suggests that long-term rental growth in Barton is likely to be in the order of 9% per annum.

That is at page 76. But we now know, don't we, from the figures that I have put before you that the annual average growth of commercial rentals in Barton over the relevant years—that is the 11 years in which the lease has been current—have been of the order of two to three per cent? You are aware of that, aren't you?

**Mr Winder**—From what you are saying, yes, I understand.

**Senator BRANDIS**—They certainly have not been anything like nine per cent.

**Mr Winder**—No, that is correct.

**Senator FAULKNER**—He is taking your word for it, Senator Brandis. Let us hope you are not misleading the committee.

**Senator BRANDIS**—So that projection or assumption, or extrapolation even, by Mr Justice Morling cannot be an operative reason either, can it?

**Mr Winder**—It would appear not to be, no.

**Senator BRANDIS**—Another reason put forward by Mr Justice Morling to support the commerciality of the lease—this really states a conclusion, and I quote from page 111—is:

... that no party obtained unfair or above-market commercial advantage from the lease of Centenary House.

We all know that that is not right, don't we?

**Mr Winder**—If you say so, Senator.

**Senator BRANDIS**—No, it is not that I say so.

**Mr Winder**—Senator, you are reading from the Morling report, which I am not aware of, as I have said. You are making comments on it, and I am not able to comment.

**Senator BRANDIS**—Let me ask you to comment on this proposition. In the events that have happened over the term of the lease, which is now in its 11th year, do you accept that it could not be said that no party obtained above market commercial advantage from the lease?

**Mr Winder**—I would accept that that would appear not to be the case.

**Senator BRANDIS**—So that cannot be a reason to support the commerciality of the lease—

**Mr Winder**—No, I agree.

**Senator BRANDIS**—to the extent to which Mr Justice Morling relied upon that forward projection or extrapolation. Another reason which Mr Justice Morling gives, and I quote again from page 111:

... it is likely that the economic position of the Commonwealth under the terms of the present lease will prove to be little different from what its position would have been had the rent been reviewed to market rates every two years over the full term of the lease.

What do you say about that, Mr Winder?

**Mr Winder**—In hindsight, that would appear not to be correct.

**Senator BRANDIS**—And, finally, the Morling report says on page 111:

Certainly the lease cannot be described as unfair to the Commonwealth or unduly generous to the lessor.

With the benefit of hindsight, Mr Winder, what do you say about that?

**Mr Winder**—Again, with the benefit of hindsight, it would appear not to be correct.

**Senator BRANDIS**—If I can summarise, none of the assumptions or predictions made by the Morling report, which I have read to you—and I can tell you that those are the core assumptions and projections—seem to have been validated in the events that have happened, have they?

**Mr Winder**—That would appear to be correct.

**Senator BRANDIS**—Given that all of its relevant assumptions and all of its predictions as to change in market rentals and market values have been demonstrated to be wrong, what significance would you say attaches to the Morling report in hindsight?

**Mr Winder**—In hindsight, it does not appear to have been correct in terms of what has happened.

**Senator BRANDIS**—Thank you.

**CHAIR**—As there are no further questions, thank you very much for your attendance, Mr Coleman and Mr Winder.

**Committee adjourned at 1.12 a.m.**