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SENATE

FINANCE AND PUBLIC ADMINISTRATION LEGISLATION
COMMITTEE

ESTIMATES

(Budget Estimates)

MONDAY, 24 MAY 2004

CANBERRA

BY AUTHORITY OF THE SENATE

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SENATE

FINANCE AND PUBLIC ADMINISTRATION LEGISLATION COMMITTEE

Monday, 24 May 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 Brandis, Collins, Conroy, Faulkner, Fifield, Forshaw, Johnston, Mackay and Ray

Committee met at 9.04 a.m.

PARLIAMENT PORTFOLIO

In Attendance

Senator the Hon. Paul Calvert, President of the Senate

Department of the Senate

Output 1: Clerk's Office

Output 2: Table Office

Output 3: Procedure Office

Output 4: Committee Office

Output 5: Black Rod's Office

Mr Harry Evans, Clerk of the Senate

Dr Rosemary Laing, Acting Deputy Clerk of the Senate

Mr Richard Pye, Acting Clerk Assistant (Table)

Mr Cleaver Elliott, Clerk Assistant (Procedure)

Mr Neil Bessell, Acting Clerk Assistant (Committees)

Ms Andrea Griffiths, Usher of the Black Rod

Mr Joe d' Angelo, Chief Finance Officer

Department of Parliamentary Services

Portfolio overview and major corporate issues

Ms Hilary Penfold QC, Secretary

Mr John Walsh, Assistant Secretary, Corporate and Strategic Development Group

Ms Judy Konig, Chief Finance Officer

Mr Chris Duffy, Director, People Management and Support

Output 1: Information and Research Services and Resource Management Services

Dr June Verrier, Assistant Secretary, Information and Research Services

Mr Rob Johnston, Assistant Secretary Resource Management Services

Ms Roslynn Membrey, Director, Resource Development

Output 2: Client and Technical Services

Ms Val Barrett, Assistant Secretary, Client Services Group

Mr Peter Ward, Assistant Secretary, Technical Services Group

Mr Michael Pronin, Director, Projects

Output 3: Building and Occupant Services

Mr Peter Crowe, Assistant Secretary, Security and Facilities

Ms Maggie Barnes, Director, Facilities

Mr Andrew Smith, Assistant Secretary, Operations

Mr John Nakkan, Director, Maintenance Services

Ms Tooy Elliott, Director, Strategic Planning

Mr David Cossart, Director, Works Management

Mr Neal Charlton, Senior Project Officer, Works Management

CHAIR—I declare open this public hearing of the Senate Finance and Public Administration Legislation Committee. On 11 May 2004 the Senate referred to the committee for examination the following documents: particulars of proposed expenditure for the service in respect of the year ending on 30 June 2005, particulars of certain proposed expenditure in respect of the year ending on 30 June 2005 and particulars of proposed expenditure in relation to the parliamentary departments in respect of the year ending on 30 June 2005, together with the particulars of certain proposed supplementary expenditure in respect of the year ending on 30 June 2004, particulars of proposed supplementary expenditure in respect of the year ending on 30 June 2004 and the annual tax expenditures statement.

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 17 June 2004. Agencies that are released from the hearings may have written questions on notice directed to them. The committee has set Friday, 9 July 2004, as the date for the submission of written answers to questions that are taken on notice. I remind you all that this committee is continuing its general oversight of the format of the portfolio budget statements. The committee's report on budget estimates may also consider the adequacy of PBSs. 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 on Wednesday, 26 May. 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 the expenditure of public funds where any person has a 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 a 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.

[9.07 a.m.]

Department of the Senate

CHAIR—I welcome the President of the Senate, Senator Calvert, the Clerk and other officers. Mr President, do you wish to make an opening statement?

The PRESIDENT—Thank you, Mr Chairman. Yes, I do. I wish to make a brief introductory statement relating to the appropriations for the Department of the Senate, if I may. The committee will note that the figures in the Appropriation (Parliamentary Departments) Bill in the portfolio budget statements, apart from the usual annual adjustments, disclose a \$1.2 million cut in the appropriations for the Department of the Senate. This was the attribution to the Department of the Senate of part of the cuts notionally distributed between the parliamentary departments to pay for enhanced security in Parliament House, which the government directed should be made by implementation of the Parliamentary Services Commissioner's review recommendation that the joint parliamentary departments be amalgamated or by other savings. At the last estimates hearings on 16 February 2004, I indicated that, as the Senate had approved the amalgamation of the joint departments and as any savings from this amalgamation would be realised in the new Department of Parliamentary Services, any savings should be reflected in the appropriations of that department. The appropriation bill, however, still distributed the cuts between parliamentary departments.

In response to this, and in consultation with the Speaker and with the approval of the Senate Appropriations and Staffing Committee, I initiated a proposed rearrangement of parliamentary funding to ensure that the Senate department's budget would not be cut and that the savings would be transferred to the Department of Parliamentary Services. The proposed rearrangement is set out in the 40th report of the Appropriations and Staffing Committee, which was presented out of sittings on Thursday, 20 May, and which is available to members of this committee. If the Senate approves the recommendations contained in the Appropriations and Staffing Committee report, I am confident that they would result in a more rational arrangement for the funding of the parliamentary departments to ensure that the Senate department's budget and consequent services to senators are not adversely affected. I and officers of the Senate would be happy to answer any questions concerning the Senate department's appropriations.

CHAIR—Thank you, Mr President. We now move to general questions.

Senator FAULKNER—Does that mean, Mr President, that you see the situation prior to the endorsement of the Senate Appropriations and Staffing Committee as irrational?

The PRESIDENT—If you recall, I have always believed, given the recommendations in the Podger report and the amalgamation, that any savings should be made in the Department of Parliamentary Services. That is the rational approach. I have always believed that the parliamentary departments should not be the ones that suffer the cuts.

Senator Faulkner—Do you mean parliamentary departments or do you mean the chamber departments?

The PRESIDENT—The chamber departments.

Senator FAULKNER—Have you had any indication from the Department of Finance and Administration or the Minister for Finance and Administration as to whether the approach which you outlined to the committee in your opening statement is likely to be broadly agreed to?

The PRESIDENT—I have not, no—none at all.

Senator ROBERT RAY—But you do not need their approval, do you?

The PRESIDENT—No.

Senator ROBERT RAY—Could you explain why, or have the Clerk explain why? Chair, Senator Faulkner and I have been over this ground a few times at the Senate Appropriations and Staffing Committee. We are doing this to get the answers on the public record, rather than necessarily for ourselves.

The PRESIDENT—Perhaps the Clerk could go through the ramifications of that, but I know that I have used the power I have to move that cost over to the Department of Parliamentary Services. Perhaps the Clerk can elaborate.

Mr Evans—The initial proposal was that the cut in the budget for the Department of the Senate be compensated for by having the Department of Parliamentary Services charge the Department of the Senate that much less for the security services which, under current arrangements, are paid for under the purchaser-provider model whereby the chamber departments hold the funds and pay DPS for the services. That is something which the Presiding Officers can do entirely without any government approval. However, in conjunction with that, as explained in the Appropriations and Staffing Committee report, the Presiding Officers decided to end the purchaser-provider model and transfer the funds to the Department of Parliamentary Services, subject to safeguards which are set out in the Appropriations and Staffing Committee report, to ensure that the Department of the Senate and senators will still have adequate oversight of the security system. That also can be done with the approval of the Minister for Finance and Administration. In other words, transfer of the funds requires the approval of the minister for finance. If that approval were not to be given, we would go back to the first stage of the plan and simply have the charge to the Senate department for security services under the purchaser-provider model reduced by the appropriate amount. In relation to future appropriations, government determines the figures which go in the appropriation bill which is introduced. The Presiding Officers will have to make sure that in future the appropriations to the chamber departments are not cut again.

Senator ROBERT RAY—So in effect, prior to these arrangements, Mr President, your budget was cut by over \$600,000. You would have had to make \$600,000 worth of savings not related to parliamentary amalgamations.

The PRESIDENT—That is correct—as part of the savings that the government were looking for in the initial security arrangements. You will note in security arrangements mark 2, which we are going to later, that that has been fully funded.

Senator ROBERT RAY—That is because the majority of the work has been done around the ministerial wing, isn't it?

The PRESIDENT—I think there is more than that involved. It is the replacement of the—

Senator ROBERT RAY—It is not relevant?

The PRESIDENT—I am sure that will come up later when the secretary is here. Regarding the future role of the Appropriations and Staffing Committee, I feel it is very important that we propose a change of standing orders to allow the committee to have an oversight role, if you like, of security arrangements in the Senate. That is a very wise move. I

think the Appropriations and Staffing Committee have played a vital role in the quite significant changes that have taken place with the three departments being amalgamated and also since then with these new arrangements where all the funds will be used by the Department of Parliamentary Services, which is actually providing the services. I think that is how it should be. I thank the Appropriations and Staffing Committee for their advice and I look forward to that continuing advice. The other important thing, as the Clerk has said, is that we are proposing to amend the Parliamentary Services Act to allow the Security Management Board to have a role that it is intended to have and to at least put it in a much stronger position so that the Senate has control over security, which it should have.

Senator ROBERT RAY—I appreciate the information you gave when you answered a question on the \$600,000 worth of savings. Did the Department of Finance and Administration or the Expenditure Review Committee make any suggestions as to how the Senate department would achieve \$600,000 in savings, given that previously they indicated all the savings could be made through amalgamation of departments, but they always left it open. I think they used the term ‘other savings’. Did they identify any other savings to assist you?

The PRESIDENT—I think Finance look at the Senate budget papers and see that the Senate has a rather large reserve, but that is there for future commitments to staff salary increases, replacement of assets and the like. I think they thought that perhaps they could get some savings from there, but my view is—as I said last time—that the government originally set out to make savings following recommendations from Podger. If they want to get money from the Senate department, let us be up-front about it and not use security as an excuse. My fear is that if they can take \$600,000 for security out of the surplus from accrual accounting that the Senate has this year then next year who is to say they would not want \$2 million or \$3 million. My view is that it should stay where it is meant to stay.

Senator FAULKNER—But the accumulation of these cash surpluses is encouraged, isn't it, under the new financial system that has been developed by the department of finance? That is my understanding. I could be wrong. Could you let me know?

The PRESIDENT—I think you are quite right. If Finance is looking to reduce that surplus, let it be up-front about it, in my opinion. If the Clerk can elaborate further I think you will find that there are costs in future that will pretty well take up a lot of that surplus.

Senator FAULKNER—But isn't it fair to say—Mr Evans, you might comment on this—that you have a very small department, like the Department of the Senate, encouraged to accumulate these cash surpluses and basically they want to get their hands on it.

Mr Evans—That is right. The new financial arrangement, which is now not so new, was that departments would be able to carry over operating surpluses and that this would enable them to engage in more rational budgeting and, in particular, that it would put an end to the old Public Service phenomenon of spending your appropriation before the end of the financial year before you lose it. All departments were funded for future asset replacement, for depreciation in effect, so departments were encouraged to keep their cash reserves at such a level as to enable them to fund future asset replacement and so on without coming back to ask

for more funds in the budget. So, yes, the new system has encouraged that more rational budgeting approach.

For the Department of Finance and Administration to then say, ‘You’ve got this cash surplus and, therefore, you can afford to take some cuts in your current annual budget,’ is contrary to that arrangement. I should say also that, as part of the new arrangements for security funding, a large part of the Senate department’s cash reserves will be transferred to the Department of Parliamentary Services, because it belongs with the security assets. It is, in effect, funds set aside for the future replacement of security assets.

Senator ROBERT RAY—Have you done a calculation of how much you would be transferring over?

Mr Evans—No, we have not done that at this stage. In the recommendations of the Appropriations and Staffing Committee that figure is left open for future negotiation.

Senator ROBERT RAY—We do not want to cruel your chances or those of the person sitting behind you of getting more, so we will not pursue that.

Mr Evans—I would rather not put a figure on it at the moment.

Senator ROBERT RAY—Mr President, in your preparation for the Expenditure Review Committee and your dialogue with the department of finance were you able to discover any other government department that has been required to produce savings to fund security matters? There are a lot of departments and organisations. Out of all those can you identify at least one, apart from the parliamentary departments, that has had to find savings?

The PRESIDENT—I pointed out to Finance at the meeting we had that I believe we are the only department to have to fund enhanced security arrangements out of savings. There may be others that are doing that but I am not aware of any.

Senator ROBERT RAY—But surely they would have corrected you and given you a long list of departments.

The PRESIDENT—I do not recall that they did.

Senator ROBERT RAY—No? They overlooked that, did they?

The PRESIDENT—They were more interested in the arrangements for the funding for the stage 2 security, if you wish. On both occasions when I have attended meetings I have raised that matter. Last time round I think they did mention some savings in one of the Defence areas, but as I recall it was rather minor.

Senator ROBERT RAY—Were they savings or offsets?

The PRESIDENT—I think you are correct and that they might have been offsets.

Senator ROBERT RAY—You mentioned stage 2. That quite properly is looking at three different aspects. What are those and can you comment on them? If you cannot comment, then don’t.

The PRESIDENT—It might be more appropriate to discuss that when the departmental secretary is here. She perhaps will have more information. I think the total budget is something like \$13 million.

Senator ROBERT RAY—We will leave that until a later point.

The PRESIDENT—I think it would be more appropriate.

Senator FAULKNER—Mr President, given that the parliamentary services department is really getting into its stride, are you now able to make a judgment and give your assessment of the amalgamation and how well it is working or not working?

The PRESIDENT—I commented to the secretary only this morning that I have not had any feedback that it is not working. In fact, I think the transition has been very smooth, as we all expected, because of the professional character of the people we employ. I understand there have been some savings of around \$2.2 million at this stage. No doubt as we progress further we hope there will be more savings. Generally speaking, I think it has been a very smooth transition, which goes back to what I said: it is because of the professional attitude of the people concerned and the general esprit de corps of this place. It does not seem to have caused problems, but perhaps that is a question you can ask the secretary. She might not be telling me things but I get the feeling from speaking to people in general around the place that things have gone quite well.

Senator ROBERT RAY—You were talking about the esprit de corps of the staff. Have there been any cases of abuse of staff by senators? We had better exempt the IT help desk from this particular question.

The PRESIDENT—I think we have all had a go at that.

Senator ROBERT RAY—I notice there was a story about someone having abused someone around here, but I do not think it was a Senate staffer. There have been no reports of anything along those lines?

The PRESIDENT—No, I have not had any.

Senator FAULKNER—Mr Evans, can you give us a Senate department perspective on the impacts of the amalgamation? Are you able to identify any positive or negative impacts? Let us put aside the funding savings, which are substantial and properly identified. Are there any impacts besides that?

Mr Evans—If we put aside the funding, I have no particular knowledge about how the integration of the various bits and pieces of the other departments is progressing. I know of no great problems with it.

Senator FAULKNER—There is no impact on the Department of the Senate then?

Mr Evans—The impact is financial, basically. The Senate department's budget will be greatly reduced in size as a result of the transfer of funds. The Senate department will face future funding problems. Basically going back to the problem that Senator Ray has pointed out on a number of occasions in this forum, if the application of the efficiency dividend and having to pay any salary increases out of savings goes on indefinitely, the budget and department will be reduced to nothing. So there will be financial pressures on the Senate department in the future.

Senator FAULKNER—One of the clear suggestions in the Podger report was that services to senators would not be impacted by the amalgamation of parliamentary departments. You would recall that of course—

Mr Evans—Yes, indeed.

Senator FAULKNER—as being something that was spoken of at some length. Are you saying that that assurance might not apply?

Mr Evans—I certainly would not give that assurance. Probably the assurance was given originally in the Podger review with fingers crossed behind backs. I certainly would not be able to give that assurance that, unless some revision of the budgetary process takes place at some stage in the future, services to senators will not be affected.

Senator FAULKNER—Do you think Mr Podger was gilding the lily a bit?

Mr Evans—As I said, he probably had his fingers crossed behind his back or under the table. I think he was saying that the mere amalgamation of these functions and the amalgamation of the departments would not impact on services to senators immediately, but longer term there will be financial pressures on this department and, therefore, ultimately on services to senators.

Senator FAULKNER—Have you been able to identify any immediate consequences of the sorts of funding pressures you have spoken of?

Mr Evans—Not at this stage. At the insistence of Senator Murray, as I recall, we released a list of things that we might consider for cutting in the future. I have produced that list with great reluctance, because it was only an indicative list of things that we might think about cutting if we had to take that \$1.2 million cut that we were talking about then and ensuring that it came out of current expenditure and current functions. But certainly in the future we may have to start looking at things like that again.

Senator FAULKNER—I think everyone saw with horror on that list volume 3 of the biographical dictionary of the Senate. That was on your list, wasn't it?

The PRESIDENT—I have a copy on my desk. It arrived this morning. It is a very good publication.

Senator FAULKNER—Not volume 3; volume 2, I am sure.

The PRESIDENT—Yes, volume 2.

Senator FAULKNER—I think volume 3 was on the list, wasn't it, Mr Evans?

Mr Evans—Yes, it certainly was.

Senator FAULKNER—Are you able to give us an update, at least in relation to volume 2?

Mr Evans—Volume 2 has been published and it has been printed. Senator Faulkner has a copy and, with the completion of that volume, we hope that we will go on and start the process of volume 3. But I am sure in the wider world of bean-counting—as it is usually called—that is regarded as a superfluous luxury that we could easily dispense with.

Senator FAULKNER—Volume 3 will cover the years 1963 to—

Mr Evans—1983. That is the plan at the moment.

Senator ROBERT RAY—The cost of this is only one department of finance SES retreat, isn't it, or less?

Mr Evans—Probably much less, I should think.

Senator FAULKNER—Ms Griffiths, in relation to Senate printing, which I think is probably in your area of responsibility, first of all, are you able to indicate to the committee whether you feel this particular function of the Senate is working well. I am interested to know to what extent there have been stresses on the Senate Printing Office.

Ms Griffiths—There has been a steady stream of use, especially with senators' newsletters, which seem to be becoming more numerous now, given the year that we are in. One concern that I have is that we have had a lot of long-term illness within the staff of the printing unit, which we are monitoring closely. One person has been off for several months with a foot injury and another has sustained a back injury, which is part of the nature of the work, I am afraid. The only other stress that we have with it is this ongoing 'censoring' role that the Black Rod and the Deputy Black Rod perform that some senators are not very happy with.

Senator FAULKNER—First of all, in relation to those occupational health and safety concerns that you mention, which obviously are serious matters, is this a particular problem in the printing office because of the nature of the work?

Ms Griffiths—Yes. A couple of the injuries have been sustained because of the nature of the work, but it is also an ageing work force down there as well. So we are adopting some strategies to try to get some younger people in who can learn how to use the equipment so that there is a good transition period for when people retire.

Senator FAULKNER—The second issue that you raise is a long-term issue—the censoring of material that senators request be printed in the printing office. Is that governed at all by the time or sensitivity of the electoral cycles? Does it become more of an issue as you are moving towards an election?

Ms Griffiths—Yes, I would say that it becomes more of an issue now.

Senator FAULKNER—Are you able to quantify for the committee the pattern of interventions in relation to this so that we can get some sort of feel for what is happening?

Ms Griffiths—Yes. I gave some advice to the President in March this year, so it is only up to there. For example, for the calendar year 2003 we approved 150 newsletters. Of those, eight were not approved in their original form: three due to articles which dealt with election campaigning other than on the senators' own behalf, and five dealt with party political business—that reflects five per cent. Between 1 January and 12 March this year, a further 50 newsletters were approved. Three newsletters were revised to accommodate concerns about articles dealing with party business, which is approximately 5.5 per cent. Other reasons why they were asked to be changed included: there was commercial advertising, the printing appeared to be on behalf of another person or the coat of arms was in the wrong place. We have had a couple, from memory, since then where we have suggested some rewording so it would come within the guidelines.

Senator FAULKNER—Is there an increase of material coming through that is election related, if you like?

Ms Griffiths—In the last few newsletters, yes. You can see that they have got an election flavour and senators are very keen to be advertising the local candidates in their area.

Senator FAULKNER—What are the guidelines that currently cover this? Are senators well aware of those guidelines?

Ms Griffiths—Yes. The President sent out to senators at the end of last year what the entitlements were, but this is where we have had debate. Where are the guidelines? The guidelines state—and these are the guidelines that we use, which are taken from the Ministerial and Parliamentary Services handbook—that you can advertise yourself for your own re-election, but you cannot advertise other people. So it cannot be party political or election campaigning.

Senator FAULKNER—Are some senators trying to work in a lot of promotional material for House of Representatives candidates?

Ms Griffiths—Yes, they are trying.

Senator FAULKNER—They are trying, but not succeeding.

Ms Griffiths—No. We have compromised.

Senator ROBERT RAY—Mr President, do you put any of these newsletters out? Do you advertise local candidates?

The PRESIDENT—I am part of a joint newsletter put out by the Liberal Senate team in Tasmania.

Senator ROBERT RAY—I recall they tried to promote candidates, didn't they?

The PRESIDENT—They promote Liberal Party members.

Senator ROBERT RAY—Who just happen to be endorsed.

The PRESIDENT—I think in one case, yes, but that was picked up by the Black Rod and it was amended.

Senator FAULKNER—But you would vet the material that goes out in your name, wouldn't you?

The PRESIDENT—I did not see the last one, no.

Senator FAULKNER—But haven't you got to set an example as the Senate President?

The PRESIDENT—Yes, but as you would be aware there is a different set of rules in the House of Representatives. People in the other place are allowed to print virtually what they like, and of course senators think, 'Why can't we do the same?' But they do not realise that they come under a different arrangement. This has been an ongoing matter that the Black Rod, the Special Minister of State and I have been discussing for quite a while to try and sort it out, because some senators believe they are not being treated as well as members of the House of Representatives.

Senator FAULKNER—But I cannot work that out, because there are no Liberal Party members from Tasmania in the House of Representatives. Senator Abetz has made sure of that. So I do not see where that pressure could come from.

The PRESIDENT—No, I am just speaking generally about every state. We are talking generally now about printing. You asked me a particular question about our joint newsletter—

Senator FAULKNER—Senator Ray did actually.

The PRESIDENT—I am sorry; Senator Ray did. I must admit the first one I looked at I thought the Black Rod may have picked up a couple of matters, and the Black Rod did. I believe that a couple of minor changes have been made to it to allow it to go through, but I am not the chief censor.

Senator FAULKNER—No.

Senator ROBERT RAY—The Black Rod is—that is my problem. Why don't you just dump this out of the Senate department? It has been there for 30 or 40 years. It has become a joke. Why don't you just cut and run on this—no Senate printing allowance, leave it up to DOFA to do or Senator Abetz to do what he wants to do with it to make it equal and just get out of it. You are always going to be put in a position where you are making Black Rod the censor. It is never going to be very popular with senators and it puts you in a totally invidious position. Why don't you just cut and run?

The PRESIDENT—It is not as easy as that because there are other matters that come in. It could disadvantage senators if we were to change the arrangements we have now. I know there are discussions going on between the minister's department and the Clerk as to ways in which we can perhaps sort this out. I quite agree with you: it would be a good thing to get rid of and take the pressure off, but there are discussions going on at the moment, I believe.

Senator FAULKNER—Who are the discussions occurring between?

Ms Griffiths—I have had preliminary discussions with Mr John Gavin from Ministerial and Parliamentary Services looking at how the regulations might be changed, not to increase the access to the printing entitlement but to give senators more choice. One of the options, for example, was that maybe senators in a calendar year would choose either going through DOFA and having their newsletters printed if they wanted to or staying with the Senate and getting it done through the Senate.

Senator FAULKNER—Who took that initiative?

Ms Griffiths—Mr Gavin approached me.

Senator FAULKNER—Mr Gavin approached you.

Ms Griffiths—Yes.

Senator FAULKNER—Why?

Ms Griffiths—It stems from I think a request from Senator Abetz to the President on how we might be able to—

Senator FAULKNER—Because Senator Abetz's newsletter was knocked back. This is incredible.

The PRESIDENT—No, that was not the case.

Senator FAULKNER—Now we hear that the Special Minister of State's department—one of the departmental officers—approaches the Department of the Senate effectively to change the rules because Senator Abetz has broken the rules or did not comply in the view of the Black Rod, who is the chief censor. Whether that is a good situation or not is another issue.

The PRESIDENT—This has been going on for quite a few years now. Since I have been President, I have been approached by some senators—I have not had any senators from the opposition approach me—but you may have.

Senator FAULKNER—On what? They approach me all the time but not on Senate printing.

The PRESIDENT—Right.

Senator FAULKNER—I am a very approachable person.

The PRESIDENT—They approached me with concerns about Senate printing which I took up with Senator Abetz. As a result of that, these discussions have been going on.

Senator FAULKNER—So you raised the issue with Senator Abetz.

The PRESIDENT—Yes, I did raise the issue with Senator Abetz as a result of some discussions brought to me from a meeting of the coalition Senate party meeting. They raised the issue with me, and I raised the issue with Senator Abetz because it was a rehash of what we have just been talking about as to why we have different sorts of arrangements in the House of Representatives and the Senate. It is a bit more complicated than we think. You have to realise that, for instance, a senator who is going to put out a newsletter to each constituent in the state of New South Wales would be quite considerable, whereas a House of Representatives member's newsletter may go to only 30,000 or 40,000 people or perhaps more. A senator in New South Wales, like Senator Forshaw—I do not know how many you would have to send out if you wanted to cover the state but I think it would run into the millions.

Senator FORSHAW—A lot more than you.

The PRESIDENT—Then of course you have got the cost, so it is not quite as simple as we would like to make it out to be. The Black Rod did give me a report on how many complaints she had and, generally speaking, they seem to be reducing. I think the reason they are reducing is that senators are starting to realise that they have to comply with certain guidelines if they wish to use parliamentary printing.

Senator ROBERT RAY—There is a difference in guidelines now, is there not, between the ones that the Department of the Senate apply and the ones that DOFA apply for House of Representatives members not using the House of Representatives? It is an entirely different set of guidelines now, isn't it?

The PRESIDENT—Yes.

Mr Evans—I think I can throw some light on this problem. If you asked some people, they would probably say that I was the problem. The House of Representatives members get a bucket of money, basically, to spend on printing.

Senator FAULKNER—It is not limited to Senate printing, Mr Evans.

Mr Evans—That may be the case, but I will explain that as I go along. The House of Representatives members get a bucket of money and, providing that they certify that they are spending it on printing, they get the money. It does not matter what sort of printing they are spending it on, and we would point out that there is no guarantee that it is spent on printing—only that it is certified to be spent on printing. They can print whatever they like. In effect, there is no policing of the guidelines in relation to content to ensure that their printing is confined to parliamentary matters.

Senator ROBERT RAY—No. There is guidance given. Guidance is given to parties.

Mr Evans—But it is not policed.

Senator ROBERT RAY—It can be policed by way of complaint if those guidelines are gone beyond. I think we have to be fair. It is not just an open slather for the House of Representatives members. There are guidelines.

Mr Evans—There are guidelines but, as I understand it, providing that the member certifies that the money was spent on printing, there is no other policing of the expenditure of the money. It could well be that, following complaints from people who are in receipt of this material about it being devoted to electioneering and so on, some action may be taken to counsel the members about the content of their material, but there is no systematic policing of it as such.

Senator MURRAY—And no penalty.

Mr Evans—I do not believe there is any penalty, no.

Senator ROBERT RAY—Are you saying that people have not repaid money?

Mr Evans—I do not know that.

Senator ROBERT RAY—Make sure that you do not know it, not that you are certain that that is the case.

Mr Evans—I am going on the information that I have. I think the problem arises because the Senate department administers the funds for printing by senators, and it is confined to a quota of material rather than to an amount of money, and the Senate department takes seriously the guidelines which say that the material is to be confined to senatorial business and is not to go to party political business or electioneering for other people. I have repeatedly said—and I think this is where I have become the problem—that as long as the Senate department have responsibility for authorising expenditure of money we will attempt to ensure that the printing is confined to parliamentary purposes and that electioneering and party political business are not included. That is where the censoring function comes in, as it has been loosely called. As the President said, senators have a tendency to ask: ‘Why can’t we do what the House of Representatives members do? Why do we have this censor looking over our shoulders telling us what we can and can’t print?’

Senator ROBERT RAY—Just to make it clear: what is the annual financial year cost, as close as you can estimate it, for printing for senators? I know the printing office of the Senate

does a lot of other printing, like the printing of reports and other things. What is the actual cost for senators, if you can break it up?

Mr Evans—I am told it is between \$300,000 and \$800,000, varying from year to year.

Senator ROBERT RAY—It is \$5,000 a month, as I understand it. Is that right?

Ms Griffiths—It is 10 or 20 reams. For office holders it is 20 reams and it is 10 reams per month for backbench senators.

Senator ROBERT RAY—That is right; that is \$5,000.

Ms Griffiths—Yes.

Senator ROBERT RAY—Where is the authority for this entitlement? Is it the Remuneration Tribunal? Is it just Senate practice? Where is it?

Mr Evans—It is in regulations under the Parliamentary Entitlements Act.

Senator ROBERT RAY—So to dispense with it one would have to change the regulations?

Mr Evans—Yes, that is correct.

Senator ROBERT RAY—I put it to you, Mr President, that it is not worth \$300,000 or \$800,000 a year to get caught up in all this. Senate printing was there when you did not have desktop publishing and when you did not have access to photocopying machines. A whole range of technology has changed since then, and it is a sort of leftover anachronism in the department. I think the House of Representatives still has the same entitlement per month plus the DOFA entitlement. I would just scrap it full stop—make a saving. There you go. I know it will not be a saving of \$300,000 or \$800,000, because there are other imputed overheads, but there would still be a saving.

Mr Evans—Presumably. This expenditure comes out of special appropriations, not out of the annual budget.

Senator ROBERT RAY—Yes, but I am talking about getting brownie points with DOFA rather than actual money changing hands.

Mr Evans—In response to suggestions that the regulations be changed to transfer it to DOFA, I have always said that we have no objection to that. It is not a function that we want to desperately hang on to—

Senator ROBERT RAY—Exactly. Thank you, Clerk.

Mr Evans—Take it away! I am not fussed about whether it goes or does not go. But, as I have repeatedly said, as long as it is with us, we will apply the guidelines that are supposed to be applied.

Senator MURRAY—Just a request in continuing these discussions, would the quality of advice be an issue if that function was transferred to DOFA, for instance? The quality of advice we get at present from the Black Rod is high, and it is very useful to know it to make sure you are on the straight and narrow with rules that not everyone is familiar with on a daily basis. I think we would need to be sure, as senators, that the quality of advice was maintained when it was sought.

Mr Evans—That could be a possible drawback of the transfer, certainly.

Senator FORSHAW—Is that total figure of \$300,00 to \$800,000 all senators' printing?

Ms Griffiths—Yes, stationery.

Senator FORSHAW—Because you do stationery, letterheads—

Ms Griffiths—It includes that. Also business cards.

Senator FORSHAW—Do you have a break-up of how much is on what might be called stationery type printing and what is done as newsletters or calendars and things that are particularly senator specific?

Ms Griffiths—I have not got that with me, but I can provide that advice. I will separate the monthly entitlement and the printing for that compared to the personalised stationery entitlement. I can give a breakdown for you. Would that be for the last calendar year and so far for this year?

Senator FORSHAW—I am just trying to get an idea, because all of the stationery printing, like letterheads and envelopes, has to be done through Senate printing.

Ms Griffiths—I will do it for this financial year.

Senator FAULKNER—Ms Griffiths, were you saying that all the rejected requests were from coalition senators?

Ms Griffiths—I did not say.

Senator FAULKNER—I think that was insinuated.

Ms Griffiths—I think the majority—

Senator FAULKNER—Perhaps it was Mr President who insinuated it, when he asked me about complaints from opposition senators. Anyway, let us get it clear.

Ms Griffiths—The majority have been from coalition senators, but there have been a couple of opposition senators where I have negotiated a change.

Senator FAULKNER—When did you become aware of that the President's communications with the Special Minister of State on this issue?

Ms Griffiths—The Special Minister of State wrote to the President on 18 August 2003, so I would have found out shortly after that.

Senator FAULKNER—But Mr President indicated that he raised this issue with Minister Abetz. I think you have indicated that to us, haven't you, Mr President?

The PRESIDENT—We had discussions about it, and then he wrote to me. I could not recall the date, but the Black Rod has that.

Senator FAULKNER—But who approached whom? Did you approach, or was it the coalition party room? How did it all work?

The PRESIDENT—I was approached by the Leader of the Government in the Senate as the result of a meeting which coalition members would remember—a Senate party meeting—for this very reason that we are talking about, that there was some dissatisfaction and confusion about Senate printing.

Senator FAULKNER—So Senator Hill approached you—

The PRESIDENT—I took the matter up with Senator Abetz. He wrote to me. I also at that time, before last Christmas, sent a letter around advising senators of what their printing entitlements were, because there seemed to be some confusion about exactly how they worked. The Black Rod organised to send around a statement of how it all worked so that perhaps some of that confusion could be put aside. As a result of that, I think you will find that the number of complaints has reduced significantly.

Senator FAULKNER—I am sure that is right. When did Senator Hill approach you?

The PRESIDENT—I cannot recall. It was last year some time—obviously around the same time I took the matter up with Black Rod and Senator Abetz. It was as a result of that that I took it up.

Ms Griffiths—The President wrote back to Senator Abetz, from memory, saying that we were prepared to meet with officers from Ministerial and Parliamentary Services to explore different approaches. We really were unable to get any further ahead. Reiterating what the Clerk said, currently while ever we had it under section 44 of the FMA Act, which relates to the efficient, ethical and effective control of Commonwealth resources, we were unable to change it. It was not until a couple of months ago that Mr Gavin approached me again suggesting we meet and talk about the possibility of amending the regulations.

Senator FAULKNER—Anyway, there has been correspondence between you, Mr President, and Senator Abetz.

The PRESIDENT—Yes.

Senator FAULKNER—Can that be tabled for the benefit of the committee, please?

The PRESIDENT—I will see whether we can find that.

Senator FAULKNER—Thank you. There is no correspondence from Senator Hill?

The PRESIDENT—No.

Senator FAULKNER—Given that Senator Abetz and you as the President of the Senate have primary responsibility in our system of government for ensuring that parliamentarians conform with their entitlements and the administration of parliamentary entitlements, do you not think that, as two senior office holders, you should be setting an example? It is pretty embarrassing when your own material is knocked back by the Senate because it does not conform and as a result there is an attempt to change the guidelines.

The PRESIDENT—When you say that it was knocked back, my understanding is that a couple of minor changes had to be made. Is that a hanging offence, Senator?

Senator FAULKNER—I am not saying that it is a hanging offence. I do not think it is a hanging offence, but I do think that you as President of the Senate and Senator Abetz as the minister responsible for parliamentary entitlements are in a unique position to set an example for other parliamentarians. Here there is material being requested to be printed by the Senate Printing Office and when it does not conform we have a series of other arrangements going on, which I had not become aware of until today, to try to change the guidelines so that this sort of material will be able to be printed in future. I do not think that is good enough. It is a

very poor example to all senators. They expect more, particularly when the administration of these entitlements gets a massive amount of media and public focus—even in the past week or so, as you would be aware, in relation to travel entitlements. You have to set an example and you did not on this occasion.

The PRESIDENT—That is your opinion. I did not prepare the newsletter myself. I did look at it.

Senator FAULKNER—It would be pretty embarrassing if you are proposing that the Senate print your newsletter which turns out not to conform with the Senate guidelines. You did not even read it. No wonder the Liberal Party does not hold any House of Representatives seats in Tasmania.

The PRESIDENT—I did find out what the little difference was. It was not major at all. It was just the way a person was referred to, as I recall. I have been taking this matter forward as best I can. This is not the first time printing has been raised. I have been in the Senate for 17 years and Senate printing is a matter that comes up from time to time concerning what is right and what is wrong. It is something we should try to put to rest. That is why I have been having correspondence with Senator Abetz. As a result, we are getting closer to some resolution but it is not as easy as it sounds. For all the reasons the Clerk mentioned, you just cannot dump it unless you can tie up loose ends and get it sorted out.

Senator FAULKNER—This was not raised at the Senate Appropriations and Staffing Committee, was it?

The PRESIDENT—No, and I cannot see any reason why it should have been.

Senator ROBERT RAY—I can.

Senator FAULKNER—The first we heard about it was today.

Senator ROBERT RAY—I think it should be raised at some stage, but maybe not yet. Just for my benefit, who prepares these newsletters that you do not read?

The PRESIDENT—Usually it is done by staff.

Senator ROBERT RAY—So these were prepared by MOPS staffers, not by the government?

The PRESIDENT—Staff from my office and staff from Senator Abetz's office, Senator Watson's office, Senator Colbeck's office and Senator Barnett's office put together a joint newsletter about the sorts of things we have been doing in the electorate and put some photos with them, and then we generally agree on what we put in it.

Senator ROBERT RAY—So there is no involvement of the Government Members Secretariat in this?

The PRESIDENT—Not that I am aware of, no.

Senator FAULKNER—Mr Chairman, in the spirit of cooperation that pervades all the work of this committee, Senator Murray has indicated that he has some clashing committee logistical problems so I am very happy to cede the call to him.

Senator ROBERT RAY—He is a senior Democrat from Western Australia.

Senator MURRAY—Thank you. Mr Evans, I have some questions that concern matters of privilege and the constant costs relating to the matters affecting Senator Crane and Senator Harris. As I understand it, the exercise of establishing what was privileged and what was not and what should be covered by a police warrant and what should not ended up as a quite expensive exercise in both circumstances.

Mr Evans—That is true. The major cost for the Senate department in each case was the engagement of the neutral third party, the consultant who was hired by the Senate, as it were, to go through the documents to determine which of them was protected by parliamentary privilege.

Senator MURRAY—And, of course, those costs were not budgeted for, were they?

Mr Evans—No.

Senator ROBERT RAY—You still have a contingency amount of money each year for such events, though, don't you? You used to have a contingency of \$60,000 as I recall.

Mr Evans—For legal advice.

Senator ROBERT RAY—I am sorry to interrupt you, Senator Murray, but I just thought we might put that on the table. You do have a reserve amount each year, Mr Evans, don't you?

Mr Evans—Yes, that is true. We can attribute those sorts of costs to that.

Senator ROBERT RAY—I am sorry to have interrupted you, Senator Murray.

Senator MURRAY—That is all right; I was going to get there. What I want to know is in what particular budget item you found that money. Is it that contingency budget item that you have to use or do you need a special appropriation? What happens?

Mr Evans—No. It is charged to the department's appropriation, which of course in the actual appropriation bills is not split up nowadays. Basically we charge it to that item for legal advice.

Senator MURRAY—I think we face a real problem with this issue and I think it will get worse. It is an issue that affects not just parliamentarians; it affects ordinary citizens—namely, the fact that warrants are issued and that the police sweep up much more than is needed for the purpose of the warrant, particularly with respect to computer hard drives, disks and so on; they sweep up everything else that is in there. My question goes to whether the Senate has made a submission to the Scrutiny of Bills Committee with respect to its interest in search and entry matters and whether the Senate has made any recommendations as to how the Parliamentary Privileges Act, or indeed the search and entry provisions under other legislation, might deal with this problem.

Mr Evans—We have not seen it as a problem that can be tackled statutorily, as it were—apart from the fact that you have hundreds and hundreds of search and entry provisions which have to be looked at separately. I think it would be difficult to overcome this problem by statutory change. It would be very difficult to formulate something in the statutes that would deal with this problem. Some people will tell you that the problem is not in the law at all—there is nothing wrong with the law—that the police are authorised by warrant to seize material relevant to the particular offence they are investigating and, if they stick to that, there

will not be any trouble. As you say, there is the practical problem of enormous amounts of information being stored on computers and the easiest way to search that is to copy it all and take it away with you on a disk and to seize the computers and so on if necessary.

We have been narrowly focused on how to deal with this in relation to senators, where they are affected, and have been pursuing the question of guidelines agreed between the law enforcement authorities and the Presiding Officers to make sure that searches at least of senators premises are conducted in such a way that these problems do not arise and to ensure that claims of parliamentary privilege are properly accommodated in the way in which search warrants are executed. We have not been trying to look after all the other people who might be on the receiving end of search warrants.

Senator MURRAY—I just make the point that the problem that senators have must be a problem in the general community. If somebody sweeps up your entire hard drive and all your disks with a search warrant, inevitably that would be occurring with a citizen elsewhere.

Mr Evans—Yes, that is quite true. In the case of Senator Harris, as you know, the neutral third party, having gone through the documents, discovered that none of them were within the terms of the warrant. None of the documents were authorised for seizure under the warrant. That must happen with other searches time and again. How often do searches sweep up a great collection of documents with nothing to do with the search warrant but which the law enforcement agencies are then able to go through at their leisure and see what else they might find in there? It is a big problem.

Senator MURRAY—I think the issue of parliamentary privilege is one of the most vital protections a democracy has. I am concerned anecdotally that some members of the police service and maybe other services are starting to believe that they can access a parliamentarian in the way they should be able to access anybody else in society, and the process of attacking the protections that parliamentarians offer members of the community who talk to them confidentially. My question is whether in your knowledge, because you give advice to lots of senators, you are identifying any greater incidence of police interest in senators' offices and affairs in their function as parliamentarians than in the past.

Mr Evans—I think the number of inquiries about that subject and the number of potential problems has increased, and that is probably due to greater intensity of activity of law enforcement bodies generally. Nowadays you have not only the police but also independent commissions against corruption. There has been a long running case in New South Wales involving the Legislative Council and ICAC in that state. You have these other law enforcement bodies with powers to conduct searches more intensively active. Whether that will lead to more searches in the future I would not like to say.

The cases of Senators Crane and Harris have let the law enforcement agencies know, and the one in New South Wales as well, that they may run up against potential brick walls if they start, willy-nilly, trying to search the offices of parliamentarians. It has perhaps given them something of a check and will make them think more carefully about that in the future.

Senator MURRAY—I assume that, if 76 senators are feeling the effects of greater police attention over time in the manner described by Mr Evans, the House would be experiencing

the same thing. I am aware of one or two press reports on matters there. Has this matter been discussed at all by the Presiding Officers?

Mr Evans—There have been negotiations between the two Presiding Officers and the Attorney-General in relation to formulating these guidelines to be observed by law enforcement agencies in searching parliamentarians' offices.

Senator MURRAY—When are those guidelines likely to be finalised?

Mr Evans—We have seen the draft Senate guidelines and suggested a few changes to them. If those changes are satisfactory, it is only a matter of their being promulgated and entering into force.

Senator MURRAY—Given that a Senate committee is interested in this area—namely, the Scrutiny of Bills Committee—is it the intention of the Clerk's office to put in a submission or to make any recommendations with respect to search and entry provisions, and whether any adjustment to the Parliamentary Privileges Act is possible or is necessary statutorily?

Mr Evans—I certainly have made a submission to the Scrutiny of Bills Committee on that subject.

The PRESIDENT—Both privileges committees have seen the draft guidelines.

Senator ROBERT RAY—For Senator Murray's information, the Senate Privileges Committee has had this under active scrutiny for six years, so you can imagine we have been a little frustrated that Mr Williams took five years to get around to doing anything about it. We are hoping that with a more active Attorney-General it might be concluded some time in the next five years.

Senator MURRAY—The point I make, and it is not the smallest point, is that it is an expensive business. It would be much easier if this thing were resolved.

Senator ROBERT RAY—The procedures for the searching of MPs offices will not resolve any of this. The point is: who do you want to determine matters of privilege with regard to documents? Do you want adversarial colleagues doing it? Do you want to put the clerks in the embarrassing position of doing it? That is why we go to outside people—because there is no alternative.

Senator MURRAY—I accept that, but this is not a contest between you and me, Senator Ray. The point is that, if the forces were aware of proper conduct, they would not be sweeping up material which is not relevant to their inquiries.

Senator ROBERT RAY—Made worse by the fact that most of it is electronic, and they do not know what is there until they sweep it up.

Senator MURRAY—That is why I am asking whether there is some statutory or other adjustment needed to recognise that most legislation does not sufficiently or adequately deal with new technology and the consequences of it.

Mr Evans—The Senate Privileges Committee did say that in its report. Perhaps we ought to be looking at changing the law to somehow cope with material stored in computers. As to exactly how you do that is a difficult matter.

Senator MURRAY—That is behind my question. I am certainly not equipped to offer an opinion on it, but it does seem to me that search and entry provisions, which were designed in the era of paper, are now being used in an electronic age and have consequences which affect parliamentarians' duties, their staff and the functioning of their offices. In my view, it erodes the very protections which are at the heart of parliamentary privilege. If we do not look after our own we cannot expect somebody else to do it. That is why I am asking whether people who understand more about these things than I do are trying to come up with a view as to how search and entry in electronic equipment can be better designed and managed.

Mr Evans—Yes, that is true. We have been narrowly focused on the interests of senators and parliamentarians in this, not protecting the wider community. The problem is how the law enforcement officers executing the search warrant discover which of the documents on a computer are relevant to their investigation. Do they sit in the office for 10 days going through the material on the computer? You would have to put in place some system whereby they would be able to access the material on the computer subject to safeguards of some sort, which would be designed to prevent them taking away and using material that is not relevant to the investigation in hand. What sorts of safeguards you put in place would have to be carefully considered, and it would be bound to cost money.

Senator MURRAY—I close by hoping that the Presiding Officers and the clerks would really put their thinking caps on if what I see as a trend accelerates.

Mr Evans—We have got the thinking caps on—we are thinking about that and a lot of other things.

CHAIR—There being no further questions for the Department of the Senate, I thank Mr Evans and the officers. I call the Department of Parliamentary Services.

[10.18 a.m.]

Department of Parliamentary Services

CHAIR—Ms Penfold and officers of the Department of Parliamentary Services, good morning and welcome. Ms Penfold, do you have anything to add before we start?

Ms Penfold—I do not have any opening statement.

CHAIR—In that case, I will call for questions from members of the committee.

Senator JOHNSTON—I want to discuss the purchase of furniture both for the Senate and the House of Representatives. A significant component of that furniture was leather. The joint services department—is that what it is called?

Ms Penfold—The Department of Parliamentary Services.

Senator JOHNSTON—This is the old Joint House Department, is it?

Ms Penfold—The old Joint House Department is part of the new department.

Senator JOHNSTON—The Joint House Department is the one I want to deal with. They elected to go with in two instances imported leather. In the first instance 150 House of Representatives chairs went to a firm called Elmo, which is a Swedish leather manufacturer that is subsidised by the EU, instead of the Australian producer. So, effectively, the parliament went to a competitor from overseas that was assisted in its price competitiveness beyond the

level playing field that confronted the Australian tenderer. Further to that there was testing. A letter to the Australian tenderer suggested that the quality of the Australian product was not comparable to that of the European product. Firstly, can we deal with the Senate black leather lounges. That one relates to the CSIRO finding that the average thickness was 0.7 of a millimetre as opposed to the specified requirement of one millimetre or better. Who here has knowledge of that subject?

Ms Penfold—I will ask Andrew Smith to respond to you in detail but I should say at this stage that over the last few years there have been at least five different instances involving leather purchases where we—and, I think, in one case the House of Representatives—assessed leather from different suppliers for suitability. We may find that we will get into difficulties in terms of which particular incident we are talking about.

Senator JOHNSTON—We can talk generically about the guidelines if you like. In this instance, I am looking at a letter to a West Australian manufacturer dated 22 May 2003 from Mr Tooy Elliott—

Ms Penfold—Ms Tooy Elliott.

Senator JOHNSTON—My apologies to Ms Elliott—alleging that the quality, as reviewed by the CSIRO Leather Research Centre, was not up to specification. On what basis did you choose the CSIRO Leather Research Centre to test and evaluate leather? They are a research centre and not an accredited evaluator, I would have thought.

Mr Smith—The leather selection process we went through was quite involved. The manufacturer Gosh recommended that we use an independent testing facility. We chose the government's CSIRO, believing that they were an independent testing facility that would provide us with the right answers.

Senator JOHNSTON—Do you now know that that was probably not the case?

Mr Smith—No. They were given a specification that we wanted the leather to meet and they tested against that specification.

Senator JOHNSTON—Why did you choose them?

Mr Smith—I am not certain exactly why. I would have to—

Senator JOHNSTON—They are not an accredited leather evaluator or tester; they are a research centre. The British Leather Centre is the world renowned test centre for evaluating leather. So we have gone out and, on the basis of an unaccredited leather tester, as I understand it, have eliminated the Australian tenderer.

Mr Smith—That was not the only reason why that tenderer was eliminated from the selection.

Senator JOHNSTON—Let us talk about the other reasons. The principal reason was the thickness as measured by the CSIRO. What were the other reasons?

Mr Smith—We went through a long process which included comparisons of a number of leathers. Gosh Leather had several opportunities to provide us with different samples. They eventually provided us with a sample which we thought was—

Senator JOHNSTON—They provided you with two samples, one of which you chose over another sample and then proceeded to eliminate the first sample without referring the reasons for the elimination and measuring them against the other sample. That is what happened.

Mr Smith—They provided us with, firstly, a swatch of five or six different samples. They came on-site and inspected the leather chairs that we were trying to match. We then sent them a seat cover from one of those chairs, which they proceeded to try and match. They provided us with two samples of leather which they thought closely matched that chair. One of those samples was then selected for testing, and we got them to provide us with five hides of that type of leather. We made a sample chair using that leather and we had another one of those five hides tested by the CSIRO. The chair manufacturer has provided us with a statement which says that the general quality, thinness of hide, major blemishes and scarring, small hide size and poor cutting yield extra production costs. They were the reasons why the manufacturer of the chair rejected the leather.

Senator JOHNSTON—The poor cutting yield was in comparison to a European animal—grain fed and never out in the countryside. Obviously that is a guideline provision that eliminates an Australian competitor with cattle, particularly from Queensland and Western Australia. When you put a guideline in about cutting efficiency of 70 to 80 per cent—which these hides would have delivered, but your manufacturer was seeking much higher efficiency than that—straightaway the Australian competitor is out the window. Do you not understand that?

Mr Smith—We were not looking just for efficiency; we were looking for the best value option for Parliament House.

Senator JOHNSTON—The best value option when the European competitor is subsidised. How can we compete with that? Do you not understand that Elmo had a million euros to build its new plant?

Mr Smith—No. I did not.

Senator JOHNSTON—These are very important things that Australian primary producers rely on you to investigate and get right when they are tendering for very important national iconic leather consumption issues. I cannot believe that we have eliminated a world renowned Australian producer that produces leather for BMW, Mercedes, Austel Ships, Golden Eagle Airlines, Ford, Holden and Riviera boats. We have gone with the European producer who is subsidised from Sweden.

Ms Penfold—This is obviously something we will have a closer look at but, as far as I am aware, we are funded to get the best value for money in replacing leather in this building.

Senator JOHNSTON—You are always going to get the best value for money when you are dealing with a subsidised competitor.

Ms Penfold—That may be a problem with the system.

Senator JOHNSTON—You have a preference in your tender documents for Australian product. Obviously that is not surveilled and not enforced. Where are we going with this? You have guidelines that eliminate Australian hides by virtue of the criteria about scars and natural

marks. We have laws in this country that require hides to be branded, so straightaway you have eliminated Australian producers. You also have requirements in your contracts for a preference for Aboriginal and Torres Strait Islander people to be employed in goods manufactured and consumed in this parliament. How many Aboriginal people do you think are employed by Elmo in Sweden? Seriously, these guidelines have obviously been composed with no consultation with industry in this country at all.

Ms Penfold—As I say, we will have a look at those guidelines but we have to focus on obtaining the right product for this building within Commonwealth procurement guidelines.

Senator JOHNSTON—Are you aware of the terms and conditions of your contract?

Ms Penfold—I cannot say that I am aware of the detailed terms and conditions that you are quoting.

Senator JOHNSTON—There is a warranty provision that were any of the goods to be substandard, damaged or not adjudicated solely at the discretion of the Joint House Department then the provider will repair or replace them without question, disputation, arbitration or any other correspondence. It is a very one-sided contract. On that basis, you are telling me the Australian producer has been eliminated when the product has to be as specified or at the expense of the successful tenderer it must be replaced by law, by contract. I find this whole structure very worrying because there are questions left unanswered as to what the process is here. We are importing leathers on two separate occasions for very large sums of money—hundreds of thousands of dollars, I believe—for the Australian parliament and we have effectively knocked out the Australian producer, who is world renowned. How many Australian producers do you think provide leather and components for BMW and Mercedes?

Ms Penfold—I have no idea.

Senator JOHNSTON—I do not think there are very many others.

Mr Smith—The sorts of leathers you are talking about for car seats are completely different to the leather we are using for the manufacture of furniture in Parliament House. They are different types of leather. While Gosh may be a world renowned supplier of leather for those sorts of car seats, they are not a world renowned supplier of leather for soft furnishings.

Senator JOHNSTON—You have told me that you went to CSIRO for testing of the thickness—and they are not an accredited tester; they are a research centre. You have told me that the cutting rate had to be above 70 and 80 per cent, as in Ms Elliott's letter. I am telling you that 70 or 80 per cent was the realised efficiency of each of the hides provided by Gosh, and that is more than a reasonable expectation of the industry in this country. What is the process whereby you have guidelines for furniture in this place such that the Australian producer is not in the race? What are the guidelines?

Mr Smith—I do not believe our guidelines do eliminate the Australian manufacturer. Gosh have provided leather to the parliament in a number of other cases and currently they are in the selection process for other tenders we are looking at. Our guidelines do not eliminate the Australian manufacturers, but in this particular case they were given over 12 months to provide us with a sample of leather that would meet the requirements. They provided us with

their best five hides and those five hides did not provide us with the quality of leather we needed to make those furnishings.

Senator JOHNSTON—But you have nothing to back up that statement. The testing that you have carried out is not accredited.

Mr Smith—We had a leather chair manufactured using the best five hides that Gosh provided to us. That leather chair was brought into this building, looked at by a number of staff and rejected because there were scars, tick marks and various other cuts and bruises on the hide. They were visible on almost every panel of that chair.

Senator JOHNSTON—Who manufactured the furniture?

Mr Smith—The manufacturer was a company called Adept.

Senator JOHNSTON—Who then manufactured the successful tender?

Mr Smith—The same company.

Senator JOHNSTON—The leather was left to the manufacturer in the specification, was it?

Mr Smith—No. The leather was supplied to the manufacturer. He actually manufactured two prototype type chairs, one from each of the different samples of leather that were in the selection process at that stage. The two were compared with each other and the Gosh chair was certainly of a lower standard.

Senator JOHNSTON—How many chairs were manufactured from tenderers?

Mr Smith—There were two sample chairs manufactured.

Senator JOHNSTON—It was a two-horse race?

Mr Smith—At that stage, yes, because all the other leathers had been eliminated from the selection process.

Senator JOHNSTON—Did Gosh supervise the cutting and oversee the provision of the leather for those chairs?

Mr Smith—No, they did not.

Senator JOHNSTON—Can you see that the process has something wrong with it? You cut a hide and you then say that there are tick marks and scratches. Blind Freddy would know that, if you are going to cut a hide, you are going to cut it in such a way as to do justice to the quality of the hide. If you want to cut it to include the tick marks, you can do that. Where is the integrity in this process?

Mr Smith—I do not believe that the manufacturer was deliberately trying to choose the worst sections of hides so that the other leather supplier—

Senator JOHNSTON—You show me the checks and balances there were in place to stop us from being led to that sort of conclusion.

Mr Smith—I believe that the supplier was a reputable supplier. I do not think he had any connections with any of the leather suppliers.

Senator JOHNSTON—Tell me about your surveillance mechanism. Show me that the leather provided for the constructed prototypes was under some surveillance so that you could see that everything was fair and above board, that there was a level playing field. Do you have a process in action for that? Do you have a system, some scrutiny?

Mr Smith—I do not believe that we inspected the leather chair in manufacture.

Senator JOHNSTON—You are dealing with commercial players here. The tenderers require and deserve to have surveillance. When you construct two prototype chairs and then select one or the other, there must be a paper trail, some integrity in the process, such that everyone can see through transparency that it was a fair competition. I am telling you that the Australian manufacturer has grave doubts about the fairness of this competition, given the correspondence. I have seen the quality control in this factory in Western Australia. Your allegation that the average thickness is 0.7 of a millimetre when every hide has 10 measurements to sustain an average above one millimetre I find very troubling, very confusing and questionable. Then you tell me that the process that involved the manufacture of a chair—and staff reviewed it—had no oversight and no integrity to it to see that it was done properly. Do you understand where we are coming from here?

Mr Smith—Yes, I can see what you are saying. I believe the processes we have were, at the time we had them, appropriate for what we were buying. Now that you have pointed out these issues, I will certainly review the guidelines that we have and ensure that in future we have better supervision of those areas.

Senator JOHNSTON—Mr Carter, on 4 June—you are aware of who Mr Carter is; he is the acting JHD—

Mr Smith—Yes.

Senator JOHNSTON—He wrote to Gosh and said:

The Joint House Department undertook an exhaustive evaluation exercise ...

Nothing you have said to me this morning indicates that you have undertaken an exhaustive evaluation exercise in determination of what leather should be used.

Mr Smith—The process took over 12 months. There was a lot of sampling and a lot of inspections of different types of leathers done through that entire process. Gosh were given about five opportunities to provide leather that was suitable. We had prototype chairs manufactured, we had leather independently tested. I believe that that was an exhaustive process. We will review the guidelines, however, if you believe that we need to make it more exhaustive.

Senator JOHNSTON—I just think something is wrong with the system when you have an Australian manufacturer who is out there doing quite remarkable things on the world stage, unsubsidised, and you call for leather in this parliament and that manufacturer does not get the job and you cannot show me that the process was transparent and had integrity in terms of fairness and equity. I think there is a problem. If you are going to cut out hides, if you are going to demand hides in your guidelines that remove scars and marks, you put Australian producers under the hammer, because in Queensland and Western Australian each hide must

be branded. In Europe it is a totally different kettle of fish. You have guidelines that accommodate European producers.

Mr Smith—The branding of the hides is not an area where we eliminate hides from because it is a very small area that can be cut out. It is all the other marks and so forth on the hides that is the reason we eliminated the Gosh product.

Senator JOHNSTON—Again, the same argument applies. Australian livestock have to be fenced. That means that there is a level of scarring to the hides. If you maintain a standard that is completely arbitrary in terms of what happens in Australia it sends a free kick to every country that does not have the fencing requirements, the laws and the practices that we have. I think you need to review your guidelines on that basis.

Ms Penfold—What I think you are suggesting is that, in assessing the quality of products that we need in this building, we should be assessing that not purely by reference to the standards, if you like, that have been set in this building up till now, but by reference to what Australian manufacturers can provide. That is a perfectly legitimate proposition for you to make.

Senator JOHNSTON—Beyond that I think you just need consultation to find out what is the capacity of Australian producers. I might also say that every piece of leather, until about three or four years ago, in this parliament was produced by Gosh's sister company, Howe Leather in Victoria. It seemed adequate and proper for the purpose then. Now we seem to be getting away from what was once quite suitable and acceptable. Why is that? Why have we changed the guidelines? These are questions that trouble me.

Ms Penfold—I cannot answer those questions, and I am perfectly happy to go back and have another look at what has changed either in our guidelines or in leather production in Australia. I think it is necessary in this environment to recognise that potentially there are two conflicting interests here. Do we favour maintaining the standards that have been set in this building or do we take the view that they need to be adjusted, if necessary, to ensure that Australian manufacturers are always there in the race?

Senator JOHNSTON—The point is that you have a preference for an Australian product, yet your guidelines effectively eliminate it. It is contradictory.

Ms Penfold—When you say 'there is a preference for an Australian product'—

Senator JOHNSTON—In each of the tender documents, as I understand it, there is a designated preference for an Australian product, yet the specifications with respect to cuts and scars, and to some extent the overemphasis on cutting efficiency, effectively eliminate an Australian product.

Ms Penfold—I am not familiar with the specific provision in those tender documents, but I would be very surprised if it was a preference for an Australian product irrespective of the various standards of the product. Presumably, one would have thought, it is an 'all other things being equal' preference for an Australian product.

Senator JOHNSTON—I have no doubt that, in order to choose a European product, you must criticise and attack the Australian product.

Ms Penfold—I can certainly speak for the Department of Parliamentary Services; I cannot speak for the former Joint House Department. I cannot see that there is any reason to believe that there is a desire to choose a non-Australian product over an Australian product. My understanding is that the Joint House Department have always been very proud of the contribution made to this building by Australian products and Australian manufacturers, and they have no particular wish to move outside Australian products, if we can get the right things from those producers.

Senator JOHNSTON—I entirely agree with you, given that one of the principal themes and foundation stones when this building was constructed was that it was a showpiece of Australian manufactured goods. The fact is that we have clearly moved away from that here. We are now going to not just imported leather but subsidised leather. Surely Australia can provide leather for its parliament, and I believe it can. When I look at what my constituent is telling me about its quality and quality control and its success on the international stage, I just simply cannot swallow the reasonings here to reject it. I think they are contrived because of commercial interests. I am not taking it any further, but that is what it strikes me as. I have been down to the plant and I have spent four hours going over it, understanding how this product is so successful internationally, yet we cannot get a start in the parliament.

Ms Penfold—The commercial interests being?

Senator JOHNSTON—I just do not know. I know that these are big contracts, they are big tenders, and for us to be going to manufacturers from overseas for leather strikes me as being very odd. Indeed, a letter that highlights, explains and puts together a set of reasons that I do not think holds any water worries me. I think we need to conduct an inquiry into the way the guidelines have been changed and constructed, what has driven that process and how much we surveil these tenders and how much we seek to go away from Australian products in this building. I think the thresholds need to be raised to a much greater degree than they have been in the process that I have observed. Take it all on notice, if you would be so kind.

Ms Penfold—Yes, Senator.

Proceedings suspended from 10.43 a.m. to 11.01 a.m.

CHAIR—We are still on general questions for the Department of Parliamentary Services.

Senator ROBERT RAY—I have a question for the secretary of the department, via you, Mr President: you heard us discussing financial matters before and the intention of the parliamentary departments to, quite properly, transfer all security funding to the new joint parliamentary services department, but that will also come with a downside of transferring all savings measures. My very broad question to you, Secretary, is: how do you intend to handle those savings measures both this year and into the forward estimates?

Ms Penfold—The savings measures for this year that would come with the security funding—we are talking around \$600,000 and then the other \$3.6 million of savings that we already had to find—

Senator ROBERT RAY—When you say \$600,000, I thought it was \$600,000 by two?

Ms Penfold—Yes.

Senator ROBERT RAY—So it is \$1.2 million.

Ms Penfold—I am hesitating because the last actual event in this process is the report of the Appropriations and Staffing Committee. I am not aware yet of where the House of Representatives is going in this area.

Senator ROBERT RAY—Do the working assumption—and we will not hold you to it then—that they are going to do exactly what the Senate is doing.

Ms Penfold—It is a bit over \$1.1 million in extra savings that we will have to find, plus the original \$3.6 million. The security funding that will be transferred is, again very roughly, \$22 million. We are optimistic that we can find the \$1.1 million out of the \$22 million one way or another. Whether we can find it in 2004-05 or whether it will take us a little longer, I am not sure. If we do not think we can find it in 2004-05, that will have to be another element in the bundle of things that we talk to the Department of Finance and Administration about in August in the context of additional cuts.

Senator ROBERT RAY—Maybe I should rephrase my question completely. With your new amalgamated department, in this next financial year what will be the level of savings accruing from the Podger reforms that you will be able to generate?

Ms Penfold—So far, we have identified about \$2.2 million in direct amalgamation savings. There are, I think, \$1.4 million in costs immediately. Most of that is redundancy payments. Some of those we will be meeting out of this year's budget, so we will not have to meet the full \$1.4 million next year. That leaves us next year still fairly short. I suppose we are looking at, say, \$1 million in savings that we have found for next year and another \$1.4 million or thereabouts—something over \$2 million—that we will still need to find for next year, plus whatever we have to do with the extra savings and the extra cuts that come with the security funding. Once you go beyond amalgamation, I think there are some areas where we can do things more efficiently. In fact, we will be going through a process tomorrow with the assistant secretaries in charge of each part of the department—

Senator ROBERT RAY—Can I just stop you there. It is a very good explanation so far, but what you are telling me in summary is that you are not going to meet the \$5 million a year that Podger said would accrue from amalgamation.

Ms Penfold—There is no way that we will find \$5 million worth of savings in the first year and probably not for quite a lot of years, if ever.

Senator ROBERT RAY—Can I put an 'I told you so' in here, or should we just move on?

Senator FAULKNER—You could put a 'We told you so.'

Ms Penfold—You will not get an argument from me on that, Senator.

Senator ROBERT RAY—My problem with all this, President, is that Ms Penfold is going on to identify a range of other savings—and we will let her do that in a moment—that really should be devoted towards the efficiency dividend and salary increases. That is what it is there for. That is why we drive these efficiencies. If it has to make up a shortfall from a miscalculation of savings deriving from parliamentary amalgamations, then we are entitled to be told precisely how—I am sure you would agree with that—because sooner or later crunch time is coming either on the salary side or on the efficiency dividend side; otherwise there is going to be a shortfall, surely.

The PRESIDENT—I think the fact we have carried out the amalgamation and made every effort to support the new department to allow it to make those savings means that further down the track we would have a very good case to go back to whatever government is in power—

Senator ROBERT RAY—Oh, come on!

The PRESIDENT—and say, ‘We’ve done everything we can.’

Senator ROBERT RAY—But you said that a year ago when we were debating all this. You said we would have a very good case to go to the Department of Finance and Administration, and they gave you the finger basically. There is no use saying that unless there is some prospect of success.

The PRESIDENT—Half a finger, Senator. We did get some little help this year.

Senator ROBERT RAY—All right. I accept half a finger.

Ms Penfold—One of the difficulties is that we have not until now been in a position to go to the department of finance and actually say, ‘Here are the savings, and you can see that they are nowhere near \$5 million.’ That is what we will be doing in August in the context of additional estimates. We will be showing the department of finance where we have made direct, obvious savings, where we think there might be some scope for more efficiencies and then where we will have to make cuts to make up the rest of those savings. They will then have to decide whether they are prepared to fund those services continuing or whether that is what they want done.

Senator ROBERT RAY—Leaving aside those savings driven by amalgamation, would you like to identify possible savings measures you are looking at in future to make up this deficit? I know one of the ways is manipulating the transferred security fund. Leaving that aside, because that still does not get you there, what other savings measures are you looking at?

Ms Penfold—The sorts of things we are looking at that would involve cuts in services include the printing of *Hansards*, which is quite expensive at several stages of the process, including in particular the fact that we supply free copies of various versions of *Hansards* to all sorts of people outside the parliament. We are looking at the possibility of slowing down the rate at which we work through ICT projects. My feeling is that that may have some benefit in other areas in making sure that each of our big projects is really well implemented before we move to another big project. There is a level of saving in simply deferring spends during the next year. We may have to look at deferring some of the things we do around the building, although a lot of that spending comes out of administered funding and there is no particular benefit in terms of finding savings except insofar as we need the staff in the department to spend the administered funding. Those are probably the areas where there are large lumps of money. Once you move down from there, there might be \$20,000 here and \$50,000 there, and so on, not unlike the list that was produced for the Senate at one stage.

Senator ROBERT RAY—So the critical point for you is that you will be in a position in August to accurately calculate the savings through the Podger recommendations and the amalgamation, do you think?

Ms Penfold—I would not say by August we will be in a position to calculate any final figures. Some of the amalgamation savings will not come through until quite a bit later. For instance, at the moment we have four certified agreements running in the department and two different personnel processing systems. At July 2005 we expect to bring three of those certified agreements into one certified agreement and pull our personnel processing systems into one system. There should be savings from getting rid of one of our processing systems and probably we will lose a few more staff at that point. On the other hand, it is almost certainly going to cost us to bring the three certified agreements into one certified agreement because there are such variations in salary levels and conditions across the three at the moment. In August we will be able to say what we have identified so far and where future savings might be. Even on the best estimates, I think we can say that those future savings are not going to come to the full \$5 million, let alone \$10 million.

Senator ROBERT RAY—You mentioned that there will be certain costs—\$1.4 million. How much of that will be dispensed with issue and how much has to be carried forward to the next financial year?

Ms Penfold—Can we take that figure on notice, Senator? It will depend on timing of payments and people's moves.

Senator ROBERT RAY—Looking at cutting things, what about instituting a few user-pay principles because the department of finance is very keen on that? For instance, is it now timely to start charging the executive wing for phone calls?

Ms Penfold—That is something we will certainly be looking at. There is an agreement which I gather dates back quite some years that allows for the possibility of charging the ministerial wing. The only thing that concerns me about that is whether, if we raise the possibility of charging, there is then a suggestion, 'You're funded for it up to now, so you do not need the funding either.' I do not know how that would be played out and so I think we need to look very carefully at what is in that old agreement and why charging has not been applied up until now.

Senator ROBERT RAY—I am wondering whether that was base funding at a level that was not indexed.

Ms Penfold—In the sense that what we were originally funded for was much cheaper?

Senator ROBERT RAY—Yes.

Ms Penfold—Indeed, and that would be worth looking at, certainly.

Senator FAULKNER—We are now up to what could be described as stage 2 of the security measures. Is that correct?

Ms Penfold—I am not quite sure what you mean.

Senator FAULKNER—Is 'tranche 2' a better description?

Ms Penfold—No, because I do not know how to pronounce it! I think Mr President was referring to the capital works project. I am sorry, what was the question about that one?

Senator FAULKNER—My question was: what stage are we up to? I thought there was a proposal to do this in stages. I thought stage 1 had been implemented and now you are in the

process of examining measures that might relate to the second stage or second tranche of security upgrades at Parliament House.

Ms Penfold—We are at the stage of working on the three projects that were funded in the recent budget.

Senator FAULKNER—Those three projects are?

Ms Penfold—Those three projects are the improvement of perimeter security around the building, which will consist mainly of the construction of a low wall around the grassy bits of the inside of Parliament Drive to stop vehicles from getting onto the grass, construction of bollards to restrict access to each of the three sets of slip roads—

Senator FAULKNER—Senate, House and Executive wings?

Ms Penfold—The Ministerial Wing, yes. There is obviously work being done on who gets access to those slip roads. That is the first part of that project. The second part is some work on the windows in the Ministerial Wing to make them safer in the event of a bomb blast—to stop them from falling in and injuring occupants. The third element is not directly a security project but involves work on the Melbourne Avenue car parks. The effect of what we are doing to the Ministerial Wing slip road and car park will be to limit car parking up there or short-term car parking. That will also feed through into car parking in the Ministerial Wing underground car park. That means we need to make provision in the Melbourne Avenue car parks to ensure there is enough car parking for building occupants. I believe there is a tendency among some Canberra people to park in that car park and to catch the bus into Civic so they do not have to pay for parking. They are on notice that we will be reclaiming that car park.

Senator FAULKNER—In relation to the improved perimeter security, this means the removal of the temporary white barricades that are around Parliament House. That is correct, isn't it?

Ms Penfold—Yes.

Senator FAULKNER—Can you say that that will mean the removal of all those barricades?

Ms Penfold—As far as I know, it will mean the removal of all those white bollards or whatever they are called.

Senator FAULKNER—I do not think they are bollards, are they?

Ms Penfold—Some people call them 'white bollards'—those big white Lego block things.

Senator FAULKNER—I do not think it fits the dictionary definition of a 'bollard'.

Ms Penfold—I think we all know what we are talking about. I would be happy to discuss that with you, Senator.

Senator ROBERT RAY—I would put \$10 on Senator Faulkner to win that.

Ms Penfold—I would be prepared to put \$10 on Senator Faulkner too!

Senator ROBERT RAY—On pedantry, yes.

Ms Penfold—I could give him a run for his money on pedantry generally, but I am not an expert on bollards.

Senator FAULKNER—Not according to Senator Ray.

Senator ROBERT RAY—There is a big difference between a pro and an amateur.

Ms Penfold—I won't ask!

Senator FAULKNER—Let me ask what the timing is for the removal of the temporary white barricades.

Ms Penfold—The project is intended to be finished by 31 March next year. I assume that at that point we will be ready to remove the barriers if they have not already been removed.

Senator FAULKNER—My question, which led to that rather unfortunate interruption from Senator Ray, was whether that would mean all the temporary white barricades were likely to be removed with the completion of that project.

Ms Penfold—As far as I am aware. What it will not mean is that there is unrestricted access to the roof of the building again.

Senator FAULKNER—Are you able to say, in the broad, what the various budget elements are for effectively the four projects that you have mentioned: the perimeter security, the construction of bollards on the access roads to the Senate, House and Ministerial wings, the improvement to the windows in the Ministerial Wing and the Melbourne Avenue car park?

Ms Penfold—The Ministerial Wing windows are a bit over \$100,000, the car park is \$340,000 and the figure I have for the Parliament Drive security barriers is \$11.25 million. Can we take the breakdown on notice?

Senator FAULKNER—That is \$11.25 million?

Ms Penfold—For the wall and the bollards. I cannot give you a separate figure for the bollards.

Senator FAULKNER—You do not have a disaggregated figure?

Ms Penfold—Not at this stage.

Senator FAULKNER—There is some considerable work going on—it appears to be nearing completion—to the forecourt of Parliament House. You have had a mind to enhance the security measures as that work is being completed, I assume?

Ms Penfold—I am sorry, I do not understand.

Senator FAULKNER—Have you been able to integrate the need for enhanced perimeter security with that work on the forecourt to Parliament House as it is being carried out or is there no relationship between the two?

Ms Penfold—No, I do not believe there is any relationship between the two. That work was to replace and improve an arrangement that was wearing. I gather it had not been done properly originally. It was done in a hurry and fairly cheaply at the end of the construction of the building.

Senator FAULKNER—What had been done in a hurry?

Ms Penfold—Basically the drainage work and the laying of the tarmac. Andrew is more of a technical expert here.

Senator FAULKNER—Mr Smith, it is very nice to see you again.

Mr Smith—Thank you, Senator.

Senator FAULKNER—Can you indicate to us in relation to the work at the forecourt of Parliament House what has been done, why it has been done and what the cost of those works has been?

Mr Smith—Yes. The work on the forecourt is firstly to remove all of the original asphaltic cement and the gravel surface, to reset the granite on the drains, to relay the asphalt and then to relay the gavel. That work is largely completed. It is due to be completed about the first week in June. It is running a little bit behind schedule.

Senator FAULKNER—How far behind?

Mr Smith—It is about one week behind. The reason for doing that is that, when the original surfaces were put down, it was one of the last projects to be completed in building Parliament House. At that stage they were running behind schedule in the construction to get the building ready for opening and that part of the work was, I think, particularly rushed. It was perhaps not done to the high quality that the rest of the building was manufactured in. I think at the last Senate estimates committee meeting I mentioned the cost of repair to that work was budgeted for \$1.47 million.

Senator FAULKNER—Yes.

Mr Smith—During excavation of the asphaltic cement surfaces, we found that they were not put down in accordance with the drawings and that we had to put more asphalt back in. So we have requested an additional \$300,000 to complete that work, and I believe we will be able to complete it within that budget amount.

Senator FAULKNER—You are expecting the total budget for those works to be about \$1.77 million?

Mr Smith—That is correct.

Senator FAULKNER—It was botched, was it, when it was originally put down?

Mr Smith—I would not quite say it was botched; it has been down for 15 years, and over those 15 years it has gradually deteriorated. It has probably deteriorated more quickly than we would have expected because of the rush that they had in putting it down.

Senator FAULKNER—Do you expect we will have a new surface down very soon, within a matter of weeks?

Mr Smith—Yes.

Senator FAULKNER—When would you expect the need for that surface to be replaced?

Mr Smith—Certainly, the gravel on the top of the asphalt will wear. It is a fairly soft gravel and, as people walk over it and cars drive over it, it will wear. The gravel surface itself will probably last 15 to 20 years.

Senator FAULKNER—How many cars drive over it?

Mr Smith—Only emergency vehicles or when there is a major function.

Senator FAULKNER—So every blue Tuesday a car drives over it. It is very rare.

Mr Smith—Very rare, but there is a lot of foot traffic: a million visitors a year walk over it.

Senator FAULKNER—Of course there is, but there are very few vehicles.

Mr Smith—Yes. All of that traffic, people and vehicles, does wear the surface and 15 to 20 years is what we expect for the gravel surface. The asphalt, however, I expect to last for about 50 years, which is the going lifespan for that sort of surface.

Senator FAULKNER—I think I know the answer to this, but how long did the asphalt last on this occasion?

Mr Smith—We pulled it up after 16 years, but it was probably in a poor state for a good five or six years.

Senator FAULKNER—But you do not think the work was originally botched? This job you are expecting to last 50 years. The last job was a goner after about 11 years, you have told us.

Mr Smith—Yes.

Senator FAULKNER—You were very concerned at my description of the original job being botched.

Senator ROBERT RAY—It might have been Swedish asphalt.

Mr Smith—There have certainly been improvements in laying techniques and in the quality of asphalts in the subsequent 15 years.

Senator BRANDIS—Can't you say that it was not constructed to the specifications?

Mr Smith—That is correct, it was not constructed to specifications. That is why there was a need for an additional \$300,000.

Senator ROBERT RAY—Do you know who did the original? Who did not do it to specifications?

Mr Smith—It would have been supervised by the Parliament House Construction Authority.

Senator ROBERT RAY—They did not build it themselves; I assumed that. I am wondering which company—

Senator FAULKNER—You have not been out there on the end of a shovel, have you, Mr Smith?

Mr Smith—Not during construction.

Senator ROBERT RAY—I am asking who did the construction work, not who supervised it—I can work that one out for myself.

Ms Penfold—I think we would have to take that question on notice. We may be able to find out.

Senator ROBERT RAY—I just wondered if you call them to account for it, that is all. One lasts 50 years, one lasts 11—we would like to know.

Ms Penfold—There may be an issue. We will certainly have a look. It is something to consider. It may be that, given what was happening towards the end of the construction, the construction company were not invited to do the full 100 per cent job that we might have expected otherwise. As far as the specifications are concerned, as I understand it, in building works there is inevitably the potential for disparity between what you get in the original plans and what you get at the end. That is often for very good reasons, because as you start building you discover things that you did not realise were there and so on, as we did in this case. The real problem we had with the specifications was that the documents that we finished up with did not reflect what actually happened—what was out there. So the measurements for the depth of the asphalt were not what we expected to find. That may not establish that there was any breach in the way the building was done, only that as the work proceeded things had to change because of what was discovered in the ground or whatever and that the end plans were not updated properly.

Senator BRANDIS—Was there a variation to the subcontract to provide for the different manner in which the work was completed?

Ms Penfold—Originally? I have no idea. Again, we can inspect our records for that. How good our records are—

Senator BRANDIS—That would be germane, wouldn't it? If there were a variation the subcontractor would be in the clear; if there were not a variation they may have a liability.

Ms Penfold—We will have a look at the documents that are available to us. I would not want to give any promises about how many of those documents are still available.

Senator FIFIELD—Do we know that the company doing the work today is not the company that did it before?

Ms Penfold—Clearly we do not, because we do not know who the original company was. It may be that we could say that they are not, if we knew how long the current company had been in existence, but I cannot tell you anymore on that at this stage. We would have to take that on notice.

Senator FIFIELD—If the work was substandard, it may have been a relevant point.

Ms Penfold—Indeed, if the original work was substandard. But again, to the extent that the original work differed from what we understood had happened by reference to our plans, we did not discover that until we were halfway through the contract. It would not have influenced us in letting the contract originally anyway.

Senator BRANDIS—But there was a vast amount of dispute between the construction authority and the head contractor and many of the subcontractors too about the construction of this building. I cannot remember whether it actually went to litigation or whether it was resolved commercially, but in the late 1980s and early 1990s there were vast disputes about the construction of this building. Do you know whether the issue of the forecourt was part of the issues in those disputes?

Ms Penfold—I know absolutely nothing about those disputes; I do not know if Andrew has picked up anything.

Mr Smith—I know a little bit about the disputes, but I do not know the detail. I know that MGT and the Parliament House Construction Authority did settle with the Commonwealth for a sum of money for defects that were found in the first few years.

Senator BRANDIS—That is what I am talking about.

Mr Smith—I am not aware of the details of that, but I am aware that some money was passed from MGT and PHCA to the Commonwealth to pay for those defects. Whether that absolves them from any responsibility now, I do not know.

Senator FAULKNER—I was informed, Mr Smith—perhaps misinformed—that there had been a breakthrough from the surface effectively to the public car park underneath at some point which was causing concern. Is that right?

Mr Smith—Yes. During the excavation process, when they were excavating the concrete that the granite drains are set on, the contractor was using a heavy excavator with a rock-breaking pick on it and the rock-breaking pick slipped off the concrete he was excavating and hit the roof of the car park and punctured a small hole through that.

Senator FAULKNER—Were there significant costs involved in repairing that damage?

Mr Smith—No; it was only a very small hole and the contractor paid the full cost of that as it was his fault.

Senator ROBERT RAY—I want to get back to Senator Faulkner's initial question. As we understand it, the \$11.2 million perimeter will not in fact go anywhere on this forecourt—so there is no doubling up or redoing of work; it is all sitting just outside that forecourt, I take it?

Mr Smith—That is correct. There will be no work in the security projects that will impact upon what we are doing now.

Senator ROBERT RAY—Are you going to have a grand opening of the forecourt, Mr President? Or will you let that one go through to the keeper?

The PRESIDENT—Do you mean the scoria?

Senator ROBERT RAY—Yes.

The PRESIDENT—I think we might be able to walk around it.

Senator ROBERT RAY—No big formal ceremony or anything?

The PRESIDENT—I must admit, and I think I said this in the last estimates, that when the Speaker and I had it brought to our attention that we were going to spend this amount of money, I was a bit taken aback. But after an inspection with Andrew we could see that Canberra's weather had had quite an effect on it because of the expansion and contraction of the forecourt. The expansion joints were blocked full of gravel, and I hope the new arrangements will not be the same as they were before. In fact those expansion joints will be able to work correctly and we will not have the problem that we had last time.

Senator ROBERT RAY—You cannot blame the delays this time round on rain, can you?

The PRESIDENT—No.

Senator FAULKNER—So we have got those security projects and the forecourt; what other major capital works projects do we have that have either recently concluded or are in the planning category?

Ms Penfold—We are doing some work in the Queen's Terrace Cafe—that is, the public cafeteria. These are basically renovations and improvements to comply with food and hygiene requirements, to improve access—

Senator FAULKNER—So Parliament House is not currently complying with food and hygiene standards?

Ms Penfold—I suspect—and I do not know this definitely—that the kitchens in that area presumably complied with whatever they were required to comply with before, but the newer standards will be met by the new kitchen.

Senator FAULKNER—I see, so it is only members of the public who are being poisoned. Are those kitchens the same ones that are used for staff who work in Parliament House?

Ms Penfold—As far as I know, those kitchens are not used for staff who work in Parliament House, unless they choose to go out there.

Senator FAULKNER—Yes, obviously it is a public cafeteria. So you can assure us that the current kitchens and other facilities meet hygiene standards as we speak, or can you not give me that assurance?

Ms Penfold—I think I can assure you that they meet whatever hygiene standards are applicable to them.

Senator FAULKNER—That is a lawyer's answer, with respect, Ms Penfold, which is what we would expect from you. But what does that mean?

Ms Penfold—I am not in any sense an expert in food hygiene standards, but what it means by my understanding, Senator, is that if you upgraded certain sorts of food hygiene standards you would not immediately apply those to kitchens that were currently approved and functioning. How long you give people to bring their kitchens into compliance I do not know.

Senator FAULKNER—We obviously have a duty of care to the visitors to Parliament House, don't we?

Ms Penfold—Of some sort. As a lawyer I would be careful about speaking too broadly about what our duty of care is.

Senator FAULKNER—I have noticed that you are always careful, Ms Penfold. So when will that be completed?

Ms Penfold—That is scheduled to be completed by 30 June.

Senator FAULKNER—That covers the Queen's Terrace Cafe; what else do we have?

Ms Penfold—We are doing some reasonably minor refurbishment in the theatre, which is to be completed by 20 June. Again, we are improving access for people with disabilities and we are replacing a whole lot of damaged seats.

Senator FAULKNER—What is our budget for those two projects?

Ms Penfold—The cafe is just about \$2 million and the theatre is \$328,000. We are also doing another stage of replacing sealant around the outside of the window frames of the building.

Senator FAULKNER—That is an ongoing project, really, isn't it?

Ms Penfold—It is. This is the second-last stage of a five-year project.

Senator FAULKNER—What is your budget for this second-last stage?

Ms Penfold—The budget for this bit is \$120,000.

Senator FAULKNER—Is there anything else on the drawing board?

Mr Smith—There is certainly a significant number of projects on the drawing board. We have a five-year plan of works that we look at each year which range from refurbishment and replacement of machines to minor modifications in the building.

Senator FAULKNER—But is there anything else you can identify apart from the three we have heard about from Ms Penfold?

Mr Smith—We have a project about to start on the major doors in the building, and construction will start probably this week or next week. The mechanisms on the big heavy doors around the curved wall and on the glazed link doors are wearing out, so we are about to start refurbishing all of those.

Senator FAULKNER—What is the difference between a major door and a minor door?

Mr Smith—The major doors are doors that are not, for example, such as those into your suite.

Senator FAULKNER—I know that the door into my suite would be a minor door; you do not need to tell me that it is a very minor door. What is a major door?

Mr Smith—Major doors are those big glazed doors along the curved wall, which lead out into the courtyards, and in the glazed links there are similar doors. They are basically the major doors. There are 500-odd doors of that nature in the building.

Senator FAULKNER—What is the budgeted amount for their refurbishment?

Mr Smith—The budget is \$270,000. The work is due to start fairly soon and is to be completed in September. Another project due to start fairly soon is the refurbishment of the pump stations that pump water into the various water features around the building. That project is due to start in July during the winter recess.

Senator FAULKNER—How much will refurbishing the pumps cost?

Mr Smith—That project will cost roughly \$800,000.

Senator FAULKNER—Do people like those fountains around the building? I know you are an expert in style in the building.

Mr Smith—They certainly add to the amenity of the courtyards and also the views from the windows.

Senator FAULKNER—How do they add to the amenity?

Mr Smith—I think that water provides the environment that people feel comfortable in.

Senator FAULKNER—I will take your word for it. That will cost \$800,000?

Mr Smith—Roughly \$800,000. I do not have the exact figure here.

Senator FAULKNER—Is there anything else that you can identify for the near future?

Mr Smith—The total program for the year is about \$10 million.

Senator FAULKNER—I am talking about the major ones that you have planned.

Mr Smith—They are basically the major ones.

Senator ROBERT RAY—You have nothing planned over in the ministerial wing? Given our earlier discussion on looking at savings measures, I will be actively pursuing that.

Mr Smith—No large projects that come to mind.

Senator FAULKNER—We have had a bit of a problem over there in the ministerial wing, haven't we? There has been a bit of a leak—not the usual type of leak—but this one involved H₂O.

Mr Smith—This was probably a slightly larger leak.

Senator FAULKNER—First of all, what caused this leak in the cabinet room? It was somewhere in the cabinet room or cabinet suite, wasn't it?

Mr Smith—Yes. On Sunday, 18 April, at roughly 1.37 p.m.—

Senator FAULKNER—‘Roughly 1.37 p.m.’

Mr Smith—Exactly.

Senator FAULKNER—I am very impressed.

Mr Smith—At exactly 1.37 p.m. the fire alarm went off in our security control room and also at the fire brigade, which resulted in both our security people and the fire brigade looking for a fire in the building. Both the security people and the fire brigade eventually decided it was a water leak and by 2.12 p.m. the water leak was isolated and the water stopped flowing. In that time, though, 56,000 litres of water, based on our calculations, escaped in the ceiling space above the cabinet room and subsequently flooded the cabinet room, the areas immediately adjacent and certainly the areas underneath the central energy plant rooms. The water leak was caused by an inspection port in the fire water system that was made from plastic and that erupted on the day causing the leak.

Senator FAULKNER—How would 56,000 litres of water compare to the average size swimming pool?

Mr Smith—The average house swimming pool would be probably fairly similar in size.

Senator FAULKNER—So this swimming pool's worth of water has just plonked down in the cabinet room, has it?

Mr Smith—Yes, and unfortunately the cabinet room—

Senator FAULKNER—You must assure me that there were no cabinet ministers in the room.

Mr Smith—No, it was a—

Senator FAULKNER—What a relief!

Mr Smith—vacant room at the time; otherwise, it could have perhaps been identified as a false leak earlier.

Senator FAULKNER—It depends how aware, though, cabinet was, I suppose, but we will not go down that track.

Senator ROBERT RAY—A few wets in there!

Senator FAULKNER—Not many, I do not think, Senator Ray, and those who are do not admit it. Mr Smith, how much damage was caused? Can you identify for the benefit of the committee the damage that was caused by 56,000 litres of water hitting the floor of the cabinet room.

Mr Smith—I do have some fairly up-to-date costs on that. The current expenditure looks as though it will be around \$349,000 to do the immediate repairs to get cabinet back up and operating.

Senator FAULKNER—Did you say ‘to get cabinet back up’?

Mr Smith—Cabinet and the other surrounding and adjacent suites back up and operational.

Senator FAULKNER—I do not know that we will ever get them operational.

Mr Smith—Due to the compressed time frame of the work, we have not been able to complete all the work in there, and there is subsequent refurbishment work which will be carried out during the winter recess. The estimate for that is around \$487,000. We will also need to replace some of the furniture that was flooded and damaged.

Senator FAULKNER—Can we try to go through this in a somewhat orderly way. Let us go through what the damage is, what was affected and disaggregate the budget if we can. Before you do, what are the insurance arrangements for this?

Mr Smith—The Department of Parliamentary Services insures the building with Comcover, and the insurance will cover everything apart from the excess. The excess arrangements are \$400,000, so we will be paying the first \$400,000.

Senator FAULKNER—Given there is only \$349,000 of damage, you are paying the lot.

Mr Smith—No; the total cost of the refurbishment work, when it is completed at the end of the winter recess, will be \$716,000.

Senator ROBERT RAY—Where does that \$400,000 excess come from?

Ms Penfold—It comes out of our budget, Senator. Some of it—and I would have to say I am not sure exactly how this will work—is costs rather than money that we have spent in the sense that I think it reflects our staff time and so on. We are considering whether this might be an appropriate item to call on the advance to the Presiding Officers, but we have not taken that thinking very far yet.

Senator ROBERT RAY—You cannot have that in a contingency fund or anything, can you? Is this the first time you have had to pay an excess?

Mr Smith—No, Senator, we have paid excesses on a few other insurance claims in the past as well, but this is a far larger excess than we have had in the past.

Senator FAULKNER—Let us go through the items that were affected by the flood, if we can.

Mr Smith—About 1,500 square metres of carpet was flooded to a point where it could not be recovered, and that had to be taken up and new carpet laid.

Senator FAULKNER—What is underneath the carpet?

Mr Smith—The underlay was taken up as well.

Senator FAULKNER—What is under the underlay?

Mr Smith—Concrete floors.

Senator FAULKNER—So that is fine; that was not affected.

Mr Smith—That is fine. That had to be dried out.

Senator FAULKNER—Did it?

Mr Smith—Yes, Senator.

Senator FAULKNER—So drying was a cost included in this.

Mr Smith—Yes, Senator, it was.

Senator FAULKNER—Can you disaggregate these costs for us as we go through?

Mr Smith—I do not actually have the costs specifically for the carpet; I have got them broken down into different sorts of categories.

Senator FAULKNER—What have you got?

Mr Smith—I have direct material purchases, and so far we have spent \$129,000 on those; on contract service operations, we spent \$5,000; on direct and temporary contracts, \$2,500; on trade labour costs, which is our own trade labour, \$24,500; and I have got another labour cost here of \$12,820 to date.

Senator FAULKNER—That does not add up to anything remotely like \$716,000.

Mr Smith—There are a lot of additional costs which we have got estimates on, such as the cabinet room doors, the leather on the inserts on the table and the wool fabric panels. The cost of the leather, for example, is about \$20,000. The cabinet room doors cost about \$5,000.

Senator FAULKNER—Is there any reason that this breakdown could not be provided to the committee?

Mr Smith—We could certainly provide you with—

Senator ROBERT RAY—No, you are missing the point. ‘Now’, I think, is the question—if we could see it now, we could then ask sensible questions.

Senator FAULKNER—You are reading from this document. We might save an awful lot of time if you provided us with a copy of the document—if that is all right, Ms Penfold.

Ms Penfold—I am not aware of any reason that we cannot do that.

Senator FAULKNER—It seems that it might save an awful lot of agony.

Mr Smith—Certainly, Senator, I am happy to—

Senator FAULKNER—We like agony—we are in opposition—you get used to it after a while.

Mr Smith—It has got a couple of little hand notes on it, but I am happy to table it.

Senator FAULKNER—We will just ignore them, Mr Smith.

The PRESIDENT—I think it is worth noting that there was a great cooperative effort to solve this problem. Just about every carpet layer in Canberra was brought in to get the carpet up and get it dried out. I think the way they dried out the timber floors so that they did not have to be replaced saved something like \$400,000 or \$500,000. Things like that happened. It was a pretty good effort all round, actually.

Senator FAULKNER—You said ‘timber floors’; I thought they were concrete floors.

The PRESIDENT—There is some timber flooring.

Ms Penfold—The timber floors out in the walkways on the curve—because the water, of course, once it was let out of the cabinet suite, went everywhere.

Senator FAULKNER—How deep was the water in the cabinet room?

Mr Smith—The high-water mark was about 250 millimetres up the walls.

Senator FAULKNER—About a foot.

Mr Smith—Just under—about 10 inches.

Senator FAULKNER—It just banked up, did it?

Mr Smith—Because the cabinet room has double seals on the doors, the walls are sealed with two layers of gyprock and underneath they are sealed with a polyurethane the water had very little areas to escape from, so it built up in the room.

Senator FAULKNER—Did it escape when someone opened the doors to the cabinet room?

Mr Smith—There was certainly seepage of water before the doors were opened, but when the doors were opened there was a major wave front that moved out of the room towards—

Senator FAULKNER—Everyone kept their feet, did they?

Mr Smith—Yes. Some funny stories have been told about that.

Senator FAULKNER—Please share them with us, Mr Smith.

Mr Smith—I am sure the security guards could tell you a thing or two about that.

Senator FAULKNER—But no-one got washed away?

Mr Smith—No-one got washed away.

Senator FAULKNER—I am pleased to hear that.

Ms Penfold—I understand that there were references to the *Titanic*.

Senator FAULKNER—I hope so.

Senator ROBERT RAY—What happened to my favourite Gould prints there?

Mr Smith—The Gould prints themselves were undamaged. I think on one or two of them the surrounding boards that they are mounted into were wet and they had to be refurbished, but the Gould prints themselves are fine.

Senator FAULKNER—They are obviously a lot higher than 10 inches off the ground—

Mr Smith—The water flooded down from the ceiling in a number of locations so quite a bit of the furniture and the wall panelling was wet from above.

Senator FAULKNER—I see. What about the cabinet table?

Mr Smith—The cabinet table was certainly wet from above. Quite a bit of water came down on the leather and timber surfaces. The conservators have been in there and have enabled it to be cleaned and put back into operation at the moment but there is subsequent work that needs to be done not only to replace the leather tops because quite a few of those are swelling but also to look at the veneers on the table to make sure that they do not get damaged beyond repair.

Senator FAULKNER—I appreciate that you may not know this, but are you aware if the cabinet has been able to meet in the cabinet room or whether certain planned meetings had to be held in other venues?

Mr Smith—They have certainly had meetings in other venues. The first planned cabinet meeting is on 7 or 8 June and the cabinet room will be back in operation for that date. There have been some meetings already in the room that I call the explorers room—I think it is also the cabinet committee room.

Senator FAULKNER—That room was undamaged, was it?

Mr Smith—There was certainly flood damage, but the floodwaters there seeped through the carpet and were released from the cabinet room itself. There is no overhead water damage to that room.

Senator FAULKNER—Does the Department of Finance and Administration bear any cost burden for this at all, given that this occurred in the ministerial wing? Is the financial exposure to this all in the parliamentary services department?

Mr Smith—The majority of the financial exposure is in the Department of Parliamentary Services. There are some very minor assets that were owned by the ministerial wing—a television set, a video player and some minor furniture—which they will have to bear the burden of.

Senator FAULKNER—I see. The \$716,000 that you are speaking of relates to costs to the Department of Parliamentary Services and now perhaps there are some other costs for the Department of Finance and Administration; would that be right?

Mr Smith—That is correct, yes.

Senator ROBERT RAY—You pay \$400,000 and the cost of all the rest is going to go to your insurer if it can be verified?

Mr Smith—That is correct. The insurance company have been on site on numerous occasions and I believe that that is the case.

Senator FAULKNER—The actual repair is almost completed effectively?

Mr Smith—The repair to get it up and operational was completed as of last week. The follow-up work and the major refurbishment work of the fine finishes will be done in the winter recess.

Senator FAULKNER—Can we be assured that this will not happen again?

Mr Smith—The faulty component was a one-off component in the building. The component was put in at the request of ASIO during construction. We have written to ASIO asking whether they still need that component in the building and I believe they have written back and confirmed that we can remove that and replace it with a steel blank flange. That should not cause any future problems.

Senator FAULKNER—Was there any leaking through to below-ground level in the building, to the basement et cetera?

Mr Smith—Yes, there was. On the day we had to shut down some of the major electrical systems because the major area underneath was the central energy plant rooms which contained some of the major electrical substations. They were flooded. There was a training room in central energy used for training people on the central energy components. That was flooded and the ceiling has subsequently collapsed and needs replacing. Some minor computer damage occurred as well. A reasonable amount of water flowed into the basement but the basement areas are a bit more robust in that they are mainly concrete.

Senator ROBERT RAY—Is there anything to suggest that the detection system did not kick in early enough to give you a forewarning, or did it operate just fine?

Mr Smith—I think that, from what I have been able to observe, the second that flange inspection port erupted the alarms went to both the fire brigade and our in-house security people. The fire brigade practice, when they get on-site, is to firstly identify where the alarm has come from and do a routine sweep of the building to determine whether there is a fire or not. I believe that in the time frame we are talking about—35 minutes—it was a fairly quick and rapid response by the fire brigade in isolating the water main.

Senator FAULKNER—A very large amount of this budget—\$229,652.61—is for replacement furniture and conservation work on furniture. Obviously the cabinet table is not something you can ditch. Most of the conservation work would have been for that, would it?

Mr Smith—There were a significant number of other major furniture items in that room, including the cabinet room chairs, the majority of which were flood affected. There was also some other leather and timber furniture in the anteroom and the waiting room that have had water damage.

Senator FAULKNER—What furniture was replaced? What was written off and replaced and what stayed and had conservation work done on it?

Mr Smith—I do not know the exact list, from memory, but I certainly could provide that to you on notice.

Senator FAULKNER—You do not know what furniture was written off and had to be replaced?

Mr Smith—I know that the majority of the cabinet chairs have been written off, but I am not aware what other furniture has been included in that—what has been written off and what is being conserved.

Senator ROBERT RAY—Was anyone injured in this incident?

Mr Smith—The only injury we have had reported to us was to one of my staff who was trying to chock up the cabinet room table to get it above the wet carpets. He was making some wedges in the carpentry workshop when he managed to slice his thumb on the bench he was using to cut the wedges.

Senator ROBERT RAY—Nothing directly related to the room, in other words.

Mr Smith—Nothing directly relating to the room, no.

Senator FAULKNER—I notice it says here that for the art services hours and art conservation work the amount turned out to be nil. That is because these paintings and other pieces of art were not affected?

Mr Smith—There were certainly some hours of work in removing and then replacing the artwork. We are still seeking conservation advice for one of the portraits from the explorers room—the Joseph Banks portrait, which is showing signs of moisture having damaged some of the paint. There is a bit of flaking paint that needs to be conserved, but that has not been done at this stage.

Senator FAULKNER—What is the value of that portrait?

Mr Smith—I do not have a value for that, but I could look it up if you were to give me the opportunity to do so.

Senator FAULKNER—What about the parquetry, where water leaked onto the wooden floors? Has that survived?

Mr Smith—Certainly there are some areas of parquetry that we are monitoring at the moment. We believe that with a small amount of sanding and repolishing they will come good. At worst, there might be five or 10 square metres that we may have to lay again.

Senator FAULKNER—We can be assured that it will not happen again?

Mr Smith—Yes, Senator.

Senator FAULKNER—Concerning art work in general, where are we up to on the review by Betty Churcher which went to the Speaker and the President late last year? We had heard, Mr President, that you are planning to return a verdict on these matters before the winter break. Can you let us know where you are up to, please?

The PRESIDENT—Yes. If you recall, back in March we indicated that initial decisions and some of the recommendations made by Betty Churcher—we extended the time for senators and members to give them a further opportunity to comment on the Churcher recommendations, and I have received some letters from some senators and members. DPS will provide shortly the work on implementing the report or the decisions. I understand that

will include the staffing structure of the art section and what they will be doing about filling positions in the new structure on an ongoing basis.

Senator FAULKNER—But it is not clear to me where this is all up to. Are you acting on those recommendations?

The PRESIDENT—The secretary is acting on the recommendations and, as far as I know, the secretary is currently looking at the staffing structure of the art section. You would be aware that Ms Dauth's contract has expired.

Senator FAULKNER—I was not aware of it, but I know now. Ms Penfold, can you tell us where this is all up to?

Ms Penfold—Certainly, Senator. I have an indication from the Presiding Officers of where they are inclined to head—that dates back from March. At that stage, they did agree to give a number of senators and members more time to come back with further comments and I think there have been some further comments. I now understand that the President and the Speaker are not inclined to change any of their particular decisions. There are some areas of the Churcher review on which we need to provide some advice to the Presiding Officers. They relate in particular, as the President has said, to the staffing structure for the arts services section, they relate to the funding that we have available for art purchases and how that might be affected by the slight redirection of work on the art collection and they relate to a couple of other more specific things like the engagement of an art consultant to help us with purchases in the future.

Senator FAULKNER—So we are going to engage an art consultant?

Ms Penfold—That was one of the recommendations, yes—that is, that we did not need to have that expertise within the department or within the parliament, that we should engage someone who would work on the basis of our criteria and produce things that he or she recommended fitted our criteria and that we might consider purchasing and that there would then be a committee within the parliament that would consider those recommendations and either go ahead or not.

Senator FAULKNER—There was about \$15 million put into the initial collection. That is right, isn't it?

Ms Penfold—That roughly accords with what I have been advised, yes.

Senator FAULKNER—And about \$100,000 a year since then. Is that right? That is my understanding.

Ms Penfold—I believe so. I think we have not spent a lot in the last couple of years. Is that correct, Andrew?

Mr Smith—No, we have not spent any money in the last two years. That money has been put on hold and will be available once we start to again acquire paintings for the building.

Senator FAULKNER—There was \$15 million spent initially and then approximately \$100,000 a year, for how many years?

Mr Smith—There was very little purchasing done immediately after the building was opened. Then the former Joint House Department was allowed to spend roughly \$100,000 a

year from probably about three or four years after the opening. The profits from the bookshop were used to fund those acquisitions.

Senator FAULKNER—Yes, that is right. Would the annual funding have come to less than a million dollars? It sounds like it would have.

Mr Smith—It would be somewhere around that mark.

Senator FAULKNER—Around a million dollars? So there was \$15 million spent initially and since then another million dollars spent. What is the value of the collection now?

Ms Penfold—The total value of the collection I believe is put at about \$80 million, but out of that in comparing how we have done, as it were, you need to take the \$40 million that is attributed to the Magna Carta. So it is roughly \$40 million for the other artworks.

Senator FAULKNER—So the collection that was originally purchased for \$15 million plus another million dollars since, so for around \$16 million, is now worth \$40 million—but of course that was not \$15 million in 2004 dollars.

Ms Penfold—Although I could not put a figure on this, I presume that some of that value is also attributable to gifts to the collection.

Senator FAULKNER—Yes. It does not seem like it is a bad investment, even accounting for the Magna Carta. Would that be fair?

Ms Penfold—I think that is a fair statement, subject to one qualification: if we cannot ever sell it, I am not sure where that gets us.

Senator FAULKNER—We do not know whether you can sell it or not.

Ms Penfold—Indeed. That is an interesting question.

Senator FAULKNER—One assumes the value has something to do with its commercial value. Have you had a look at the potential costs of Ms Churcher's recommendations?

Ms Penfold—No, we have not done any serious costing on those yet. That is the sort of thing that we need to provide for the Presiding Officers very soon.

Senator FAULKNER—When are you going to do that?

Ms Penfold—In the next four weeks.

Senator FAULKNER—If the parliament starts buying facsimile reproductions of famous works—and I think that is one of the recommendations that Ms Churcher has made, isn't it?

Ms Penfold—It is.

Senator FAULKNER—Will they be subject to different handling and record-keeping requirements from the rest of the collection?

Ms Penfold—I think her recommendation is that they should be, that they should not be properly accessioned into the collection and just treated as, if you like, ordinary assets of the department.

Senator FAULKNER—Really? That is not as I understood it, but I accept that if that is the case.

Ms Penfold—That is certainly my understanding.

Senator FAULKNER—They would not take as much staff resources as the original works around the parliament do?

Ms Penfold—I would not expect they would take as much resources, no.

Senator FAULKNER—Are there any long-term financial implications of shifting to purchasing work of established artists?

Ms Penfold—I would have thought there would have to be an implication if we were to move completely in that direction—and I should point out that I do not think the Churcher recommendations were that we should make a complete change of direction, only that we should broaden the group from whom we look at buying things. I guess as a matter of logic, the more things you try to buy from established artists, the fewer works you are going to get for any given bucket of money.

Senator FAULKNER—I assume that means you can buy fewer works if they are from established artists.

Ms Penfold—Indeed, to the extent that we are buying from established artists, yes, we will get fewer works for any given amount of money.

Senator FAULKNER—What did you say, Mr President, about Ms Dauth? Has she not had her contract renewed? Is that what you are saying?

The PRESIDENT—That is correct.

Ms Penfold—Before Ms Dauth's most recent contract expired on 31 March, we had a look at the scope for re-engaging her for another temporary contract until we had the Churcher report under control and had worked out what the implications of it were. When we started looking at the Parliamentary Service Act, it emerged that there was simply no legal basis on which we could re-engage her on a non-ongoing contract.

Senator FAULKNER—Was that related to the Churcher review in any way?

Ms Penfold—No, it was not related. The problems with the Parliamentary Service Act were not related to the Churcher review; they are the standard provisions in the Parliamentary Service Act that are designed to prevent people being engaged on rolling temporary contracts for an extended period.

Senator FAULKNER—Do you have a new director?

Ms Penfold—At the moment we have another member of Andrew Smith's group, Gowrie Waterhouse, acting as our director of art services. We do not have any immediate plans to fill that position on a permanent basis because that is one of the positions that will need to be redesigned.

Senator FAULKNER—We have a temporary art services director, do we?

Ms Penfold—Indeed.

Senator FAULKNER—Is that Mr or Ms Gowrie Waterhouse?

Ms Penfold—Mr Gowrie Waterhouse. He belongs in the department as our design integrity officer.

Senator FAULKNER—Does he have the qualifications to be an art services director? I am not suggesting he does not; I do not know. It is quite a highly specialised job, isn't it? You do not just throw anyone in from anywhere. You would end up with someone like me if you did not watch out.

Ms Penfold—I know you have strong views—

Senator FAULKNER—I do have views but I am not qualified to do such a job.

Ms Penfold—Because we are in a state of flux over the Churcher review, at the moment the job is quite significantly a management job with, if you like, a fairly substantial conservation element thrown in—in the sense that we are simply keeping things going. As you have heard, we are not spending money at the moment on new artworks. We are conserving the existing artworks and are moving them around as they need to be.

Senator FAULKNER—Mr Waterhouse is not providing specialist or professional art advice?

Ms Penfold—No, he is not. To the extent that we need that advice—

Senator FAULKNER—His role is a management role.

Ms Penfold—Largely. Given his design integrity interests, he does have an interest in and an understanding of the significance of the art collection within the building. He is looking to people like the specialist conservators for that sort of advice.

Senator FAULKNER—Are we going to have a new art director or not?

Ms Penfold—When we have worked out what skills we need in the restructured art services section, then we will know what we need in that position. Given what I have already said about engaging an art consultant to advise on purchases, it may be that we do not need the same level of art expertise within the department as we have had in the past and that what we need more is a person who can manage a group of specialists, conservators and so on and can deal with the art consultant on purchases and with people like the Visual Arts/Craft Board of the Australia Council about particular commissions and so on.

Senator FAULKNER—We now have a new approach from the Department of Parliamentary Services that you cannot put people on some sort of temporary contract?

Ms Penfold—It is not a new approach from us; it is simply the provisions of—not the Parliamentary Service Act—the Parliamentary Service Determinations.

Senator FAULKNER—For how many decades did we have an acting parliamentary librarian—I mean, that is just rubbish. We had an acting parliamentary librarian for—

Ms Penfold—I think the best part of 10 years.

Senator FAULKNER—A decade.

Ms Penfold—Yes. But an acting appointment of someone who is already a member of the Parliamentary Service is an entirely different matter.

Senator FAULKNER—Are there plans to advertise the new job?

Ms Penfold—The new job will be advertised when it has been designed and described, yes.

Senator FAULKNER—Are art services going to exist as an entity?

Ms Penfold—I would expect so, yes. We still have a significant collection to be managed and cared for.

Senator FAULKNER—If it exists as an entity, will you need a director of art services?

Ms Penfold—We will certainly need a person running that unit, yes. Whether they will be called a director of art services or not, I have no idea. I do not imagine that it matters.

Senator FAULKNER—Part of their role is already designed by implication, isn't it? If you are going to have an art services entity, it needs a director and we are doing a really good job here and now in starting to define what that person is going to do.

Ms Penfold—Indeed.

Senator FAULKNER—Basically what you are saying is that we are outsourcing the purchase of artworks at Parliament House. That is really what is happening, isn't it? Mr Abbott and Mr Cameron can chalk up a victory, and we will all have oil paintings of Governors-General on the walls of our offices.

Ms Penfold—We will outsource the finding of the artwork according to the criteria that we set. If that criteria says we only want pictures of Governors-General then, yes, I guess that is what they will go and find for us. If we say we want a representative collection of either contemporary Australian art or Australian art across the board then that is what they will go and look for. They will not be buying for us. We will still have to make the decision on each proposal whether we are satisfied that those things fit within our criteria.

Senator FAULKNER—Nevertheless, it is quite true that those limited people like Mr Abbott and Mr Cameron—and good luck to them—have had a win. Eventually they have browbeaten the show into conforming with their view of what an appropriate art collection is, at some considerable cost to the Commonwealth.

The PRESIDENT—I do not think that is correct. If you recall 70, 80 or more senators and members responded and spoke to Ms Churcher and, basically, the Speaker and I ended up with what we think is a very balanced review. The recommendation that we are inclined to is that the collection will in future acquire artworks from every constituency in every state. There was one concern raised with me by one senator, I believe, that under these new arrangements the works by new and emerging artists would no longer be acquired, but that is not the case. What the new recommendations mean are that works of established artists as well as new and emerging artists can be acquired, even those by distinguished Australian artists who are dead. Under the old guidelines, you could not do that.

Senator FAULKNER—How many respondents to your survey liked the existing collection?

The PRESIDENT—I cannot recall, but it was not a great number out of the 80-odd.

Ms Penfold—I thought the numbers were fairly evenly divided.

Senator FAULKNER—I thought half.

The PRESIDENT—Yes, but they did not object to—

Senator FAULKNER—That is a pretty great number, I would have thought.

Ms Penfold—I do not think it is correct to suggest that we will be abandoning those sorts of purchases. It is certainly correct to suggest that the criteria have been broadened or will be broadened. On the other hand, as we have already established—

Senator FAULKNER—I do not know what you are doing, Ms Penfold; I just know the whole thing is being driven—even the fact that there has been a review—by these anal retentives in the coalition party room. They spend half their time running around the building worrying because there are not oil paintings of Governors-General on the wall. Anyway, we will see how it goes. That is Mr Cameron's sole contribution to public life in this country.

CHAIR—We cannot all be party avant-gardes, Senator Faulkner.

Senator FAULKNER—No, but if I were you I would not mention the word avant-garde. Do you really want to go there? No, best you be quiet. This is a good day for you to be quiet.

CHAIR—Senator Faulkner, do you have any more questions?

Senator FAULKNER—Yes, I do have some more questions, which you should be thankful for. You should be very pleased. What about the fake mace?

Ms Penfold—The mace is not ours.

Senator FAULKNER—I am aware the mace is obviously the House of Representatives mace, but there is a proposal for a replica mace for Old Parliament House and I wondered if your department had had any involvement with that in any way at all?

Ms Penfold—Not to my knowledge. Andrew, do you know anything about the fake mace?

Mr Smith—No, I am not aware of any fake maces being commissioned.

The PRESIDENT—If you want to ask questions about that, then you should ask the Department of Communications, Information Technology and the Arts as it was purchased by them.

Senator FAULKNER—It is a matter for Old Parliament House. Just because you are not aware of it—I am sure you would like to become aware of it—if you check the *Weekend Australian* of 10 April 2004 you can be. It is a \$235,000 jewelled replica ceremonial mace. But if you have had nothing to do with that, that is fine. I will ask the relevant people. What about any consequences—I was going to say knock-on effects, but that is probably a fairly poor description—of the story from 13 May about the elderly woman in the House of Representatives who was shouting objections at the Prime Minister and ended up with her false teeth knock out? This of course is a matter for the Department of Parliamentary Services, so why don't you tell us about that, Mr Crowe? It is very nice to see you again.

Mr Crowe—The woman in question did not have her teeth knocked out, Senator. While she was being removed from the gallery for interjecting, she continued to yell at the Prime Minister and she actually spat her teeth out as she was being removed—so they were not knocked out. She was subsequently taken down to the Serjeant-at-Arms' office. She was asked whether or not she had any complaints about the way she was treated, and she indicated that she had no complaints whatsoever.

Senator FAULKNER—I am only aware of the newspaper coverage of the incident, and it had obviously raised some concerns. Have you conducted any sort of inquiry to assure yourself that this matter was appropriately handled?

Mr Crowe—In fact the Serjeant-at-Arms was tasked with undertaking that inquiry. We were involved in it obviously, and the finding of it was that everything was done in accordance with the policy and procedures and they were more than happy with the outcome.

Senator FAULKNER—Did you think that the coverage might have been a little unfair to any of the parliamentary security attendants?

Mr Crowe—That was certainly my initial impression, yes.

Senator FAULKNER—Did you do anything about that? Did anyone write a letter to the newspaper or anything like that? I do not know anything about the incident, only what I read in the newspaper, but if you feel something like this leaves an unfair slur on someone, then normally you try and write the wrong by correcting the record.

Mr Crowe—I was actually questioned by newspapers on the afternoon of the incident. I told the exact story as it happened, the incident as it happened. The Serjeant-at-Arms has written to me and the security organisation applauding the action and asking us to pass that message across. That message has been given to the security teams.

Senator FAULKNER—Senator Johnston asked some questions earlier about furniture, particularly contracts being let for leather chairs. Can someone quickly bring us up to speed on the timing for that? You would not recall, Ms Penfold, because you were otherwise occupied four years ago, but I did raise some questions about some similar issues—it may even have been five years ago, about 1999 or 2000. I think the life of these chairs is about 12 years. That was what I was informed at the time. I do not have the *Hansard* transcript to hand, but that is my recollection. Is that right, Mr Smith?

Mr Smith—With proper treatment we expect to get 12 to 15 years from them.

Senator FAULKNER—Are we looking at a current round of refurbishment of these leather chairs?

Mr Smith—We had two batches of the black chairs that Senator Johnston was referring to made. We are currently in the process of selecting leathers for the orange chairs—the brumby leather hides that are on the second floor in the main circulation area. We have funding to replace those in the current financial year.

Senator FAULKNER—So is that the contract we are talking about—black leather lounges?

Mr Smith—Yes.

Senator FAULKNER—And they are in what places in the building? Are they in common areas, basically?

Mr Smith—Mainly in the public areas and in the central circulation areas.

Senator FAULKNER—To clarify, what was the value of that contract?

Mr Smith—The approved cost for that job was \$172,102.

Senator FAULKNER—How many black leather lounges are there?

Mr Smith—There are roughly 100. I know there were 65 in the first lot that were replaced and somewhat fewer in the second lot.

Senator FAULKNER—So that figure is for 100. Is that the second lot we are talking about there or both lots?

Mr Smith—We have replaced two lots in the last 18 months.

Senator FAULKNER—Can you give me those two figures, please? You have given me one figure of \$172,102 for the black leather lounges, and there are approximately 100 of them. Can you tell me what the earlier contract—

Mr Smith—That figure includes all the black leather chairs that we have replaced to date.

Senator FAULKNER—So that is both lots?

Mr Smith—Yes.

Senator FAULKNER—You might find a precise number of lounges for us. I appreciate your best advice of approximately 100 but you might very quickly find out how many there are, if that is possible.

Mr Smith—Yes, we will.

Senator FAULKNER—The second group of lounges are orange, are they?

Mr Smith—The orange brumby leather chairs on the second floor in the main circulation area in the Mural Hall.

Senator FAULKNER—Are they orange? I missed that. So that is a budgeted figure for that replacement, is it?

Mr Smith—I have not given you a figure for the brumby leather chairs.

Senator FAULKNER—It has not been done yet, has it?

Mr Smith—No, it has not been done yet.

Senator FAULKNER—So what is the budget for those? Is that ‘brumby’ as in bronco?

Mr Smith—No, I think that is just the name of the leather.

Senator FAULKNER—It is not horse leather, is it?

Mr Smith—No.

Senator FAULKNER—It is quite misleading calling it ‘brumby leather’.

Mr Smith—It is just a name that was given during construction. It is a very soft finished leather. My staff are looking up that figure for you.

Senator FAULKNER—What is the next chair refurbishment after the orange brumbies?

Mr Smith—We have a furniture replacement and refurbishment budget of about half a million dollars, and there is a whole sequence of projects in that. I am happy to pass that on to you after this meeting, if I could.

Senator FAULKNER—That would be helpful. What I am after is the precise number of black leather lounges—it is approximately 100—the number of orange brumby lounges and the budget figure for the leather replacement on those.

Mr Smith—If I could take all that on notice, we will have that for you fairly shortly.

Senator FAULKNER—Ms Penfold, can you indicate to us—or perhaps Mr Crowe might like to do this—how things are going, in the broad, with this issue that we have monitored from time to time at estimates: theft in the building? Can you tell us how we are going with the criminals in our midst, Mr Crowe?

Mr Crowe—The introduction of CCTV cameras through the private areas on both sides of the building seems to have had the desired effect. In fact, just from memory, we have had one laptop computer reported stolen in the last few months. Other than that, there has been very little reported theft.

Senator FAULKNER—That is a pretty significant reduction, isn't it?

Mr Crowe—It is indeed.

Senator FAULKNER—So you would say that the closed circuit television cameras are doing the trick?

Mr Crowe—They have certainly contributed to getting to where we want to get to as far as theft is concerned, yes.

Senator FAULKNER—Have there been any other major issues of wrongdoing around the building that you would care to bring to our attention? What you are saying is that in recent times, after the closed circuit television, there has only been one laptop theft. That is great. Is there anything else?

Mr Crowe—There is nothing else that has been reported since the introduction of the cameras.

Senator FAULKNER—So, obviously, your preliminary assessment is that it has been very effective from this point of view.

Mr Crowe—From our perspective, as far as theft is concerned, very much so, yes. We have not had incidents of break-ins to suites or people entering suites inappropriately, which was the secondary reason for the introduction of the CCTV. But as far as the theft issue is concerned it has been very successful.

Senator FAULKNER—Have there been any other spin-offs from the closed circuit television?

Mr Crowe—It has provided that extra degree of monitoring around the place. If there is a question raised about an incident happening anywhere, we have the ability to check it if we need to check it. But at this stage, no, there has been no problem at all with it. It has been very good.

Senator FORSHAW—I think all of us have seen a huge explosion in the amount of spam email coming through. It seems that the system is just flooded with it. I am about as literate on this technology stuff as Senator Faulkner, but can anything be done to isolate this stuff from, say, the Parliament House internal emails?

Ms Penfold—I believe we have a program that is being trialled by some senators and members. Peter Ward will give you more detail.

Mr Ward—We have acquired a product called I Hate Spam, which we are trialling with a number of senators and members. It seems to be well accepted by those who are trialling it in trying to manage and quarantine what is identified as spam. We are just having a few instability problems with the software at the moment, and that is the only reason that we are not going to rush it out to all senators and members, but if we can overcome that instability and get a stable environment with this software then certainly the intention is to get it out to all senators and members.

Senator FORSHAW—Without going into the fine detail, how would that work?

Mr Ward—It works in the sense that it has rules to try to identify the type of mail that is coming through to you and it will quarantine mail which it believes is potentially spam. From experience, you can say, 'Look, that email from this particular sender is not spam, it is something that I want to receive on an ongoing basis,' and you can change the rules if you like and say, 'When that sender sends it again, treat that as proper mail.' Others you can continue to quarantine.

Senator FORSHAW—So it is quarantined but it is not deleted or—

Mr Ward—No, it is up to you to then—

Ms Penfold—But it finishes up in a separate inbox, doesn't it?

Mr Ward—In a quarantine folder, if you like, and then you can decide what you want to do with it, whether you want to be able to say 'Just delete it' or—

Senator FORSHAW—That is what I understood. Have you got any idea of how long, if this is to be implemented, it will be?

Mr Ward—We have been working very closely with the supplier of the software and informed them about the problems we are having with the stability. They have now provided us with the latest version of the software, which they believe will overcome some of these instability problems. We are currently installing the new release, and we are going to trial and test that. I will just qualify it with the fact that, if there is still a problem with this software, we may have to look somewhere else. I think we have reached that stage.

Senator FORSHAW—What you have just described may be the solution anyway. I do not want to and I cannot speak for all senators and members, but I know it has been raised by some that there could be a way to have a separate email account or a way that all other internal Parliament House committee emails, emails that travel between members of parliament and so on could be separated out from emails that come in from outside the parliamentary network, if I can use that term. Is that a possibility, without necessarily having to separate email accounts? I know that one of the complaints that a lot of us have is that you get so many and everything that comes in from constituents, that comes in from outside, that comes in as spam and all the unsolicited stuff, as well as all of the notices and traffic between your colleagues and so on can be a real mess. Has this proposition ever been considered of having, say, Parliament House emails and all that they encompass received in a different way

so that, if you need to just go to find out, for instance, about emails from committees, emails from your colleagues or whatever, that is in a separate section?

Ms Penfold—You are suggesting, I think—

Senator FORSHAW—I am not suggesting it. I know that this proposition has been raised.

Ms Penfold—that, in effect, your inbox would sort your mail for you—

Senator FORSHAW—Possibly, yes.

Ms Penfold—in a similar way, possibly, to spam—

Senator FORSHAW—As I say, I do not understand the technology—

Ms Penfold—so that, in one folder, you could have everything that came from within the building and, in another folder, the other things, before you even see it.

Senator FORSHAW—Again, I am not saying it should be adopted but asking whether consideration has been given to this. It could well make it easier to search for what you are looking for and for your staff to be able to monitor internal emails, if you like, as distinct from having to sort it.

Mr Ward—We have got a project which we intend to conduct over the election break, if you like, whereby we are hoping to be able to set up a way of being able to have folders and identify the type of mail coming in—what you are suggesting. How well we can do it is something that we will have to explore. It is something that we are conscious and aware of. We are also aware that there are Outlook rules that you can set up to maybe help you here. But we do have a project in mind which we have at least got as far as scoping, and the intention will be that during the election break we will put something in place so that the new parliament, hopefully, will have a better system.

Senator FORSHAW—It could be done obviously with a separate account.

Mr Ward—That is right.

Senator FORSHAW—But I do not think people necessarily want to go to that because it will just mean one more line you have to monitor.

Mr Ward—That is right—it is not practical. Certainly that project is on the books and, as I said, hopefully it will satisfy your need.

Senator FAULKNER—Ms Penfold, you indicated that you had sought formal advice from ASIO in relation to the—

Ms Penfold—The viewing port, yes.

Senator FAULKNER—Yes, as to whether there is a necessity to maintain the viewing port and the answer was no.

Ms Penfold—That is my understanding. I have not seen the letter.

Mr Smith—Yes, we have received a letter from ASIO suggesting that they no longer need that viewing port in the fire system.

Senator FAULKNER—So it is a viewing port in the fire system?

Mr Smith—Yes.

Senator FAULKNER—Are there more than one of those in the building?

Mr Smith—It is very unusual to have a viewing port in a fire water system. It is the only one that we know of in this building and perhaps in Canberra.

Senator FAULKNER—That is what I was wondering. That is what it is called, a viewing port?

Mr Smith—It is an inspection port or viewing port, so that you can see inside the fire water pump.

Senator FAULKNER—I understand—which has led somehow to some form of structural weakness, I gather. Is that what you are suggesting?

Ms Penfold—Because it is plastic or perspex rather than metal.

Senator FAULKNER—Is that correct?

Mr Smith—That is correct. The perspex has obviously deteriorated far quicker than the metal pipe and ruptured under pressure.

Senator FAULKNER—There was only one of them? That is the point on which I want to be clear. Is that why you are confident with the replacement by the mechanism you have described, a metal plate of some description? Does it mean that there is no chance of the same problem that led to the leak in the cabinet room occurring again?

Mr Smith—That is correct, Senator. There is only one in the building and it has been replaced with steel which will have a much longer life.

Senator FAULKNER—I appreciate that. I do not know whether I want to go publicly to the security implications but if there is a security implication you can tell me. If this were monitored, surely this is a perfect way to get to the fact that the leak had occurred?

Mr Smith—It is monitored by ASIO staff. I have no information on how often they monitor it or what they monitor it for.

Senator FAULKNER—Are you able to say whether or not it is remotely monitored?

Mr Smith—I believe that before every cabinet meeting there is a sweep done of the cabinet room and its immediate surrounds.

Senator FAULKNER—So it is a physical monitoring basically?

Mr Smith—Yes.

Senator FAULKNER—That explains it, thank you.

Mr Smith—Chair, I was asked a question by Senator Faulkner before about the number of black leather chairs. I now have the information. In the first stage the number was 65, the second stage was 28, giving a total of 93 black leather chairs.

Senator FAULKNER—So 93 for a total figure of \$172,102.

Mr Smith—Yes. We are replacing 24 of the two-seater orange brumby lounges. The budgeted cost of that is \$92,000.

Senator FAULKNER—Thank you.

Senator MURRAY—Staying with spam, some of it is quite easy to deal with. You can just do a mass delete. You recognise the madman concerned and off it goes, but members and senators report that they get some fairly offensive stuff coming in. One of the devices we probably need is the ability to route it automatically to someone who has the responsibility for following it up, because some of that stuff is contrary to the law; you cannot send it through the post, you cannot send it by email—it is prosecutable. Senators and members do not have time to individually follow up all these things.

In your deliberations I think the question is whether you are considering also providing an easy reference. We have a system for our mail but we do not have a system for our email. If you receive an offensive email, can you send it to an officer who would deal with it?

Mr Ward—The process at the moment is that if we are informed, which we would need to be—

Senator MURRAY—Who is we?

Mr Ward—The Department of Parliamentary Services. If I am informed, maybe through a 2020 call, that a senator, member or any occupant of this building received an offensive email, I would immediately contact the Assistant Secretary for Security who would then bring in the Australian Federal Police. Our role is simply to cooperate with the police in whatever manner necessary, such as taking copies of that mail and providing it to the police, if that is the direction that it takes.

Senator MURRAY—The difficulty is that senators and members are not necessarily in one place. They could open their laptop at home, they could be in a hotel room somewhere, they could be at their electorate office or they could be here. It is easier sometimes, I would have thought, for them just to forward the email so that the department deals with it.

Ms Penfold—So the idea would be to set up an email address that you could immediately forward things to.

Senator MURRAY—In the same manner as Senator Forshaw was raising some issues which the department should consider, this is an issue. It is quite distinct from the madness of some of the commercial spam we get. This is offensive material which comes to members and senators, it seems on a random basis.

Mr Ward—We certainly do not have the process in place now, other than through a telephone call. But we can have a look at that.

Senator MURRAY—The second thing I want to deal with briefly is the electorate office network slowness. Was that covered this morning while I was at the joint committee?

Ms Penfold—No.

Senator MURRAY—Let me give you my personal experience with the laptop issue. I think I am typical of many senators, particularly those who live far away. I fly in on a Friday night. I do not want to go into the office; I work over the weekend on my laptop and Sunday night I fly out again. So I need that time. I have a dedicated line at home, which I use for my fax and computer work, and it is agonisingly slow. Ever since the system has changed it is almost useless, particularly for email interaction, which is commonly what you need to do at that time—respond to reports, talk to committees and so on. Periodically, departments and

people advise us as to how they are getting along—I have a copy of an email here from 21 April from Sue Ranford. It all sounds very helpful and as though they are all putting in a lot of effort, but I am not seeing any improvements. The electorate office seems to be improving but the laptop access is far worse than it ever used to be.

Mr Ward—We appreciate that there are problems. There have been problems with freezing and slowness in electorate offices particularly. Also, those who are using notebooks had some problems with slowness.

Senator MURRAY—And freezing, I might add.

Mr Ward—We certainly have put a lot of effort into this. On the slowness from electorate offices' point of view, we have taken a lot of initiatives. We believe that basically the freezing from electorate offices has almost gone, if not completely gone, and that the slowness has improved but that there are still problems with slowness. We are continually working with the department of finance. In fact, the department of finance and Optus have recently put in some additional tools to monitor the Optus network, which is basically the network which connects electorate offices to Parliament House, to try and identify whether there is some slowness there. We are constantly putting resources into that problem.

Senator MURRAY—Is it fixable?

Mr Ward—We have certainly taken a lot of initiatives—and I can go through those initiatives—in some areas where we saw that we could improve it. But there does not appear to be one sole problem to this that we can say: 'This is what's causing it. If we fix that, it's all gone.' We have taken some initiatives in some areas where potentially it could be slowing down electorate office access. We have taken action to rectify that by doing what they call C-centric work by putting more things onto the PC in the electorate office rather than having work done on the central computer, and by replacing an Optus router, a network device, at this end. Finance have looked at all the networking equipment settings in the electorate offices to see whether their settings are correct. In some instances they were not correct and they are being fixed as well. A lot of work has been done and is still being done to try to overcome the slowness. We have had experts in to look at that whole environment, end to end. They have made some recommendations, and we are implementing those recommendations now. But there is not one thing that they can say, 'There's your problem, fix it and it is going to go away.'

Senator MURRAY—It is since the change, isn't it?

Mr Ward—It certainly is since the change. There is no doubting that. Although, may I say, there was some evidence of it with the old software platform we ran, but it is significantly more so now with the new platform.

Senator MURRAY—In productivity terms, my own productivity is way down, because I have to sit for minutes staring at a blank screen whilst it connects.

Mr Ward—Is that on your PC in your electorate office or are you now talking about your notebook?

Senator MURRAY—I am talking about my notebook when I connect through my home. Behind my question is: if it isn't fixable at some stage, are we going to have to chuck out the whole system and start again?

Mr Ward—We have certainly done a lot of work on the notebooks, and I would like to think that the changes we have now made will improve your experience with the notebook.

Senator MURRAY—As of yesterday, no.

Mr Ward—I presume someone has had a look at the configuration in your notebook to see that it has been properly set up?

Senator MURRAY—It is logged in regularly into the set-up. I presume it is upgraded in the way it has to be; I do not know. I do not want to focus on my problems, because I am aware from this kind of email that it is a general problem.

Mr Ward—We certainly found that particular problem with the notebooks in the way that some of the background programs and the antivirus software were working, and we have fixed that. I think that has resulted in a better experience with the notebooks. We put out an email a few weeks ago saying to all notebook owners to connect their notebook from either their electorate office or their Parliament House site so that they can take the software changes. Hopefully, once you took those, you would see a difference. We noticed that, when some senators and members brought their notebooks in, the notebooks were not configured properly, and we have fixed up the configuration on them. We believe now that it is an education process. If people are dialling in through a slow connection and if they have a lot of emails in their mailbox, they are going to experience slowness.

Senator MURRAY—But they did not used to; that is the point. I did not used to. The system is worse for the laptop use—not when it is hooked into parliament, only when it is operating from home.

Mr Ward—From home on your broadband connection?

Senator MURRAY—Yes. Have you had many reports from parliamentarians or ministers and their advisers using laptops when travelling overseas or in hotels in Australia as to poor connection and difficulty of accessing the network? We were informed that it would be easy, and it is not proving easy.

Mr Ward—We certainly have evidence to suggest that there have been problems. There has also been a great deal of success as well. It depends on the countries that they visit; it depends on the hotels that they may be connecting from.

Senator MURRAY—Why would Europe be bad?

Mr Ward—It depends what country in Europe. But we have now built up a fair bit of evidence to suggest that certainly some countries are not as reliable as others. What we are suggesting now is that, for any delegation going overseas, if they are going to take their notebooks with them, they need to bring them in. We can test them out to ensure that, again, the configuration is correct. We can go through with the senator or the staffer how to connect and the various ways of connecting, so at least we have the confidence that the notebook is not going to be the problem. The experiences have been very variable of overseas delegations.

Senator MURRAY—But the anecdotal evidence I have is that, again, they seem to be worse than they were in the past. May I suggest without taking up much more time that you consult with the President’s adviser—he would have had recent experience.

Mr Ward—We are well aware of that.

Senator MURRAY—I shared his frustrations. My last point is that at the last estimates on 16 February I raised the question of identity being validated for senators and members who call for assistance. I made the point that some of the questions being asked are available in the public domain. Without indicating which questions, I went away and examined one of the questions by looking in *Who’s Who* and, out of 46 members and senators randomly selected, I could find 12 of the answers in *Who’s Who*. So I would remind you that the system of security validation is far from secure.

Senator FORSHAW—I have one other computer related question. All computer related problems both here in Parliament House and in the electorate offices are now looked after by you internally—that is, 2020, the help desk—aren’t they?

Mr Ward—We provide remote support to electorate offices, but we certainly do not provide on-site support to electorate offices.

Senator FORSHAW—I appreciate that, but that is the point of contact. There were problems in the past of being back in your electorate office and having to ring whatever the company was called.

Mr Ward—CSE.

Senator FORSHAW—Other equipment in your electorate office—risographs, photocopiers et cetera—are the responsibility of DOFA.

Mr Ward—That is right.

Senator FORSHAW—A problem has occurred—and this is from personal experience, but I understand it has affected other members—whereby a new Danka risograph machine was provided. One of the features of it was that you could connect your laptop computer to it and transfer the information straight from the laptop to the risograph and print directly. However, it required additional cabling, which had to be purchased at personal expense because it was not included as part of the equipment from DOFA from Danka. I am not complaining about that. In this case, we did that. We still ran into a problem—it would not work. I have raised with the help desk that there appear to be problems with the software either not being available or installed on the parliamentary network, on the laptop, or some other problem. The problem is that we cannot seem to get it resolved. Danka do not want to know about it. Are you aware of this?

Mr Ward—I am not aware of it, but I can certainly say that, although we provide remote support, the Department of Finance and Administration—I am not just trying to flick the ball—are responsible for electorate office entitlements.

Senator FORSHAW—Their answer is that they provided the machine but do not have any responsibility for ensuring that the risograph machine will in fact be able to do what it is supposed to do. In other words, although this feature was promoted on the basis that you could actually produce newsletters or whatever else you wanted to do by a direct link between

your laptop and the risograph machine, in fact we have the hardware but we do not seem to be able to use the facility. Would you mind checking that out for me?

Mr Ward—I will, but I will have to talk through DOFA. Basically, Finance—

Senator FORSHAW—This is the difficulty we are having.

Mr Ward—Yes, I know. I can certainly take it up with Finance. What I would expect them to do—though it is their call—is say to us, ‘Please integrate this.’ If they ask us to integrate your solution, we can integrate it for you.

Senator FORSHAW—That is what I am looking for. It seems to me that there is a very expensive piece of equipment that is provided—the risograph—and if the feature is that they should be compatible with the laptops and be able to be connected and used in that way then, if you cannot do it because of some issue about whose responsibility it is or whether it is an entitlement or not, or you have to have the software but are not allowed to install the software yourself, the whole thing becomes—

Mr Ward—It is clearly Finance. But I can talk to them and I will get back to you, Senator, or I will get someone from the department of finance to get back to you.

The PRESIDENT—Chair, earlier today the committee requested copies of correspondence between me and the Special Minister of State regarding the administration of senators’ printing entitlements. I table for the information of the committee the following documents: a letter from the Special Minister of State to the then President, dated 7 September 2001, and subsequent correspondence. There are quite a few letters. The committee will see from this correspondence that, as I said earlier, this matter has been under discussion for a number of years, and the discussions between the Department of Finance and Administration are unconnected with the joint Senate newsletter referred to this morning.

CHAIR—Mr President, the committee will gratefully receive that. That completes the examination of the parliamentary departments. The committee has set 9 July 2004 as the date for the submission of written answers to questions on notice. I thank the President, Ms Penfold and officers for their attendance and assistance this morning.

Proceedings suspended from 1.03 p.m. to 2.13 p.m.

PRIME MINISTER AND CABINET PORTFOLIO**In Attendance**

Senator Hill, Minister for Defence

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

Ms Patricia Scott, Deputy Secretary

Mr Andrew Metcalfe, Deputy Secretary

Economic policy advice and coordination

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

Social policy advice and coordination

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

International policy advice and coordination

Ms Julie Yeend, Assistant Secretary, Ceremonial and Hospitality

Support services for government operations

Ms Barbara Belcher, First Assistant Secretary, Government Division

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

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

Ms Judy Costello, Assistant Secretary, People and Resource 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 Steven Lack, Acting Group Executive Director, Performance Audit

Mr Warren Cochrane, Group Executive Director, Performance Audit

Mr Denzil Bourne, Senior Director, Governance and Services

Australian Public Service Commission

Mr Andrew Podger, Public Service Commissioner

Ms Lynne Tacy, Deputy Public Service Commissioner

Mr Jeff Lamond, Merit Protection Commissioner

Mr Mike Jones, Group Manager, Corporate Strategy and Support

Office of National Assessments

Mr Peter Varghese, Director-General

Mr Derryl Triffett, Assistant Director-General, Corporate Services

Mr Doug Kean, Assistant Director-General, Strategic Analysis

Mrs Margaret Bourke, Senior Executive Officer, Corporate Support

Office of the Commonwealth Ombudsman

Prof. John McMillan, Commonwealth Ombudsman

Mr Ron Brent, Deputy Ombudsman

Ms Natalie Humphrey, Contract Manager

Office of the Inspector-General of Intelligence and Security

Mr Ian Carnell, Inspector-General

Office of the Official Secretary to the Governor-General

Mr Malcolm Hazell, Official Secretary to the Governor-General

Ms Amanda O'Rourke, Director, Honours Secretariat

Mr Gary Bullivant, Corporate Manager

Department of the Prime Minister and Cabinet

CHAIR—I welcome Senator Hill, the Minister for Defence and the Minister representing the Prime Minister; and Mr Metcalfe, Ms Scott and officers of the department. Senator Hill, do you wish to make an opening statement?

Senator Hill—No, Mr Chairman.

CHAIR—Before I call for general questions, Ms Scott, can you tell the committee about the division of responsibilities between you and Mr Metcalfe?

Ms Scott—Mr Metcalfe is responsible for a group that covers international, defence, intelligence and security issues, and I am responsible for the group that provides advice on social and women's issues and for the corporate functions of the department, which include Kirribilli, the Lodge and other official establishments.

CHAIR—I am sure that will assist the committee in its examination. We will commence with general questions.

Senator FAULKNER—I have just a couple of questions arising from pages 32 and 33 of the PBS. I note there that there is a significant increase over the actual budget figures of 2003-04 to 2004-05 for state occasions and official visits. I just wondered if one of the officials might indicate to us what the reason is for that 36 per cent increase. I was a bit surprised because, of course, I assumed we had included the President Bush and President Hu visits in that 2003-04 figure. Would that be correct, Mr Metcalfe?

Mr Metcalfe—Yes, Senator. I will just see who the best person is to provide some advice in relation to that matter, whether it is Ms Costello or Ms Yeend.

Ms Costello—I can give preliminary information; Ms Yeend will have to finalise it. The actual budget provision last year was \$2.868 million; the estimated actual is \$2.120 million, so there has actually been a refinement in the current year against original budget provision and how much is likely to be spent this year. The \$2.886 million is very consistent with what was budgeted for in the 2003-04 year.

Senator FAULKNER—Thank you for that but, Ms Costello, could you just explain to the committee the expected increase over actuals?

Ms Costello—Ms Yeend would have to do that. All I can say is that there is not an increase in budgeted allocation, but the actual for this year was below the budgeted figure.

Senator FAULKNER—Yes, I understand point you are making. You are saying the budget estimate was the same for 2003-04 as we see in the papers for the budget estimate of 2004-05, in layman's language.

Ms Costello—Correct.

Senator FAULKNER—I appreciate you making that point and thank you for it, but the first thing I wanted to ask Ms Yeend is: can you explain to us whether the visits of President Bush and President Hu are contained in the 2003-04 actuals?

Ms Yeend—Yes, it is, Senator.

Senator FAULKNER—Would you be able to assist us with why there is this discrepancy between 2003-04 actuals and the budget estimate for 2004-05?

Ms Yeend—Senator, I am not in a position to do that at the moment. I would need to confirm with my colleague, Ms Costello.

Mr Metcalfe—My understanding is that, as Ms Costello explained, the estimate for a normal year of activity is around \$2.8 million—hence the estimate for next financial year. It appears that in this current year we have in fact spent less, but I think to get to the point of your question—are we expecting to do more or different next year?—the planning is that the program will continue as per usual.

Senator ROBERT RAY—That just raises that you have got a bodgie figure in here. You did not realise it in this current financial year with Bush and Hu here. Is this just a way of squirrelling away a bit of extra money—

Ms Scott—Senator, I do not think so.

Senator ROBERT RAY—because I would have thought that was a big year rather than a small year.

Ms Scott—Senator, the figure reported on page 32 is, as Ms Costello said, \$2.120 million but, in fact, the amount set aside in the budget was \$2.868 million—

Senator ROBERT RAY—Oh, really!

Ms Scott—and the amount is \$2.886 million. That is an increase of \$18,000.

Senator ROBERT RAY—Look, I understand that. Do not treat me like an idiot. I understand what it was budgeted for last year; we understand what the actuals are this year. Then you go on to say, ‘We’ve just gone back to what was budgeted the previous year.’ I am asking you: isn’t that an overestimate, both last year and this year?

Mr Metcalfe—We will examine that point and see whether or not the pattern of expenditure has been less than in fact has been budgeted for. You made the point, in relation to Bush and Hu, that it has been a big year. Certainly those visits themselves were significant, but I think those visits were not even on the radar screen when the estimates would have been put together for the last year.

Senator ROBERT RAY—That makes my case even stronger.

Mr Metcalfe—No, what I am saying—

Senator FAULKNER—If you did not spend the budget estimate amount of \$2.8 million in a big year when President Bush and President Hu visited, why would you expect to spend it in the subsequent year when there are no plans for social visits, unless you can tell us that there are some surprise visits around the corner?

Mr Metcalfe—We are not aware of any surprises. That is the figure that has been used. The increase over the previous estimate would be an inflation factor but the anticipation is that a normal program of incoming visits and state occasions would occur. These matters are difficult to predict. I take the point senators have made in relation to whether the estimate is as realistic as possible. We will look at that.

Senator ROBERT RAY—If in fact you are putting in a figure that you do not meet, sooner or later someone has to be accountable.

Mr Metcalfe—I take the point.

Senator FAULKNER—Moving to the next item on the table on page 32, women's programs shows a very significant decrease of minus 53 per cent. I assume, Ms Scott—this is clearly in your area because of that very helpful outline of responsibilities you gave earlier—that there is an impact because of the rollover of the domestic violence campaign—that is an assumption on my part. No doubt you will be able to inform the committee why that very considerable discrepancy between actuals and estimates appears—in this case, well over 50 per cent.

Ms Scott—Are you looking at output 2.2, Women's policy, or are you looking at—

Senator FAULKNER—I am looking at page 32, 'Table 2.1: Total resources for Outcome 1 (\$,000)'. I am looking at the sixth line, 'Women's programs', estimated actual in 2003, \$25.011 million and the budget estimate of \$11.589 million, under administered expenses.

Ms Scott—That is right. The decrease there represents a step-down in program funding. Compared to the actual budget in 2003-04 of \$21.542 million it steps down to \$11.589 million, as shown. That simply reflects the phasing down of the domestic violence program.

Mr Metcalfe—There is also footnote 2 on page 33, referring to 'Total administered appropriations' on page 32, which indicates that the 2003-04 figure includes new expenses of \$5.1 million for the national campaign for the elimination of violence against women.

Ms Scott—That reduction of \$13 million reflects two elements: one is total for Partnership Against Domestic Violence where funding steps down by \$5.4 million—

Senator ROBERT RAY—What does 'steps down' mean?

Ms Scott—Tracks down.

Senator ROBERT RAY—Would 'reduces' be a better word?

Ms Scott—Reduces, yes.

Senator ROBERT RAY—'Steps down' is very politically correct. You had better be careful.

Ms Scott—Then funding for the total national approach against sexual assault steps down by \$7.6 million.

Senator FAULKNER—Mr Metcalfe very helpfully pointed out the footnote on page 33. Does that explain \$5.1 million? Is that what you are trying to suggest, Mr Metcalfe?

Mr Metcalfe—I just drew your attention to the footnote.

Senator FAULKNER—Thank you.

Senator ROBERT RAY—It is a good red herring, thanks for that; now let us get back to it.

Senator FAULKNER—Yes. That deals with \$5.1 million of—I am going to use the new terminology now—a step down of the best part of \$14 million. I just want to understand better the full picture, if I could.

Ms Scott—When the programs were announced, they had a certain profile. This reflects the profile of those programs in that they peaked at a certain time and they stepped down. What has happened over and above that is that we have also got additional funding in 2003-04 and 2004-05 for the two campaigns that are brought together as one, and \$5.1 million is provided in 2003-04 and \$1.6 million in 2004-05. But if you looked at the original profile, you would see that they were tracking down.

Senator FAULKNER—These 2003-04 actuals, obviously this must be spent moneys, mustn't it?

Ms Scott—This is estimated actual; that is right.

Senator ROBERT RAY—It is estimated to 30 June.

Ms Scott—Because we still have five weeks of the year to run.

Senator FAULKNER—Yes.

Senator ROBERT RAY—But it is not money that you can allocate to a program and then carry over somewhere else in accounts—that is really what Senator Faulkner is asking.

Ms Costello—That is correct. It is planned against these programs and cannot be reallocated.

Senator ROBERT RAY—Was any money carried over somewhere else in all this, from unspent moneys in this area or expected to be?

Ms Costello—From other administered areas?

Senator ROBERT RAY—No, just this one administered area.

Ms Flanagan—Yes, there has been an amount of rephasing—

Senator ROBERT RAY—Rephrasing, is it?

Ms Flanagan—Rephrasing of moneys under two programs that are encompassed under women's programs—the Partnerships Against Domestic Violence program and the national initiative to combat sexual assault. I think that \$7.5 million, for example, was rephased from 2002-03.

Senator FAULKNER—Could you explain the technical difference between rephased and stepped down?

Ms Flanagan—Yes. I think that what Ms Scott meant by 'stepped down' is there is a profile of expenditure in programs, so it does not always remain the same. For example, if \$5 million is allocated, it is not necessary that it is allocated as \$5 million over four years; it could go from \$5 million to \$10 million and then back down to \$5 million, depending on how the government has decided the profile of expenditure in that particular program is to actually be expended. In addition to that, if moneys are unspent in a particular year, then it is possible

to ask for a rephrase of that money. This might artificially increased the following year, but you still spend the same amount of money over, for example, the forward estimates period.

Senator ROBERT RAY—What we are trying to get to is this: is the 2003-04 figure inflated because of rephased money coming out of 2002-03?

Ms Flanagan—Yes, that is correct.

Senator ROBERT RAY—How much?

Ms Flanagan—As well as a different underlying profile.

Senator ROBERT RAY—Yes, I understand that, but that has had an effect, has it, on the 2003-04 figures?

Ms Flanagan—Indeed, it has.

Senator ROBERT RAY—Does it form part of that actual figure we have in front of us?

Ms Flanagan—It forms part of what we estimate that we will spend in 2003-04.

Senator ROBERT RAY—Where we have got the column ‘Estimated actual 2003-04’ on page 32—

Ms Flanagan—Yes.

Senator ROBERT RAY—Does the figure of \$25,011 million contain part of rephased money from 2002-03?

Ms Flanagan—Yes, it does.

Senator ROBERT RAY—That would in part explain why there is a differential between 2003-04 and 2004-05, wouldn’t it?

Ms Flanagan—Yes.

Ms Scott—It explains part, but not the greatest whole.

Senator ROBERT RAY—No, but it is a fair whack isn’t it—\$7 million?

Ms Scott—There would have been a profile there even without the rephased money.

Senator ROBERT RAY—Yes, but is it about half of it or not?

Ms Flanagan—It is a significant amount, yes.

Senator ROBERT RAY—If you take the \$11 million away from the \$25 million, then it constitutes half in my book. This may show you that the decrease of 53 per cent is really what we should be arguing, and what you should have put forward to the committee was 26 per cent and that would have explained it properly.

Ms Flanagan—In addition to that, as I think Ms Scott has also explained, \$5.1 million was allocated in this budget for 2003-04, which has further inflated it. You are right that the differential, with rephasing and the money that was actually appropriated in this budget, is much smaller.

Senator ROBERT RAY—Has that \$5.1 million been carried over into the 2004-05 budget now?

Ms Flanagan—No. It has been appropriated for 2003-04.

Senator ROBERT RAY—So it has been spent this year.

Senator FAULKNER—Is there a technical difference between ‘rephased’ and ‘rolled over’?

Ms Flanagan—I do not think we have rolled over funds anymore, unfortunately.

Senator FAULKNER—What are they—‘rephased’?

Ms Flanagan—Yes, under accrual budgeting.

Senator ROBERT RAY—Ms Costello might give us the definition.

Ms Costello—That is correct. What happens is that you have to formally go and seek the money to be reallocated to you in a future year. You cannot just put it in the bank and then use it again the next year.

Senator FAULKNER—In the old days it would have been ‘rolled over’, would it?

Ms Flanagan—Yes.

Senator FAULKNER—But now it is rephased. But these are not really rephased, are they? They are re-rephased, aren’t they? Because you have been rolling them over for so long, they are not just rephased they are re-rephased.

Ms Flanagan—The \$7.5 million might have been, yes.

Senator FAULKNER—That is what I thought. Is ‘re-rephased’ a technical term?

Ms Flanagan—I do not know.

Senator BRANDIS—I think it is a neologism that you have just coined.

CHAIR—It is certainly retro.

Senator FAULKNER—Thank you for those definitions; they were very clear. Perhaps a little later, we might come back to the women’s programs that you were speaking about.

Senator ROBERT RAY—We have been looking at stepped down programs. I would now like to look at a stepped up one. The Prime Minister’s official residence is noted to go up by 15 per cent.

Senator FAULKNER—Is that a back step up or just the servants stairs.

Senator ROBERT RAY—No, we know we have a back stairway there now.

Senator FAULKNER—I just wanted to check that.

Senator ROBERT RAY—What is happening in this stepped up process?

Ms Costello—The actual budget estimate for 2003-04 was \$1.683 million. Our estimated expenditure for the year is less than that; it is \$1.520 million. So the \$1.747 million budget estimate—

Senator FAULKNER—Is a smaller step up.

Ms Costello—is based on a factor of the \$1.683 million in the 2003-04 year. It is a provision.

Ms Scott—It is a 3.8 per cent increase on the last budget figure. It is a very small increase.

Senator ROBERT RAY—On the last budget estimate?

Ms Scott—Correct.

Senator ROBERT RAY—The estimate, not actuals. How do you go about this? When you go about allocations for the next year, do you just take it on whether what was budgeted for in the previous year was spent and add a bit of an accelerator? Or do you actually look at the expenditure and think, ‘We can meet that again this projected year’?

Ms Scott—We look at actual expenditure, but often during the course of the year it is the case that as much confidence that went into the last number goes into this number. We would like to think we plan for a series of expenditures, and sometimes things come in costing less than we think and sometimes they come in costing more than we think.

Senator ROBERT RAY—How do you find yourself accountable? I am asking a serious question here about how you approach your accounts. It just seems to me that you take the previous year’s estimate and add to it depending on the circumstances. Overall, how do you make your budget predictions very accountable? Is it by looking at the actual expenditure? It seems to me to be very empire protectionist to say, ‘We took the previous year’s estimate and, irrespective of what this year’s result is compared with that’—secondly, if you are consistently getting your budgeted estimate wrong compared with actual there must be something wrong in your department.

Ms Scott—The department is not expected to find itself in a position where we have serious underspend. We try to go about tracking the numbers as closely as possible. We track actuals throughout the year. We take those into account when we are preparing the figures for the next year. The care that went into preparing the estimates for the 2003-04 budget is the sort of care that went into looking at the estimates for 2004-05. We look at actuals and we look at estimates.

Senator ROBERT RAY—Who do you find accountable for this? Someone in your department must be doing these figures. If they get them consistently wrong, how do you find them accountable?

Ms Scott—They are not consistently wrong, Senator.

Senator ROBERT RAY—I said ‘if’ they do.

Ms Scott—But they are not consistently wrong. If they were consistently wrong, we would end up with serious underspends—that is not the case.

Senator FAULKNER—Let us move to the next item: ‘Compensation and legal expenses’. That is not a step up; it is a giant step for mankind, isn’t it? It goes from \$45,000 in 2003-04 to \$476,000 in 2004-05, which I think might be a 957 per cent increase. That is a significant increase, isn’t it, Mr Metcalfe?

Mr Metcalfe—I am sorry, Senator, I cannot see where you are reading from.

Senator FAULKNER—It is the same table that we have been reading from all the way along the line! It is just the next item down.

Senator ROBERT RAY—‘Compensation and legal expenses’—that first column in the very first section, three from the bottom—

Senator FAULKNER—Table 2.1 on page 32. The 2003-04 estimated actuals for compensation and legal expenses is \$45,000 and the budget estimate for 2004-05 is \$476,000.

Mr Metcalfe—I have got it now. I was looking further down the page, sorry.

Senator FAULKNER—That is hardly a step up, is it?

Mr Metcalfe—I suspect that there is a reason for—

Senator FAULKNER—We suspect that too.

Mr Metcalfe—It goes to prove the point that Ms Scott was just making that there is a careful process going through devising the budget—

Senator FAULKNER—Can you let us in on the secret then?

Ms Scott—The figure for next year of \$476,000 requires a large degree of estimation factor because you simply do not know what your legal expenses are going to be looking forward a year.

Senator ROBERT RAY—Isn't that why you have additional estimates and Advance to the Minister for Finance?

Ms Scott—That is true, but we want to be in a position to—

Senator ROBERT RAY—You want the money, yes.

Ms Scott—plan for likely contingencies. So \$476,000 is set aside for 2004-05. The amount that was actually spent last year is \$45,000 compared to a budget estimate of \$478,000. It went down by \$2,000 because clearly expenditure has not been as we anticipated.

Senator FAULKNER—No; it has been \$400,000 short.

Ms Scott—It has been dramatically better. So this is a case where things are significantly better than what could have been the case.

Senator ROBERT RAY—So what happened to that surplus of \$430,000?

Ms Costello—The appropriation lapses at the end of the financial year.

Senator FAULKNER—It does not rephase?

Ms Costello—No.

Senator ROBERT RAY—It does not roll over?

Ms Costello—No.

Senator FAULKNER—Or re-rephase? Apart from this being broadly predictive, are there any expectations of any particular compensation and legal expenses for 2004-05?

Ms Scott—Not that I am aware of, no.

Senator FAULKNER—The budget estimate for next financial year for 'Economic and industry policy'—it is under output 1.1 in the same table—seems to be reduced by 17 per cent from the estimated actuals for the current financial year.

Ms Costello—I can initially explain that. There were a number of task forces run within that environment during the current year. We were budgeted for those at additional estimates.

Those task forces have largely finished now, and that is why the estimated expenditure for next year is less.

Senator ROBERT RAY—What are the task forces that have been wound down?

Ms Costello—There was bushfire, water and energy—they were the three main ones in that area.

Senator ROBERT RAY—And you are not anticipating new task forces?

Ms Costello—No, not at this stage. The last ones were funded through additional estimates.

Senator FAULKNER—Of course there is an increase of 21 per cent in output 3.2, Defence, intelligence and security policy. That is probably not particularly surprising. It is going from \$4.98 million to \$6.02 million. Mr Metcalfe, are you able to broadly indicate why that is the case?

Mr Metcalfe—I can give you quite a simple answer to that. My understanding is that essentially the \$5 million of expenditure this year has been in the nature of staff salaries and accommodation. In the budget there was an announcement that the Science, Engineering and Technology Unit, which is part of National Security Division, would be funded—I think it is about \$7 million over the forward estimates period, commencing with \$1 million next financial year—to assist in seeding research and development and in working cooperatively with other organisations such as CSIRO and Defence. That increase represents the new budget initiative to provide some program funds to the science and technology unit that have not been there previously.

Senator FAULKNER—Mr Chairman, could the secretary suggest that whatever work is happening outside our room not happen while the committee is in session. I do not think the noise is very fair to the witnesses. We are used to distractions and vicious interjections from the Liberal Party.

CHAIR—They are attempting to remedy the heating.

Senator Hill—They are putting in new pipes.

CHAIR—We will make some inquiries and see what we can do.

Senator FAULKNER—I am not sure it is fair to the witnesses, that is all.

Senator MURRAY—Perhaps they could clad the pipes. It would be softer then.

Senator FAULKNER—Let us just hope they are not putting any plastic or perspex peepholes in them.

Senator MURRAY—Ports, they were.

Senator FAULKNER—Portals. Are you in a position to provide the disaggregated costs of the state occasions for and official visits of President Bush and President Hu?

Mr Metcalfe—I will ask Ms Yeend to assist me.

Ms Yeend—When we are talking of the costs of both of those visits—excuse me, I have a recalcitrant folder here—

Senator FAULKNER—Was it Mr Moore-Wilton who taught you how to open a folder like that?

Mr Metcalfe—It is an old folder, I think.

Ms Yeend—the actual costs are the costs to the department rather than the cost to government. As at 9 January, the cost to the department of the visit by the President of China was \$196,570.72. As of the same date, the cost of the visit by President Bush was \$167,060.46.

Senator FAULKNER—Broadly, as you have rightly pointed out, these are only the costs borne by the Department of the Prime Minister and Cabinet, which I think we all understand.

Ms Yeend—Yes.

Senator FAULKNER—Can you explain to the committee why they are costs as of 9 January? I did hear you correctly, didn't I?

Ms Yeend—Yes, that is right. That is when these print-outs were made. That is not to say that the amounts have changed, but I will get a print-out.

Senator FAULKNER—What is included in those figures that you have given us?

Ms Yeend—A disaggregation of costs for President Bush—transport, hospitality, miscellaneous, which is a fair amount, and the cost of temporary staff.

Senator FAULKNER—What is not included, given the date was 9 January?

Ms Yeend—I am not sure. I would have to look to see if the amounts as of today's date have differed. Sometimes some accounts come in slowly, other times this would be an accurate representation, and I would need to check.

Senator FAULKNER—What is covered in the hospitality budget?

Ms Yeend—I would need to check again, but my understanding is that the hospitality budget would probably cover the feeding of some members of the party and a range of other things, including the advance visit. We tend to put together any cost of the advance and the visit under the one item. It does not include—if this is what you are looking for—any costs of the function at the Lodge as that was not an expense against the guest of government official visit and state occasions budget.

Senator FAULKNER—What was that an expense against?

Ms Yeend—That was an expense against the official establishments—

Senator FAULKNER—I understand. But it would be included in that figure, I would have thought, because you are saying it was a whole-of-department cost.

Ms Yeend—I would need to find the exact figure and add it to the amount.

Senator FAULKNER—So it is not a whole-of-department cost?

Ms Yeend—No, it is the cost against the state occasions and official visits budget, so it would not include that amount.

Senator FAULKNER—What is the hospitality budget figure for President Bush that you have there?

Ms Yeend—The disaggregated one I have is \$12,682.74. I just have the top-line figures.

Mr Metcalfe—That is an expense against the state occasions budget?

Ms Yeend—Yes.

Senator FAULKNER—Against your particular branch of the department?

Ms Yeend—Yes.

Senator FAULKNER—What do you have for the cost of hospitality for President Hu—something similar?

Ms Yeend—For President Hu, hospitality is \$31,362.81.

Senator FAULKNER—That is in your branch of the department. What do we have on official establishments costs for hospitality?

Ms Costello—There was no cost for President Hu's visit.

Senator FAULKNER—Does that mean he did not have any hospitality?

Ms Yeend—The function for President Hu was organised as a state dinner; therefore, the costs came out of my budget for the visit.

Senator FAULKNER—This is because of the 'guest of government' definition—

Ms Yeend—That is true.

Senator FAULKNER—that we went through at enormous length previously.

Ms Yeend—Yes.

Senator FAULKNER—I hope you have sorted all that out now.

Mr Metcalfe—There is nothing to sort out.

Senator FAULKNER—That is the grand total for President Hu. Can we not get the official establishments hospitality cost?

Ms Yeend—For President Bush?

Senator FAULKNER—Yes. There is none for President Hu. It is pretty easy for him—zero.

Ms Costello—I was just checking that the figure I had was accurate. We responded to a question on notice from the November Senate estimates, and the total cost of the hospitality was \$37,106.64.

Senator FAULKNER—What question number was that?

Ms Costello—It was on page 24 of *Hansard* and it was PM37.

Senator FAULKNER—I will grab hold of that and we will come back to that in a moment. Good news, Mr Metcalfe or Ms Scott, about PM&C finally going to move on.

Mr Metcalfe—We are always hoping to move on into the future. Are you talking about buildings?

Senator FAULKNER—I am talking about the department, not the government. We are hoping to move the government on ourselves. It looks as though, on reading the PBS, that you finally got your wish.

Ms Scott—That is right. We are hoping to finalise negotiations on a building at some stage in the near future.

Senator FAULKNER—What is wrong with the current premises?

Ms Scott—They are effectively deficient on two grounds. One is security. Basically the way they are configured means we have a road through the centre of the two buildings that are connected by an archway. While we have made considerable efforts to make the building more secure by putting in bollards—and relatively soon we will have a means to stop vehicular traffic moving through—essentially it is still an insecure building. It has overhangs, it has outside supporting columns that are exposed and it cannot be improved structurally to the standards that it is expected to meet.

Senator ROBERT RAY—From what you are saying, it would not be suitable for any other government department.

Ms Scott—It would not be suitable for a government department that needs to reach the security standard that we have.

Senator ROBERT RAY—What sort of department might it be suitable for?

Ms Scott—We are required to have the highest rating—

Ms Costello—Under the PSM, the protective security manual, we are required to be in a building that is designated secure. It has certain provisions because we hold quite a deal of national security material. There are other agencies that do not have that high level of security need. The current building cannot be brought up to that standard.

Senator ROBERT RAY—You could put the department of environment or something down there, could you?

Ms Costello—A department that does not hold national security material could go in there.

Ms Scott—The other deficiency of the building is simply one of size. It was not built for the number of staff that is now occupying the building. It was also designed to be an open plan. The airconditioning does not function properly now, because there are quite a large number of offices. Twenty-five years ago it was state of the art, and it is certainly not state of the art now.

Senator FAULKNER—Since September 11, how much money has been spent on security upgrades at the PM&C building?

Ms Scott—We have spent money on putting film on the glass so that, if there were a bomb blast, the glass would not shatter. We have spent money on improving security of entry into the building. We now have gates for people to move through and secure passes. We have improved the outside security through installing more TV cameras to safeguard that. I have talked about the bollards. I think there were detailed questions last time about the bollards. All up, I think the expenditure is around \$470,000. Ms Costello will correct me on the perimeter security.

Ms Costello—The driveway and perimeter security work is \$650,000, and that is nearly complete.

Senator FAULKNER—So the committee can be assured that, given that this work is nearly complete and you are now going to move out, it has not been wasted?

Ms Scott—We will not be wasting it, because we needed to do this work in order to stay where we are. We need to move to a new building because of the security issues. You cannot address the outside security concerns of major overhangs and exposed columns through this perimeter work. Structural change is required. We hope to be going to a new building which will have security features effectively built into it so that we will not have the same problems. The expenditure is not wasted. We would have had an exposure for a number of years. We will not be moving until either late 2006 or early 2007. This is not something that happens overnight.

Senator FAULKNER—What about all the beautification work—Mr Moore-Wilton's car park, the bus shelters and everything that has been done there to make life easier for those in the building?

Ms Scott—A small amount of expenditure relates to putting in lighting on not really a car park. It is land not actually owned by the department. There is basically a paddock at the back of the building where a lot of staff from our building and four or five other departments around use. That paddock has a very uneven surface and at night-time had no lighting. We spent a small amount of money putting in some lighting there, because people generally felt concerned about their safety. As part of that, there was a small number of tree plantings nearby. The expenditure involved was really very small.

Senator FAULKNER—Are any of these security enhancements transportable at all? Can you take them with you or are they all permanent enhancements?

Ms Scott—Most of them are permanent enhancements. We will, and expect to, as part of our negotiations, get recognition for those enhancements to the building from the building owner. The building owner has already indicated that that is their attitude.

Senator ROBERT RAY—I have not followed this much. Are you intending to look around for an already built building or are you looking for a private operator to build a specific building and then for you to lease it? What is your thinking there?

Ms Scott—We are looking for a building that will meet our space requirements and the secure classification. I think I can say that we are looking at this stage at new buildings. There are a number of developments in the area.

Senator ROBERT RAY—Have you got a generally preferred location?

Ms Scott—Yes, we generally prefer to be somewhere near the parliamentary triangle, if possible.

Senator ROBERT RAY—Have you identified a preferred site yet? You do not have to tell me what it is.

Ms Scott—We are in negotiations with more than one developer, so I would prefer not to indicate whether we have one preferred site over another. We are in an interesting phase.

Senator ROBERT RAY—You want to keep the competitive tension there; I understand that.

Senator FAULKNER—It is described as a ‘purpose-built leased building’ in the PBS.

Ms Scott—Yes, that is correct.

Senator ROBERT RAY—And your current building is leased, is it?

Ms Scott—That is correct.

Senator ROBERT RAY—For how long?

Ms Scott—The current lease will run out at the end of 2006.

Ms Costello—February 2007.

Ms Scott—I stand corrected.

Senator ROBERT RAY—That is the sort of target they could be moved by, is it?

Ms Scott—That is correct.

Senator ROBERT RAY—So you will not have any dead rental.

Ms Scott—No. We are negotiating on the basis that we would not have dead rental.

Senator ROBERT RAY—When you say the size, I assume you mean that the department has grown so much that it has outgrown the building.

Ms Scott—That is right.

Senator ROBERT RAY—What was the building meant to have as its capacity, and what is it now?

Ms Costello—We believe several departments were involved in going into that building at the time it was designed, but originally it was about 300 to 350 people, and we have had up to 450 people in the building through task forces. That causes a deal of moving around.

Senator ROBERT RAY—So when you look at a new building do you just say, ‘We want a new building for 450 people,’ or do you anticipate some potential growth and factor that in? Or do you part rent out your building—taking into account the security aspects—to someone else that you can eventually move on if you need the space? What is your approach?

Ms Costello—We have considered all of those options. We need to look at not a huge peak, but you could take 450 as a number that we could expect over time and have space that could be used flexibly, partitioned off and be sublet if necessary or you could look at related agencies that might find secure accommodation as an overflow and they could find that useful. So we are trying to use the space very flexibly.

Senator ROBERT RAY—But you would be limited in who you could have in because of some of the secure material you hold there.

Ms Costello—Indeed.

Ms Scott—That is correct.

Mr Metcalfe—I actually started working in the building when it was first opened. It was the Public Service Board originally back in 1980 and I was there for a few weeks. I think the

point Ms Scott made is that it was very much designed to be an open plan environment in that day and age. The needs of PM&C, which I think came into the building some years ago, these days are quite different in that we have a number of divisions which require secure accommodation within the building and whatever. As a tenant, our needs have changed and the building just cannot keep up with that, but we are taking the opportunity of the expiry of the lease to simply move on to a new building which will provide the sorts of features we need.

Senator ROBERT RAY—Will you have naming rights to the new building?

Ms Scott—We expect to.

Senator ROBERT RAY—You expect to?

Ms Scott—We have not finalised negotiations.

Senator ROBERT RAY—If you expect to, would you expect also to have to pay a premium to have naming rights?

Ms Scott—No.

Senator ROBERT RAY—So you expect that it is just part of the creative tension between bidders—

Ms Scott—Correct.

Senator ROBERT RAY—for several of them to cede that to you at this stage.

Ms Scott—Yes. In fact, some developers have indicated that they would quite like us because of the reputation of the department.

Senator ROBERT RAY—Really? How would they have possibly come to that conclusion?

Ms Scott—Well-informed sources, obviously.

Senator ROBERT RAY—It is not so much a reflection on you; it is a reflection on other departments that I object to—not to be derogatory to yours.

Ms Scott—I was not reflecting on other departments.

Senator ROBERT RAY—Yes, you were.

Ms Scott—No, I was not. I was thinking about why the—

CHAIR—Senator Ray, you are being a bit harsh.

Senator ROBERT RAY—This sort of PM&C chauvinism is not really backed up by reality.

Senator FAULKNER—There is no Sir William McMahon building in Canberra yet, is there?

Senator ROBERT RAY—There is in Sydney.

Mr Metcalfe—Not to our knowledge.

Ms Costello—I think there was a building in Sydney that was named that.

Senator ROBERT RAY—It took a long while to find.

Senator FAULKNER—Is it still named ‘Sir William McMahon’?

Ms Costello—I do not know.

Senator ROBERT RAY—Here is your chance. You could call it the Tiberius Tower.

Senator FAULKNER—I notice that in the PBS it says:

Provisions have been made in the Contingency Reserve for the cost of the fit-out and additional funding for rent from 2006–07 to bring the resources provided to PMC up to a level comparable to those provided to similarly located agencies.

What are these similarly located agencies that we are speaking of here?

Ms Scott—It is looking at agencies within the same sort of area of Parkes, Barton and the parliamentary triangle—looking at similar rents in those locations relative to the rent that we currently are paying.

Senator ROBERT RAY—Are there any agencies within the ambit of PM&C that you want to move into the new building that would not currently be there?

Ms Scott—Sorry, I do not understand the question, Senator.

Senator ROBERT RAY—Where is IGIS at the moment?

Mr Metcalfe—It is within our building. It consists of some four or five people.

Ms Scott—Yes, it is a small little area.

Senator ROBERT RAY—What about ONA?

Mr Metcalfe—They are in Russell.

Senator ROBERT RAY—Would you be proposing to move them over?

Ms Scott—No.

Senator ROBERT RAY—Where is the Public Service Commission?

Ms Scott—They are in Edmund Barton.

Senator ROBERT RAY—Would they come with you or stay separate?

Ms Costello—They are currently in their own negotiations.

Ms Scott—We did look at the possibility, but we do not consider the configurations suitable given their requirements and our requirements.

Senator ROBERT RAY—So they will stay separate?

Ms Scott—Yes.

Senator ROBERT RAY—What other agencies have you got? Not many?

Mr Metcalfe—The Australian National Audit Office.

Senator ROBERT RAY—They are very comfortable.

Mr Metcalfe—The Ombudsman.

Senator FAULKNER—Who raised that one?

Mr Metcalfe—The senator was asking about portfolio agencies.

Senator ROBERT RAY—Yes, that is right, I am.

Mr Metcalfe—I simply mentioned the other ones.

Senator ROBERT RAY—I knew that that one was coming. I am not quite that off the boil!

Mr Metcalfe—The Commonwealth Ombudsman is located in Civic. Clearly, it has a client access focus that is different from ours.

Senator ROBERT RAY—In some cases it would be desirable not to bring them all under the one building umbrella, wouldn't it?

Ms Scott—Yes, that is right.

Senator ROBERT RAY—That is what I thought.

Senator FAULKNER—So fit-out in 2006-07 and possible relocation towards the end of that financial year. Is that realistic?

Ms Scott—I think so, yes.

Senator FAULKNER—What are you hoping for at this stage?

Ms Scott—Discussions with prospective developers have indicated that they are able to meet our time line, and we will be expecting to go to the Public Works Committee before too long.

Senator FAULKNER—Would you be able to share with us the broad parameters of the time line?

Ms Scott—The sites that we have been considering have indicated to us that they would have a building available to us before our lease expires or that, if there was a delay, they would make provisions where we would not end up paying two sets of rent.

Senator ROBERT RAY—Again, without affecting your ability for competitive tension here, approximately when would you expect to finalise and come to an agreement?

Ms Scott—I would hope that we would be able to do that in the next couple of months, if not sooner.

Senator ROBERT RAY—It is relatively imminent.

Ms Scott—Yes. We hope to go to the Public Works Committee very soon.

Senator FAULKNER—From time to time in recent history you have not been able to fill the building, have you? You have mothballed the odd floor over the years, haven't you?

Ms Scott—We have gone from a situation where we had some surplus space to the present situation where we have had to have a task force off site because we simply could not accommodate a task force within the building. I think the use of task forces has meant that we have had to be very flexible in terms of our accommodation. Obviously, that is easier to do when you have spare space. It is now at an absolute premium.

Senator FAULKNER—Which task force was off site?

Ms Scott—A bushfire task force was off site.

Senator ROBERT RAY—I do not want to identify them, but several other crucial areas of security matters are building in redundancies and alternative headquarters in case of an incident. Are you going to do the same sort of thing in this move? You are moving for security reasons. You obviously think that is a problem. You cannot say that wherever you move to you will be totally safe; no-one can. What sort of redundancy are you building in so that you will have alternative premises available? I am not asking you to go into any detail, but are you covering that off as a contingency?

Mr Metcalfe—Yes.

Senator FAULKNER—In a similar vein, have you thought it appropriate to respond to that article in the *Australian* newspaper headed ‘It begs the question, but “it’s not a bunker for PM”’? Did you see that article?

Ms Scott—Yes. There was included in that article reference to a spokesperson. I think that article maybe even referred to Dr Shergold saying that the expenditure reflected in the budget papers was not going towards the building of a bunker. I thought that was reasonably clear.

Senator ROBERT RAY—There is an urban myth that there is a bunker in this building. No-one has yet found it, have they? How have you gone?

Senator FAULKNER—‘It’s not even a bunker for Peter Shergold’ was the actual quote. Was that you, Ms Scott?

Ms Scott—No, it was not.

Senator FAULKNER—Anyway, you can scotch that rumour?

Ms Scott—Yes.

Senator FAULKNER—Thank you. There has been some publicity in recent times in relation to certain correspondence that has flowed between Professor Flint and the radio broadcaster Mr Alan Jones. You would be aware of the notoriety of that?

Mr Metcalfe—I am certainly aware of that issue.

Senator FAULKNER—I want to begin questioning on this particular matter with general questions so we can be clear. Has the department at any level been involved in the provision of advice to the Prime Minister or the Prime Minister’s office about these matters?

Ms Belcher—Advice has been provided.

Senator FAULKNER—Can you indicate to the committee, please, when advice was provided and what part of the department—if it was part of the department—was responsible for preparing that advice?

Ms Belcher—The secretary has been providing advice to the Prime Minister on the matter.

Senator FAULKNER—The secretary has provided the advice. Most of the advices that are provided to the Prime Minister go through the secretary, don’t they?

Ms Belcher—That is right.

Senator FAULKNER—Has any element of the department been involved in the development of such advices?

Ms Belcher—The Government Division has assisted the secretary.

Senator FAULKNER—Ms Belcher, are they written advices that have been prepared in the Government Division?

Ms Belcher—Yes.

Senator FAULKNER—So Dr Shergold has been providing written advice or written advices to the Prime Minister or the Prime Minister's office?

Ms Belcher—Yes.

Senator FAULKNER—Mr Metcalfe or Ms Scott, can you assist us here as to whether any elements of the department other than the secretary and the Government Division have been involved in work in this area? Obviously it largely falls to the Government Division. That seems quite logical, but you might assist us with whether there is any other work that has been undertaken.

Mr Metcalfe—Only the Government Division has been involved in providing advice on this matter.

Senator FAULKNER—What sort of resources have you given to this particular task, Ms Belcher?

Ms Belcher—Apart from me, one officer has been involved.

Senator FAULKNER—How was your division tasked for this function?

Ms Belcher—I would like to indicate that Dr Shergold has said he will be happy to come and answer the committee's questions on this issue.

Senator FAULKNER—That is generous of him, and thank you for that information, but is that an answer to my question? Are you saying you would prefer me to ask Dr Shergold? Mr Chairman, as you know, this committee works with goodwill and very efficiently. There has certainly never been an expectation that the Secretary of the Department of the Prime Minister and Cabinet attend. You would be aware of that.

Senator JACINTA COLLINS—Dr Shergold likes attending this committee.

Senator FAULKNER—He might like to, I don't know. He has not been to this committee while he has been Secretary of the Department of the Prime Minister and Cabinet and nor has he been expected to come to this committee. That is the point I am making. You would be aware of that.

CHAIR—Yes.

Senator FAULKNER—I am perfectly happy to bat on and explore it without Dr Shergold. I am not entirely sure what Ms Belcher is saying to us. That will probably be clarified in a moment.

CHAIR—Dr Shergold may wish to come, Senator Faulkner.

Senator FAULKNER—Why don't we let Senator Hill sort out what is happening here. I am making the point, Senator Hill, that as you would be aware it has never been requested by members of this committee that the secretary attend—Dr Shergold or his predecessors. I am happy to battle through if that is appropriate.

Senator Hill—We can push on a bit and see where we go. But if it gets to a point where the officer feels that she is being asked questions beyond her authority, and that authority is in Dr Shergold's hands, then I think that will be a different issue.

Senator FAULKNER—We can note that we appreciate the fact that Dr Shergold has offered to attend, which is generous of him.

Senator Hill—The questions I have heard so far have simply been about the process. The question was: how was the department tasked?

Senator FAULKNER—We only ever ask questions about process, as you know. Let us try and get this clear. We know that the Government Division has been responsible for the development of advices on this issue.

Ms Belcher—That is right.

Senator FAULKNER—And we know that they have been forward to the Prime Minister or the Prime Minister's office through the departmental secretary.

Ms Belcher—That is right, yes.

Senator FAULKNER—We also know that Dr Shergold has kindly offered to attend, and we have dealt with that. Ms Belcher, can we now establish how your division was tasked in relation to the Flint-Jones issue?

Ms Belcher—The initial approach was from the Prime Minister's office just asking for a reaction to what had appeared in the public arena. That was followed soon after by a request to Dr Shergold. I do not know whether it went to Dr Shergold directly from the Prime Minister or from the Prime Minister's office.

Senator FAULKNER—When was the initial approach made?

Ms Belcher—I think it was on 29 April.

Senator FAULKNER—Was that made to Dr Shergold or directly to your division?

Ms Belcher—The phone call initially from the Prime Minister's office was to me and then—I do not know whether it was the same day; I think it was the next day—Dr Shergold was asked to provide written advice.

Senator FAULKNER—And that written advice was generated in your division?

Ms Belcher—Yes, it was. Dr Shergold was closely involved.

Senator FAULKNER—You are saying he was closely involved in its development?

Ms Belcher—Yes.

Senator FAULKNER—Who else was closely involved in its development?

Ms Belcher—There was only one other person aware of the matters that we were looking at and that was the Assistant Secretary of the Parliamentary and Government Branch.

Senator FAULKNER—Who is that?

Ms Belcher—Mr David Macgill.

Senator FAULKNER—Are you able to indicate to the committee the nature of the request—not the substance of the response or the advice but the nature of the request?

Senator Hill—Advice on the matter? I do not quite understand how you could do that without canvassing—

Senator FAULKNER—We know this relates to the issues involving Professor Flint and Mr Jones. I think you have indicated that to us, Ms Belcher, have you not?

Ms Belcher—Yes.

Senator Hill—The detail of whatever questions the Prime Minister is asking his department is really a matter between him and his department.

Senator FAULKNER—I am asking what broad areas the advice might have covered. I am not going to the substance of the advice. It is all right for us to know that there is advice on the Flint-Jones issue but it is not all right to know what particular matters were subject to the advice. I do not think you can seriously suggest that.

Senator Hill—No, you are asking the witness to, in effect, define the broad areas. I think that is a bit unfair. The Prime Minister has asked the department for advice on the matter. We all know from the public debate the parameters of the issue and advice has been given.

Senator FAULKNER—The issue is: what was the matter that was the subject of the advice? That is all I am asking. You say, in your terms, ‘the matter’. What is the matter?

Senator Hill—I do not think the witness has to go into the questions that have been asked of the department. The department has been asked to give the Prime Minister some advice on this matter and advice has been given.

Senator FAULKNER—The advice on what matter?

Senator Hill—Then you get into a debate about whether they were the appropriate questions or not and that is really a matter between the Prime Minister and his department.

Senator FAULKNER—You have indicated the committee has been informed that the Prime Minister sought advice on this matter. All I am asking is: what is this matter? You can define it in your own words just so we are clear.

Senator Hill—As I understand it, it is the matters that were subject to public debate regarding Mr Flint.

Senator FAULKNER—You are the one giving evidence. It is all right for you to say you understand it, but as long as—

Senator Hill—Is that reasonable? I think you are trying to press the witness into detail that it is inappropriate for her to answer.

Senator FAULKNER—No, I am asking you to define the terminology that you have used, which is ‘the matter’. My question is: what is ‘the matter’? Surely you can say that to the committee.

Senator Hill—I have answered that. I have said it is the matters that were canvassed in the press.

Senator FAULKNER—So you know that to be the case, do you?

Senator Hill—I am sure I will be whacked if it is incorrect.

Senator FAULKNER—You are just having a slash outside the off stump. You do not know whether that is true or not.

Senator Hill—Is that a reasonable—

Senator FAULKNER—You had better read the note that has been handed to you.

Senator Hill—It was certain of the matters that were covered in the press.

Senator FAULKNER—Certain of them; so the evidence you gave the committee was not accurate?

Senator Hill—No, the evidence I gave was correct. I am now being a bit more precise.

Senator FAULKNER—Perhaps you could be a little more precise again.

Senator Hill—I do not think I can be more precise than that. I do not really think it is the role of this committee to be canvassing the questions that the Prime Minister has asked his department on the matter.

Senator FAULKNER—Normally, these committees work, as you know, with the issues outlined and the detail of the advice not provided. I may well request the advice to be provided, that is up to me at a later stage, but it is not unreasonable for the committee to be informed about what the business of the department is. I am not asking what the substance of the advice is; I am asking about on what matters the advice was sought. I think every senator around this table knows that is a stock standard estimates question, which I think warrants a simple, straightforward and concise response from you.

Senator Hill—No, I do not think so. Obviously the press canvassed a whole range of different issues and the Prime Minister has sought advice on at least some of those issues. I do not think that the Prime Minister needs to disclose to this committee exactly which questions he sought advice upon.

Senator FAULKNER—I think you should, and that is how the committee normally operates, but if you intend to cover up on these matters then so be it.

Senator Hill—No, that is not so at all.

Senator FAULKNER—It is covering up.

Senator Hill—No, it is not.

Senator FAULKNER—I am not asking for the substance of the advice; I am asking about the matters on which advice was received. I am used to you, Senator Hill. I am used to you trying to cover up—

Senator Hill—Trying to help.

Senator FAULKNER—on these sorts of issues. Ms Belcher, can you indicate to the committee whether your division was involved in providing advice on the question of conflict of interest?

Senator Hill—That is just asking the same question from the other end, because if she says yes then you have partly answered the question of which questions were asked. I just do not

think the detail of the Prime Minister's request to his department in relation to this particular matter and the responses of the department to the Prime Minister are appropriate for the committee.

Senator BRANDIS—I want to take a point of order, Mr Acting Chair. The prohibition on senators at this committee inquiring into policy has been understood to extend to a prohibition on inquiring into advice in relation to policy given by officers to ministers and inquiries by ministers of officers. A question, although in form limited to asking to identify the subject matter of the request for advice, might—and I would submit to you in this case does—trespass beyond merely an innocent inquiry into the topic and into the realm of substance.

ACTING CHAIR (Senator Murray)—While I can see how it can, I am not sure it does. I am influenced by the fact that the minister and the officers concerned are amongst the most experienced and able, and I think they are batting Senator Faulkner rather well at this time and handling themselves well. If it gets to a stage of frustration, exhaustion and so on, we will be taking tea at half past, so people can reconsider their tactics then.

Senator Hill—The Prime Minister is obviously answerable for the actions he takes and to some extent the process. The committee might believe and it is some times argued that ministers are failing in their task if they do not seek appropriate advice from the department, but to canvass the breadth of that advice or the response seems to me to be inappropriate. What has been said is that the Prime Minister sought advice on this particular issue, and that advice covers many different questions, and that the response was given by the department and now it is a question of how the Prime Minister—

Senator FAULKNER—So it is all right for the Prime Minister to say on Neil Mitchell's program on 3AW that he is seeking advice from his department on the Flint letters to Mr Jones but for you to take the view that it is not reasonable for you to provide a straightforward answer on that particular matter to this committee.

Senator Hill—What the Prime Minister said on that program is his business.

Senator FAULKNER—Yes, but we are talking about what is occurring with this particular government department and what public servants are doing with the time and resources provided by Australian taxpayers, and we are trying to hold the relevant government department and its officials accountable. I do not intend at this point to ask about the substance of the advice. Generally, I think senators around the table are aware that we do not do that. I might ask that a copy of the relevant brief be provided to the committee. If I did, I would expect the answer to be in the negative, but it would be generously received if it were offered. If the Prime Minister is able to say that, Senator Hill, it seems to me that we are going to be here an awful long time extracting teeth on this issue. So a modicum of cooperation would probably help us all.

ACTING CHAIR—I must intercede. The minister is aware, as you are, of the general policy direction. Your area of inquiry is entirely legitimate. The minister and the policy officers must answer as they see fit. I think it is appropriate you continue asking questions, but you will understand when you run up against a wall. As you have just indicated, you expect if you ask for their advice that you will not be given it.

Senator FAULKNER—If I ask for the substance of the advice, Acting Chair, but I do not expect the committee not to insist that reasonable process questions are not answered.

ACTING CHAIR—Yes. That is why I am allowing the questions.

Senator FAULKNER—The Prime Minister said on 3AW radio, in the Neil Mitchell interview on 30 April 2004:

I have sought some advice on those letters, and I haven't got the full advice yet.

Are you able to indicate to me, Ms Belcher, whether the Prime Minister received more than one advice on this or a partial advice?

Ms Belcher—He received two advices from the secretary.

Senator FAULKNER—Are you able to tell the committee when those advices were provided to the Prime Minister?

Ms Belcher—On 3 May and 10 May.

Senator FAULKNER—They went to the substantive issues raised by the Prime Minister or the Prime Minister's office on 29 April or were there any additional requests for information?

Senator Hill—Maybe also the 30th.

Ms Belcher—The 29th was the day that I had a call from the office. I think it was on the 30th—I cannot be sure—that Dr Shergold was approached either by the Prime Minister or by his office and asked for advice. I did not ever see the precise detail of what was asked for.

Senator FAULKNER—Thank you for that information—that has previously been provided—but are you aware whether there were any requests for additional advice or whether there were any additional requests apart from those two that you have outlined to the committee?

Ms Belcher—I think between the third and the 10th there were discussions between the secretary and the Prime Minister, but there were no further written advices provided by the secretary after the 10th.

Senator FAULKNER—Yes, so there are discussions. What about? Naturally, I would expect some discussions between the secretary of the department and the relevant minister—in this case the Prime Minister—but you are saying they were discussions relevant to the advice?

Ms Belcher—Indeed, relevant to the first advice. I was not present for the discussions, but those discussions led to the secretary doing a second advice.

Senator FAULKNER—But you prepared the advice for the secretary, didn't you?

Ms Belcher—Yes, I certainly drafted—

Senator FAULKNER—You drafted the advice.

Ms Belcher—Yes. As I said earlier, the secretary has been closely involved—

Senator FAULKNER—I got that on board.

Ms Belcher—It is not entirely my draft.

Senator FAULKNER—I probably figured that anyway. Apart from Mr Macgill, what other inputs were there? First of all, were there any inputs from outside the Department of the Prime Minister and Cabinet for this advice?

Ms Belcher—There was an oral discussion with the Australian Government Solicitor.

Senator FAULKNER—Only an oral discussion?

Ms Belcher—That is right. I do not believe there was anything provided by him in writing.

Proceedings suspended from 3.31 p.m. to 3.48 p.m.

Senator FAULKNER—Just before the break, Ms Belcher, you indicated to us that an oral discussion with the Australian Government Solicitor took place. I think you also indicated that there was no written advice from the Australian Government Solicitor.

Ms Belcher—That is right.

Senator FAULKNER—Is any expected from the Australian Government Solicitor?

Ms Belcher—No.

Senator Hill—On this particular matter?

Senator FAULKNER—On this matter—in other words, whether that concludes the role of the AGS or there is any other role that you are expecting the Australian Government Solicitor to play.

Senator Hill—The PM may seek advice from other parties.

Senator FAULKNER—Yes, he may.

Senator Hill—I think Ms Belcher is saying that the—I do not know; was the advice the Solicitor-General sought in preparation of your advice to the PM?

Ms Belcher—The advice of Mr Henry Burmester, the Australian Government Solicitor, was sought and that was oral advice. There is nothing further that has been sought from Mr Burmester.

Senator FAULKNER—What about any other persons?

Senator Hill—Did the department seek advice from any other persons?

Senator FAULKNER—Yes.

Senator Hill—Did you seek advice from anyone else?

Ms Belcher—No, in the preparation of our advice we did not seek any further advice.

Senator FAULKNER—Are you aware of whether the Australian Government Solicitor sought further advice himself on this matter?

Ms Belcher—Not that I am aware of. I do not believe he did.

Senator FAULKNER—In terms of your knowledge of the Flint matters the only advice sought by the department from outside the department was the advice sought from the AGS. Is that correct?

Ms Belcher—In the preparation of the secretary's advice to the Prime Minister only the AGS advice was sought. That was the only contact made outside the department.

Senator Hill—I think Ms Belcher had better say, ‘To her knowledge,’ in case the secretary sought other advice of which she is unaware.

Ms Belcher—Yes.

Senator FAULKNER—How can we establish that?

Senator Hill—We can ask the secretary. Ms Belcher can only answer for what is within her knowledge.

Senator FAULKNER—Perhaps we could ask for that to be checked with Dr Shergold and, if he did seek advices from elsewhere, the committee could be informed. I am interested in the items you had before you in the preparation of your advice, Ms Belcher. Are you able to indicate to us whether you had the correspondence between Professor Flint and Mr Jones?

Ms Belcher—Senator, I do feel rather constrained in proceeding on that.

Senator Hill—The question does seem very intrusive in terms of the work of a departmental officer. I think it is not unreasonable to ask whether the officer sought further advice from outside the department to help in the preparation of an opinion for the Prime Minister, but to start getting into exactly what documents were before her, the intricate details of how she did her job, I think is somewhat unusual and a touch unfair.

Senator FAULKNER—It is neither unusual nor unfair. It is not intended to be unfair. I am merely trying to establish what was the raw material on which the department based departmental advice to the Prime Minister. It is a quite straightforward matter.

ACTING CHAIR (Senator Murray)—Senator Brandis, do you have a point of order?

Senator BRANDIS—Mr Acting Chairman, I put to you the point of order that I took before the afternoon tea-break. It seems to me that now when Senator Faulkner is asking to be provided with the actual material on the basis of which advice was given, which as I understand it, Senator Faulkner, you are doing, that does trespass over the line beyond which these committees do not trespass—that is, going to the substance of advice.

Senator FAULKNER—Rubbish.

ACTING CHAIR—I think the response from the minister and the witness gave that view. I will repeat that both the officer and the minister are, in my view, so experienced that they are well aware of the difference and so far have not, in my view, found themselves in difficulty in answering.

Senator BRANDIS—I am not suggesting that the minister and the officers are not aware of the difference, but I would not like it to be suggested that they are not answering questions that are properly put to them.

ACTING CHAIR—I do not get that impression.

Senator BRANDIS—Hence my point that the questions are not proper questions; the limitation on exploring policy advice has been understood.

ACTING CHAIR—In my view, the questions have been put and the questions have been answered. As a representative of the committee I certainly do not consider the officers and the

minister as failing to answer the questions within that policy framework you have outlined. Please proceed, Senator Faulkner, and I am sure you are aware of the sensitivities.

Senator FAULKNER—I do not see any sensitivities here. Given that the Prime Minister has tasked his department to provide advice on the Flint-Jones correspondence, I am asking the department whether they had copies of the correspondence before them in developing the advice. It seems pretty straightforward to me.

Senator Hill—Yes, but I have not conceded here that that was the question asked by the Prime Minister.

Senator FAULKNER—But you concede nothing, Senator Hill.

Senator Hill—No, I do.

Senator FAULKNER—You think it is always a very clever tactic to try and ensure that no questions are answered, that there is no transparency, that there is no accountability and that these accountability mechanisms are treated generally as a joke. That is the approach that you have. You are entitled to your approach. I just intend to proceed to ask what I think are reasonable questions. I do not ask unreasonable questions, and I think most senators know that that is the case. Anyway, frankly, what makes an absolute joke of your failure to concede this issue is that the Prime Minister has conceded it publicly on at least two occasions. Why you cannot do the same is frankly beyond comprehension to me. Others might understand it; I do not.

ACTING CHAIR—Senator Faulkner, I will rule that the officials are entitled to not reveal what internal documents they use to arrive at their advice, but obviously you are entitled to ask what outside documents they use.

Senator FAULKNER—That is the question I have asked. I am sure you, Mr Acting Chair, would understand that Professor Flint's and Mr Jones's correspondences are hardly documents internal to the Department of the Prime Minister and Cabinet. They are the basis of the request for advice itself. That is what they are. I am just asking whether you had copies of them.

Senator Hill—Then my answer stands, not for the reason that Senator Faulkner gave but because this is not an examination of the witness as to whether she has done her job properly; it is an attempt to extract, in effect, details of the questions and then ultimately the advice that was given upon those questions. I think that is way beyond the ambit of an estimates committee. What is legitimate is to know that public moneys are being spent, that the Prime Minister is seeking advice from his department and that that advice has been given. Then it becomes a political issue in terms of the response of the Prime Minister.

Senator FAULKNER—Has it been given in its entirety?

Senator Hill—Has what been given in its entirety?

Senator FAULKNER—The advice. Are there any outstanding advices?

Senator Hill—As I understand it, there are no outstanding advices from PM&C. Whether the PM is seeking advices from others, I do not know.

Senator FAULKNER—It is officers of the Department of the Prime Minister and Cabinet that are at the table here.

Senator Hill—That is correct.

Senator FAULKNER—That is what I am asking about. I am asking about the role of the department.

Senator Hill—Even if the department knew that the Prime Minister was seeking advice from other advisers, I do not see why they should have to disclose that either. That is between the Prime Minister and whomever he is seeking advice from.

Senator FAULKNER—We now know, because of the evidence—

Senator Hill—What is relevant to this committee is that the department of PM&C is doing its job properly.

Senator FAULKNER—We know because of the evidence provided by Ms Belcher that two advices were provided to the Prime Minister—

Senator Hill—Correct.

Senator FAULKNER—one on 3 May and one on 10 May. We also know that on 6 May the Prime Minister said in relation to whether he had asked for advice from his department:

I have received most of it, but not all of it ... and when I've received all of it, I might have something further to say.

What I am now asking is whether there are any outstanding advices or whether, as far as Ms Belcher and the department is aware, the advice on these matters is concluded.

Senator Hill—I will refer to the Prime Minister the question as to whether he has sought advice from other parties and see how he wishes to respond.

Senator FAULKNER—That is fine, but that is not the question I am asking. I am asking whether there are any outstanding advices on these matters to the knowledge of the Government Division. That is my question to the officer at the table. In other words, is there any ongoing work?

Senator Hill—My answer to that is that that is valid only as it relates to work being done by the Department of the Prime Minister and Cabinet.

Senator FAULKNER—We are well aware of that, Minister; we are in furious agreement now.

Senator Hill—Is PM&C giving further advice on this matter?

Ms Belcher—No, there is no outstanding advice from the Department of the Prime Minister and Cabinet.

Senator FAULKNER—So we can now expect the Prime Minister to respond fully to those matters that were being held in abeyance when he said on 6 May that he was not intending to comment on issues because he had not received all the advice?

Senator Hill—No, you cannot draw that conclusion at all.

Senator FAULKNER—It is the conclusion I am drawing.

Senator Hill—You can draw it if you like, but it is not valid from what you have been told because the Prime Minister may have sought advice from other parties.

Senator FAULKNER—Are you able to assist us with that or have you taken that on notice?

Senator Hill—I said I would refer that to the Prime Minister if that was your wish.

Senator FAULKNER—Fine.

Senator Hill—But the advice that was sought from PM&C has been given.

Senator FAULKNER—The department is at the table here and the questions are directed to the role of the department.

Senator Hill—Correct.

Senator FAULKNER—I asked Ms Belcher whether her division had Mr Flint and Mr Jones's correspondence before them in the development of this advice, and you, on their behalf, have refused to answer that very simple question.

Senator Hill—That is correct.

Senator FAULKNER—You have covered up. That is where we are up to at this stage. Ms Belcher, was any other legal advice sought, apart from the advice from Mr Burmester?

Senator Hill—By PM&C.

Senator FAULKNER—That goes without saying.

Senator Hill—No, it doesn't.

Senator FAULKNER—By the Government Division or the secretary of PM&C?

Senator Hill—In giving your advice to the Prime Minister did you seek any other legal advice?

Ms Belcher—No, we did not.

Senator FAULKNER—Were you involved in communications with the ABA?

Ms Belcher—No.

Senator FAULKNER—Did you have before you ABA documents?

Senator Hill—Again, I do not think it is an appropriate function of an estimates committee to be questioning an officer on the materials that were before them in writing an advice for the Prime Minister.

Senator BRANDIS—It is covered by your earlier ruling.

ACTING CHAIR—It is. That is the point I would make. If the ABA documents—and I do not know what you are referring to, so let's put that on the table—were simply internal documents for the information of the office, they are entitled to refuse. If they are external and were generated as an advice, you are entitled to ask the question.

Senator FAULKNER—I would have thought that you would realise, Mr Acting Chair, that it is basically in the realm of high farce that the Government Division of the Department of the Prime Minister and Cabinet of the Commonwealth of Australia is providing advice on a

matter of correspondence between Professor Flint and Mr Jones—and we know that those two advices have been provided—and the minister at the table is not even willing to say whether the correspondence that is the basis of the advice is before the Government Division. It is just absurd. Talk about advice being provided in a vacuum. It is just an absurdity.

ACTING CHAIR—As you know, I have no mechanism to force the minister to answer in any other way than he will.

Senator FAULKNER—I am talking about the ruling that you are making.

ACTING CHAIR—The ruling I am making is that you are entitled to ask about ABA documents if they are regarded as external advice.

Senator FAULKNER—I do not want these documents provided. I am only asking whether the department has given consideration to them.

ACTING CHAIR—If you are specific about what documents you are after, it is a legitimate question. The problem is that your net is being cast widely. You need to be a little more specific.

Senator FAULKNER—Let me be precise: Professor Flint's correspondence to Alan Jones in 1999, some of which is on the public record.

ACTING CHAIR—That is an entirely proper question.

Senator FAULKNER—I know it is a proper question. I would like you to insist on the witnesses at the table providing an answer.

ACTING CHAIR—I cannot insist on them doing more than they are doing. You know that, and I know that.

Senator Hill—I have offered to help by saying that I would ask the Prime Minister if he is prepared to indicate the specific questions that he sought. That is really what Senator Faulkner is trying to achieve through the backdoor method of asking the official to confirm that certain documents were or were not before her as she developed her advice.

Senator FAULKNER—I want to know whether advice was provided—we assume it was because of Mr Howard's own statements which, extraordinarily enough for him, have been more forthcoming than yours about the Flint-Jones correspondence of 1999. I want to know whether advice was provided on that issue. You are not willing to answer that, are you?

Senator Hill—Not at the moment. I am prepared to refer the question to the Prime Minister. But I do not think—

Senator ROBERT RAY—Which you have done over the years and we never get an answer.

Senator Hill—I have to specify the questions that were put from the Prime Minister to an official. That is not a usual practice before a committee such as this.

Senator FAULKNER—Senator Mason made the point at the beginning of this hearing that no witness is entitled to refuse to answer reasonable questions. These are eminently reasonable.

Senator BRANDIS—Relevant questions, Senator Faulkner.

Senator FAULKNER—And the Acting Chair, Senator Murray, has confirmed that they are reasonable questions. Why don't you just get about answering them?

Senator BRANDIS—I raise a point of order, Mr Chairman.

ACTING CHAIR—Just before you do, I will pass the chair back to the chair.

Senator BRANDIS—The point of order is to object to Senator Faulkner's question on at least two bases: firstly, because all that Senator Hill is doing is complying with the ruling made in your absence, Mr Chairman, by Senator Murray—that is, questions should not be directed to what Senator Murray defined as internal documents—and, secondly, because these are not questions; this is merely badgering the witness and editorialising. Senator Faulkner, on both grounds, your propositions are out of order.

CHAIR—I have not been fortunate enough, Senator Faulkner, to have listened to you and follow the committee's discussions this afternoon. I have been elsewhere, so I apologise for that.

Senator FAULKNER—Your temporary replacement has done a sterling job.

CHAIR—I have no doubt about that.

Senator FAULKNER—One would assume that you would act consistent with his rulings.

CHAIR—I am sure I will.

Senator FAULKNER—Thank you. Let us get on with it then and knock that silly point of order out.

Senator BRANDIS—That is the very point of order: you are in violation of the Acting Chairman's rulings because your questions are directed to the very things he ruled the witnesses cannot be obliged to answer.

Senator ROBERT RAY—Like you, I have drifted away on some of these matters too. The last question was about Professor Flint's letter to Mr Jones, which is not a working internal document but a fawning, grovelling missive from a lickspittle of a coalition. You surely would rule a question on that in. Some of the other stuff may be very dodgy, but that one—

Senator FAULKNER—We are talking about correspondence between Professor Flint and Mr Alan Jones, the radio broadcaster, who may be known to you. I think you are known to him anyway.

CHAIR—I do not think I am fortunately.

Senator FAULKNER—I would not be too sure about what he is saying about you. This is correspondence in 1999; this is not internal PM&C documentation. I really do think, instead of this time wasting, it might be just useful for us to get some answers to these questions and move on.

Senator MURRAY—I suggest you put the question again and then the chair will be in a position to listen to it.

Senator FAULKNER—The original question which has caused such consternation is whether Ms Belcher and her division had available to her and her colleagues the Flint-Jones correspondence of 1999. That is a fair summation.

Senator Hill—And I have objected to that on the basis that it is a backdoor method to ascertain the subject matter upon which the questions have been asked. I think that is unduly intrusive. It does not go to whether there has been a proper public expenditure of funds or not; it is just trying to get inside the internal deliberations between the Prime Minister and his officers. But I went one step further—

CHAIR—But Ms Belcher has said there was correspondence?

Senator Hill—Yes, I said that he has sought advice, and we have been told that two advices have been given. It would seem that, from what Senator Faulkner has said, the Prime Minister might be seeking other advice as well. I am prepared to refer that question back to the Prime Minister and ask whether he is—

Senator FAULKNER—That is a red herring, and you know it.

Senator ROBERT RAY—I have two points on a point of order about the intervention from the minister. The minister has sat at that table for a number of years and has said he would refer things to the Prime Minister's office. I remember the missing correspondence, when it disappeared—this is on the Beazley-Evans matter—you never followed that up. This goes into a black hole, so we can dismiss that one; it just disappears.

Senator BRANDIS—That is not a point of order.

Senator FAULKNER—It is as much a point of order as yours was.

Senator BRANDIS—You are accusing the minister of misleading in his undertaking to do—

Senator ROBERT RAY—Yes, I am. That is right. You have summarised my argument very well.

Senator BRANDIS—That is not a point of order; it is an accusation.

Senator ROBERT RAY—We can dismiss that as an irrelevancy, but Senator Hill went on to say, 'What's this got to with the estimates process and funding?' Making sure that various sections of PM&C are working appropriately and to where they should be working is absolutely before us, Senator, and so Senator Hill's second point is totally dismissed. If we found—and we will not; we know that—for instance, the Government Division was doing political work for the Prime Minister—we know it never has; we know it never will—we would be entitled to pursue that. We are entitled to pursue whether they are concentrating on their main mission or being diverted by requests from the Prime Minister's office that wastes their time. That does go to expenditure; of course it does.

Senator BRANDIS—I want to speak to the point of order, Mr Chairman. Allowing all of that to be so, as I do, it remains the case that the estimates committees have always had a general prohibition on questions directed to policy advice to government. My understanding of the application of that general principle is that it does not prohibit questions on process matters—that is accepted—but that it does prohibit fishing inquiries which are directed to revealing the development of policy advice within government as well as the substance of the policy advice.

CHAIR—I think Senator Brandis is right, Senator Ray.

Senator ROBERT RAY—It is a process issue as well as the official—

CHAIR—I am sorry, that was a technical ruling.

Senator FAULKNER—Was that your ruling, that ‘Senator Brandis is right’? You are kidding, aren’t you, Mr Chair?

CHAIR—No.

Senator FAULKNER—That was your ruling?

CHAIR—Yes.

Senator FAULKNER—What a shock.

Senator ROBERT RAY—On what basis?

Senator FAULKNER—Even for you, Brett, that was a shocker!

CHAIR—Hold on: just ask your questions.

Senator ROBERT RAY—The question to the official, Chair, we do not want to delay ourselves much longer—all right, we are not going to get the advice to the Prime Minister and nor should we, and on that Senator Brandis is absolutely right.

CHAIR—Yes.

Senator FAULKNER—And I acknowledge that.

Senator ROBERT RAY—But the basis on which officials are doing their work is the process, as Senator Brandis said, so in that sense he is right; I just think his conclusion is wrong. We are allowed to go to the process issues but not the advice, and one of the process issues is: did you have all the material before you? Or are you offering advice on the basis of some form of osmosis?

Senator BRANDIS—What process issue?

CHAIR—But Senator Ray, if, through the process, you are finding out the nature of the advice—and I think that is the aim here—

Senator ROBERT RAY—You cannot second-guess us; you cannot mind-read us. Are you doing it on past form or something?

Senator FAULKNER—There was a bit of mind-reading of Senator Brandis there, I think.

CHAIR—Yes, but I have ruled on this.

Senator ROBERT RAY—The question remains: are you going to rule that question out?

CHAIR—Yes.

Senator ROBERT RAY—So we are not allowed to ask an official whether they had correspondence from the—

CHAIR—Can you ask your question?

Senator ROBERT RAY—I did, but you just ruled it out.

CHAIR—No, your next question.

Senator BRANDIS—On a point of order, Mr Chairman: why don't you try and phrase your question, Senator Ray, in a way that is consistent with the standing orders and the practice of the committee?

Senator ROBERT RAY—Sophie Ballard, we don't need your intervention at this stage—we really do not.

Senator BRANDIS—It has been pretty good so far.

Senator ROBERT RAY—It has been pretty good because you have got a lackey in the chair. Come off it! Time to go and visit Hemingway or someone else, for heaven's sake.

CHAIR—Senator Ray, you get a fair hearing around here.

Senator ROBERT RAY—I know I get a fair hearing; I have never complained about the hearing we get around here.

CHAIR—Come on. Please proceed to your questions.

Senator ROBERT RAY—I will give Senator Faulkner—

CHAIR—Senator Faulkner, please proceed with your questions.

Senator ROBERT RAY—I will give Senator Faulkner a rest. Ms Belcher, did you have a full range of documentation available to you and your section to make consideration before advice was given?

CHAIR—That is fine.

Senator Hill—I do not think it is fair to ask whether you had sourced material available in order to give your advice.

Ms Belcher—I believe that I was able to do a proper job in providing a draft for the secretary's consideration.

Senator ROBERT RAY—I assume from that—and it is no backdoor method—that you must have had Professor Flint's letter to Alan Jones before you. How does that go to the advice?

Senator BRANDIS—That is covered by the earlier ruling.

Senator ROBERT RAY—The earlier ruling was wrong. We are just demonstrating the futility and stupidity of the earlier ruling.

Senator Hill—As I have said, it is a highly unusual procedure to seek to ascertain the specific questions that the Prime Minister has sought of his department.

Senator ROBERT RAY—We have not.

Senator Hill—That is where it goes to.

Senator ROBERT RAY—Does it?

Senator Hill—I offered to refer that to the Prime Minister, but I was then damned in terms that I had no intention of pursuing such an offer.

Senator ROBERT RAY—No. You will refer it to him, but nothing will ever happen. Let us be accurate about that.

Senator Hill—That is not necessarily so.

CHAIR—Minister, you cannot answer that question yourself?

Senator Hill—No, I cannot answer the question but I am prepared to refer it to the Prime Minister and try to be helpful. Contrary to what Senator Faulkner has said, we do try to be as transparent and helpful as possible. But all governments have accepted some limits. I think this government has been more generous in that regard than most.

Senator ROBERT RAY—That is why you call in the Federal Police every five minutes.

Senator FAULKNER—Are you going to answer the question?

Senator Hill—No. But I am prepared to refer it back to the Prime Minister. If he is happy that the questions that he asked be put on the public record at this time, then they will be.

Senator ROBERT RAY—If we cannot ask about which documentation, can we ask: was documentation sought before the advice was given? To form the basis of advice, was documentation sought?

Senator BRANDIS—That is exactly right. You have at last found the dividing line.

Senator ROBERT RAY—No, I have not.

Senator Hill—I think that is reasonable, because we have already said that we sought outside—

Senator FAULKNER—You think it is reasonable, because it does not answer the substantive question.

Senator Hill—No. We said that we sought outside advice. Did you ask that?

Senator ROBERT RAY—No, I did not. That was not my question.

Senator Hill—No. I said that we have already answered that, which was a question of the same tenor. Ms Belcher, did you seek materials in order to assist you in answering the questions?

Ms Belcher—Yes.

Senator ROBERT RAY—From whom?

Ms Belcher—The secretary of the department sought some documentation.

Senator ROBERT RAY—From whom?

Senator Hill—Again, I cannot see that that is in any way relevant to this inquiry. Even the argument that Senator Ray was trying to develop that the committee is entitled to satisfy itself that a competent job was being done by the officers and, therefore, expenditure was being properly accounted for does not lead you to ask of whom documents were sought. That seems to be—

Senator BRANDIS—That is very little different from asking, ‘What were the documents?’

Senator FAULKNER—Minister, you know as well as we do that these documents are not internal documents of the Department of the Prime Minister and Cabinet but in fact matters on the public record in one form or the other—transcripts, letters, decisions of the ABA, obviously the correspondence we have referred to, and possibly legal advices and the like.

Most of this material is on the public record, and this is just a grotesque attempt to cover up on this issue—for what purpose I frankly do not understand. I do not understand why you would bother.

Senator Hill—We have learnt and it is reasonable that the Prime Minister sought advice from his department, and two advices were given by his secretary. Senator Faulkner has said that there is an implication in something the Prime Minister said publicly that he is awaiting other advice. Well, so be it. Presumably ultimately the Prime Minister will respond. That exchange is a normal sort of exchange for a committee of this type. What is unusual is this attempt to get into the detail of what was sought.

Senator FAULKNER—It is not unusual at all. There are substantive issues here in relation to serious allegations that Professor Flint failed to appropriately disclose these matters, that he had a conflict of interest in relation to these matters. These matters are of such seriousness that they just cannot be swept under the carpet. I have no doubt that Ms Belcher and the Government Division provided advice on those issues to the Prime Minister. I have no doubt that it was professionally developed and of a high quality. I do not go to the substance of the advice at all. It is a perfectly reasonable process question to establish what the inputs to that advice might be. From time to time we ask at committees like this whether advice can be tabled and of course the government, depending on the advice, decides whether it is in its political interests to table legal advices or advices of any other nature. It is not consistent, the way previous governments have been, not to table legal advices. You do it on the basis that, if it suits you, you shovel it out and, if it does not suit you, you do not because you are such crass opportunists.

Senator Hill—To ask the question of the official, ‘When you were developing your advice, what documents did you have before you?’—in other words, ‘How did you go about your job as a professional person?’—is highly unusual.

Senator BRANDIS—And it also goes to the substance of the development of the advice. It is not a process question, Senator Faulkner; it is a question of substance.

Senator ROBERT RAY—On a slightly different note, is there any claim that Professor Flint’s letter is an internal working document because it is on an Australian Broadcasting Authority letterhead? Is that part of the equation or can we just dismiss that now?

Senator Hill—It is not a matter that I have considered.

Senator ROBERT RAY—So you are not making the claim that it is protected because it is on that letterhead?

Ms Belcher—No.

Senator FAULKNER—What about the use of letterhead, Ms Belcher? Senator Ray properly raises this important issue. This is not the first time it has raised its ugly head at this particular committee. It certainly did in relation to certain correspondence from Senator Coonan, did it not, Ms Belcher?

Ms Belcher—I recall that, Senator.

Senator FAULKNER—Yes, I recall it too. Are there any other occasions you can recall?

Ms Belcher—Not immediately.

Senator FAULKNER—We canvassed that one fully at this committee, didn't we? You would recall that, Senator Mason, wouldn't you? Are you concentrating?

CHAIR—I am concentrating on something even more important than your questions. We will have a meeting in a minute to discuss it.

Senator FAULKNER—I am talking about the issue that has previously taken the time of this committee in relation to allegations of improper use of letterhead in relation to Senator Coonan. That received a great deal of questioning at the time, you would recall.

CHAIR—Yes.

Senator FAULKNER—So you will be allowing questioning on this occasion too, I suppose.

CHAIR—That will depend on what the questions are.

Senator FAULKNER—I see. Is the issue of the appropriateness or otherwise of Professor Flint using ABA letterhead to express private views a matter which the Government Division has given consideration, Ms Belcher?

Senator Hill—That is just another attempt to ask the same question. Again, this is getting into the detail of what was asked and what was answered.

Senator FAULKNER—We have canvassed these sorts of issues before in relation to Senator Coonan. You would recall that. You were here, weren't you, or were you busy with your briefs on that occasion?

Senator Hill—I know the issue with Senator Coonan. I do not remember an exchange in this place; I remember an exchange in the Senate.

Senator FAULKNER—The chairman does and the committee members do. Perhaps it went past you. But can we have an answer to the question about the appropriateness of the use of ABA letterhead or otherwise? These are matters on which the Government Division of PM&C gives guidance.

Senator Hill—These are matters that the Government Division of PM&C might give guidance on to the Prime Minister, but whether they have is between them and the Prime Minister.

Senator FAULKNER—Nonsense.

Senator Hill—It gets back to the core question of whether it is necessary, through this process, for the Prime Minister to disclose the detail of the question or questions upon which he has asked for advice.

Senator FAULKNER—Are you refusing to answer that question too?

Senator Hill—Yes, in those terms.

Senator FAULKNER—Will you answer a question about a stream of letters between Professor Flint and Mr Jones in 2003—which I read about in an article, I think, in the *Australian*, by Mr Mark Day entitled 'Further letters damage', 6 May 2004? Are you able to indicate whether those letters—which were sent during the ABA inquiry, chaired by Professor

Flint, into Mr Jones and Macquarie Radio's \$1.2 million advertising contract with Telstra—were matters that the Government Division of the Department of the Prime Minister and Cabinet gave consideration to or was it only in relation to correspondence exchanged between Professor Flint and Mr Jones in 1999? Can you help us with that?

Senator Hill—Mr Chairman, I have offered to refer to the Prime Minister the question as to whether he is prepared to detail what he asked the department in seeking their advice. I think he is entitled to have the opportunity to answer that before the witness should be obliged to answer.

Senator ROBERT RAY—Minister, you are aware, aren't you, that Professor Flint said that he has lost or mislaid some of the letters, when he was asked to bring them to the estimates committee? Were you aware of that?

Senator Hill—I have not followed the matter in great detail. I have skimmed the public debate on the matter, but I have not gone into the intricacies.

Senator ROBERT RAY—When it comes to the matter involving Professor Flint, we share that in common—only skimmed the debate on it. I am wondering whether he mislaid letters at the stage of the study of the matter, conducted by Government Division of PM&C, or whether it is something he has just discovered of late. It goes this way, Minister: the Prime Minister asks his department for two advices. Some of that advice almost certainly is internal working documents of government, so Senator Brandis's point, which I agree with, comes in here. Separate to that may be letters between Professor Flint and Mr Jones—maybe more than one letter. That was the reason for one of our earlier questions: 'Did the Government Division consider only one letter or did it have several letters available to it?' If it had several letters available to it, then are these the very letters that Professor Flint is suddenly not able to locate?

Senator Hill—I understand the purpose of the exploration, and I can probably even guess what Senator Ray is seeking to achieve. But I am saying that this is not the appropriate way to pursue that issue. I do not think it is fair to be questioning this public official on what documents were before her when she gave advice. I do not recall that having occurred in the past, despite what Senator Faulkner says.

Senator ROBERT RAY—I assume the missing letters were never before Ms Belcher and her division because no-one would have the gall to say they have lost them in the meantime if they have put them there.

Senator FAULKNER—How on earth anyone in their right mind could expect the Department of the Prime Minister and Cabinet to prepare a brief on the issue of conflict of letters arising in relation to certain correspondence without having the letters in front of them is an absolute absurdity. Even you, Senator Hill, should see how absurd the proposition is, and how preposterous it is that you are not willing to say to this committee what the situation is. It is just a farce. It has taken the culture of cover-up with this government to an even more outrageous level than we have seen previously at any committee.

Senator Hill—The responses of the government in this committee have been extraordinarily open and transparent for a long period. On occasions they do not satisfy Senator Faulkner because he seeks an outcome other than what he is getting, but I have an

obligation to seek to protect the witness in terms of what are her obligations as a public official and I think Senator Faulkner is going over the line. He might want to call that a cover-up. There is no cover-up. There are lots of ways in which he can properly explore these issues but he is not seeking to do that.

Senator FIFIELD—It is entirely reasonable to ask the witness if they felt they had the material to do a professional job, if they felt they were in a position to do what they were being asked. But it goes to the very heart of providing advice to government to ask about particular documents. It would not matter if it was the White Pages or the Yellow Pages or a particular letter. It goes to the heart of advice to government. To ask about particular documents gives an idea about the shape of the advice and advice between officers and government has never been the subject of disclosure.

Senator BRANDIS—It is a bit like asking the contents of the brief. You cannot do that.

Senator ROBERT RAY—You represent the Prime Minister here, Senator Hill. Was Mr Laws right? Did Mr Alan Jones instruct the Prime Minister to have Professor Flint reappointed? Would you like to straighten out the record on that one?

Senator Hill—I do not think anyone instructs the Prime Minister.

Senator ROBERT RAY—So Mr Laws is not representing it right, or Mr Jones is telling a big fib?

Senator Hill—The Prime Minister certainly does not listen to instructions.

Senator ROBERT RAY—So Mr Jones was just bragging, was he?

Senator Hill—I do not know.

Senator ROBERT RAY—Do you want to refer that one back to the Prime Minister?

Senator Hill—There seems to be a dispute as to exactly what was said, according to my superficial reading of the reports.

Senator FAULKNER—You can confirm that Minister Alston did not propose Professor Flint to be reappointed as Chairman of the ABA, can't you?

Senator Hill—No, I cannot.

Senator FAULKNER—You were at the cabinet meeting, weren't you, when this decision was taken? It was a cabinet decision, wasn't it?

Senator Hill—I think it was a cabinet decision.

Senator FAULKNER—You think it was. You are not concentrating on that either.

Senator Hill—It was a cabinet decision. I was present. I must have supported it.

Senator ROBERT RAY—Supported the Prime Minister rather than Senator Alston? Shock me!

Senator Hill—The recommendation normally comes from the relevant minister.

Senator FAULKNER—So you can confirm that former Minister Alston was rolled and that this occurred some time after the aforesaid conversation?

Senator Hill—I think former Senator Alston has denied that he was rolled.

Senator FAULKNER—I do not think so. You have got that one wrong.

Senator Hill—I do not recall former Senator Alston ever being rolled.

Senator ROBERT RAY—How did he get the nickname ‘Doormat’ then?

Senator Hill—I do not know. You gave it to him!

Senator ROBERT RAY—Did we? I am sorry! His distinguished replacement is here; I should not be derogatory at all.

Senator FAULKNER—Did the Department of the Prime Minister and Cabinet provide advice on the merger of the ABA and the ACA?

Ms Belcher—That would not have been a matter for Government Division.

Senator FAULKNER—I appreciate that, Ms Belcher. My question was going to either Mr Metcalfe or Ms Scott, whoever cared to actually answer it. You just get all the good jobs, don’t you, Ms Belcher—I forgot.

Mr Metcalfe—We do not have anyone here with that information. We will take the question on notice, if you wish.

Senator Hill—It should not take long to answer.

Senator ROBERT RAY—You are not going to refer it to the Prime Minister, are you?

Mr Metcalfe—It is a process question.

Senator FAULKNER—How long is ‘not long’?

Mr Metcalfe—Not immediately, Senator; we need to check.

Senator FAULKNER—You cannot give an immediate answer?

Mr Metcalfe—I do not think there is anyone in the room who can assist us.

Senator ROBERT RAY—Post dinner?

Mr Metcalfe—We will do our best.

Senator ROBERT RAY—We might reserve that general question to come back to if we have progressed past it, Chair.

CHAIR—Sure.

Senator FAULKNER—On a happier note, there would not have been any departmental involvement in the Prime Minister’s 30th anniversary dinner, would there?

Mr Metcalfe—No.

Senator FAULKNER—You did not get an invitation?

Mr Metcalfe—No.

Senator FAULKNER—I understand that Senator Hill was there, gladhanding. That is right, isn’t it, Senator Hill?

Senator Hill—I was not there, but I was invited.

Senator ROBERT RAY—The best of all worlds.

Senator FAULKNER—Yes, perfect. Win-win is really how you would describe that, isn't it?

Senator Hill—No, I would have liked to be there.

Senator FAULKNER—I notice that the former secretary of the department was there, but he goes to all the Liberal Party events, doesn't he? It does not matter that he did it when he was the Secretary to Prime Minister and Cabinet, does it, now that he has left?

Mr Metcalfe—I cannot speak for the former secretary, but I saw a photograph with him in it, which might have been the one that you saw.

Senator ROBERT RAY—A wide-angle lens.

Senator FAULKNER—But I can be assured that there was no involvement by the GCU in the video presentation that was developed for the evening? I am sure there was not.

Ms Scott—There was none.

Senator ROBERT RAY—There was some mention of a certain individual from the Prime Minister's department being there, but I assume that was just reporter error. It was in the *Sydney Morning Herald* of 18 May.

Senator FAULKNER—That is why I asked.

Senator ROBERT RAY—It does not add up to me, because I thought that person worked on PMO.

Ms Belcher—That is right.

Senator FAULKNER—It would be pretty unusual for the *Sydney Morning Herald* to make an error, wouldn't it?

Senator ROBERT RAY—Always a first.

Senator FAULKNER—Has the department taken corrective action in relation to the inaccurate story in the *Sydney Morning Herald*?

Ms Scott—No.

Senator FAULKNER—You have just let it go through to the keeper.

Mr Metcalfe—We are grateful for this opportunity to do so, Senator.

Senator FAULKNER—I am pleased to be able to provide that vehicle for you to do so. I am sure there are a lot of relieved people all round the nation. A little earlier when we were looking at the tabulation of total resources for outcome 1 and the issue of administered appropriations, Ms Scott, you will recall that we were looking at this issue of the domestic violence campaign. For the record, when did that campaign originally begin?

Ms Scott—I will call to the table my colleague Ms Flanagan. The campaign originates from two program areas—one related to domestic violence and one related to sexual assault. Some time back the decision was taken to bring those two initiatives together into the one public awareness campaign. Ms Flanagan might remember where the original decision for the campaign came from. It was a couple of years back now.

Ms Flanagan—I think that the original research was undertaken in late 2001. As Ms Scott has said, there were two campaigns being developed simultaneously. I think it was decided to bring them together in mid-2003.

Senator FAULKNER—What stage are we up to with the No Respect, No Relationship campaign now? It kicked off in 2001?

Ms Scott—No. The way Ms Flanagan explained it is that the initial research commenced then.

Senator FAULKNER—Yes. That is what I meant by kicking off.

Senator ROBERT RAY—Or stepping down.

Ms Scott—It is going to be stepping up pretty soon—

Senator FAULKNER—It is a football term.

Ms Scott—because we have got to the stage where we have negotiated a help line as a clear plank of the campaign. We have developed material for TV and radio. We have prepared in draft form a booklet. So we are well advanced now and, hopefully, we will be proceeding in a matter of weeks to go ahead with the campaign.

Senator FAULKNER—So it started in 2001 and now in 2004 it is about ready to hit our television screens. Is that right? It has been a long time coming, hasn't it?

Ms Scott—It is a very important campaign.

Senator FAULKNER—Just remind me of the reason that it has taken so long.

Ms Scott—In December 2003 the government sought some changes to the campaign. It was not as clearly focused as it wanted it to be. Part of that refocusing was to ensure that the campaign directed women to practical help. As a result of that, we have now negotiated the creation of a help line counselling and referral service, so that the call to action of the campaign will no longer simply be referral to a web site. People will now be able to call a number and receive on the phone counselling from experienced and trained counsellors in sexual assault and domestic violence. If their case suggests that a referral is required to other organisations, referrals can be made. So, as I said earlier, a key plank of the revised campaign is this particular assistance.

Senator FAULKNER—So it was canned in 2003.

Ms Scott—It was changed in 2003.

Senator FAULKNER—‘Canned’ is the terminology I would prefer to use.

Ms Scott—I think it is probably better to use the word ‘changed’ because elements of the campaign have been modified but many of the elements are distinguishable in their previous form.

Senator FAULKNER—We all know what happened. This has received quite a bit of media coverage—and quite informative media coverage on this occasion—so we are well aware of what happened in the ministerial committee. But you are saying that the difference now is that there is the addition of an 1800 number. Is that right?

Ms Scott—Yes.

Senator FAULKNER—What is the 1800 number?

Ms Scott—That number will be made public when the campaign is launched. I would not want people to be ringing that number when it has not actually been set up. It will be live when we go out with the campaign.

Senator FAULKNER—You have organised the 1800 number, but you do not want to give it now. Fair enough. That is change No. 1?

Ms Scott—That is the most significant change, because it forms practical help for women.

Senator FAULKNER—There is a recommendation in the booklet that victims of sexual assault seek advice from parents, a priest or other clergy.

Ms Scott—The booklet, as drafted, encourages people to talk to someone that they know, to get advice and to report criminal offences. Yes, that is along the lines you suggest.

Senator FAULKNER—That is a change?

Ms Scott—That is right, because we did not have a booklet before at all.

Senator FAULKNER—What are the other changes?

Ms Scott—There is a very clear message about the unacceptability of violence. There is a strong message about what the community's view on violence against women is.

Senator FAULKNER—Are there any others?

Ms Scott—There is the fact that the contracted non-government organisation, as well as providing on-the-phone counselling, in which it is very experienced, will be able to make referrals to other organisations so that people who need help in a variety of forms will be directed to the best area.

Senator FAULKNER—Are there any other major changes?

Ms Scott—There has been a reduction in some of the small items. There was going to be a focus on Big Day Out and things like that. That has clearly gone. Those are probably the most significant changes.

Senator FAULKNER—Of course, one of the other changes, which you have not offered up, is that we now have Mr Howard involved in the campaign, haven't we? He was not there before, was he?

Ms Scott—The Prime Minister and the government were always involved in the campaign. This was an initiative of the government.

Senator FAULKNER—I am sorry, Mr Howard did not feature previously.

Ms Scott—It is true; the Prime Minister did not feature.

Senator FAULKNER—No, he did not feature previously; he features now. That is another difference, isn't it?

Ms Scott—In a spot-the-difference exercise, I suppose so.

Senator ROBERT RAY—It is not that insignificant that you cannot spot it. It is a step up or a step down.

Senator FAULKNER—The original focus of the campaign was preventative, wasn't it?

Ms Scott—That is correct.

Senator FAULKNER—What about the web site? Has that been changed?

Ms Scott—The web site has been changed. We have taken some themes that were on the web site and used them in the booklet, and the web site will now contain a clearer set of messages about referrals to other services and a very clear message about calling the hotline. That is probably the central message.

Senator FAULKNER—So you have the 1800 number, you have Mr Howard's involvement and you have the changes to the web site. There has been some reshooting, hasn't there?

Ms Scott—There has been some reshooting.

Senator FAULKNER—Why was that?

Ms Scott—The basic style of the campaign is not drastically altered, but some of the messages are being made clearer.

Senator FAULKNER—Why was that necessary?

Ms Scott—Because the concern was that the message was getting lost in trying to cover a very large spectrum of circumstances and it was thought that, by focusing more decidedly on physical violence and people needing practical support and help, we would be most directing efforts towards women in need.

Senator FAULKNER—These were decisions made by the ministerial committee?

Ms Scott—No. These were decisions made by the government.

Senator FAULKNER—How were they communicated to you? You do not do these things—the reshooting of ads and so forth—in a vacuum, do you?

Ms Scott—No. I was present when some of the decisions were made.

Senator FAULKNER—How much did the reshooting cost?

Ms Scott—I do not have a final cost, but if you think of a figure that is less than \$200,000 you are probably not very far away from it.

Senator FAULKNER—So someone is responsible for approximately \$200,000 of expenditure that went awry. Is that right?

Ms Scott—No. It is a bit like designing a house. You might look at a plan and think it looks about right. Then you look at it more closely and you think, 'No, we need more space in the bedroom and less space in the kitchen.'

Senator FAULKNER—It is nothing like designing a house at all. That is a very poor analogy. It is more like building a house, where you get 50 per cent of the way through and you knock down half of what you have built already and then build another half. It was not done at the design stage, was it?

Ms Scott—It was not a finished product.

Senator FAULKNER—But it was not done at the design stage, was it?

Ms Scott—It was not a finished product.

Senator FAULKNER—It is nothing like designing a house. This involved reshooting and \$200,000 of additional expenditure. It was a complete foul up, wasn't it?

Ms Scott—I am not going to describe it as a complete foul up.

Senator FAULKNER—I do not blame the department.

Ms Scott—There were changes to the direction of the campaign, which we canvassed last Senate estimates, as there sometimes are in other campaigns where you are bringing forward material that other people are going to be commenting on.

Senator FAULKNER—Are you able to say what proportion of the ads were reshot?

Ms Scott—No.

Senator FAULKNER—Does anyone know that?

Ms Scott—We could find that information out. But, as I indicated last time, quite a bit of the material already researched and prepared was suitable for the new direction of the campaign. Working out proportions would be a very laborious task.

Senator FAULKNER—Was research done in advance of the reshoot?

Ms Scott—Yes.

Senator FAULKNER—Who by?

Ms Scott—Elliott and Shanahan.

Senator FAULKNER—Are those costs included in the \$200,000 figure?

Ms Scott—No. You asked me for the cost of refilming.

Senator FAULKNER—Yes, and you said it was \$200,000. So refilming cost \$200,000?

Ms Scott—That is correct. Around that figure. I do not have a final invoice.

Senator FAULKNER—I accept that, and I understand the qualification you placed on it. I appreciate that. What about research?

Ms Scott—I think testing of the revised commercials will cost around \$150,000, but I am putting a caveat on everything because we do not have all the final invoices.

Senator ROBERT RAY—Let us be precise here. I am not sure of Senator Faulkner's question, but I think he really wanted to know first of all whether you did new research before you shot the ad. You seem to now be going to the issue of reshooting the ad, then researching how effective it is. Which is it? Is it both or just one?

Ms Scott—Maybe the senator could clarify the question.

Senator ROBERT RAY—You realise that the existing ads in the can, or whatever they are, are not quite up to the mark and you decide to reshoot. Do you do some research before you reshoot or is your only research your market testing to test the new product?

Ms Scott—The retesting was post the development.

Senator ROBERT RAY—And you are saying it is approximately \$150,000?

Ms Scott—That is what I have been advised, yes.

Senator ROBERT RAY—It seems extraordinarily high. Was this focus group testing? It would have to be, I assume.

Ms Scott—Yes.

Senator ROBERT RAY—It is a lot of money for several focus groups—\$150,000. Are you sure that is right?

Ms Scott—I am happy to have the figure checked.

Senator ROBERT RAY—I assume you are coming off a document there.

Ms Scott—I am coming off a document.

Ms Flanagan—It was not just a retesting of the ads but also of the booklet, which was a new product.

Senator ROBERT RAY—I understand that. It is usually that the same focus group does both. How many focus groups were used?

Ms Scott—We will seek to get information about the number of people in the focus groups and so on to you today, if possible, but I have not got that level of detail here.

Senator ROBERT RAY—Your average focus group has 10. You may have used more than one but, at \$15,000 a head, it would not be something that we normally deal with; it is usually a lot less.

Ms Scott—I am happy to say that we did use a number of focus groups. We segmented the market by men, women, parents and so on. We tested a segmented market. There were a number of focus groups.

Senator ROBERT RAY—The Shanahans did it, we think, for \$150,000, and you might be able to get us some more details so we can pursue it. On any test, it is still a very high amount of money for just focus groups testing a product.

Senator FAULKNER—You are not able to say what proportion of these ads has been reshot?

Ms Scott—No, but I am happy to try and see if we can get that information today. The trouble is that I am not going to be able to give you a set percentage because the style of the commercial meant that we could use some of the material relatively easily.

Senator ROBERT RAY—Who is in charge of developing the ads? Which company?

Ms Flanagan—Grey Worldwide.

Senator ROBERT RAY—Do you have a figure for what you are paying them? Did they do the previous work?

Ms Flanagan—Yes, they did.

Senator ROBERT RAY—So you have a figure for what you would expect to have to pay them overall, both for their old and their new work?

Ms Flanagan—I think in a question on notice after the February hearing we gave a breakdown of what had been paid out to the various consultants at that time.

Senator ROBERT RAY—We might use that as a reference point then to answer my question. There may be subsequent expenditure, I do not know.

Ms Flanagan—There has been.

Senator ROBERT RAY—You might give me an actual figure expended so far and an estimated one, which of course we cannot hold you to because you do not have a final figure.

Ms Scott—It is PM 48—expenditure of \$262,940, excluding GST.

Senator ROBERT RAY—What do you think is to come, approximately?

Ms Flanagan—I think you then add the \$200,000-odd that Ms Scott has already mentioned. We can check the actual expenditure figure, but I imagine it is the addition of both of those figures.

Senator ROBERT RAY—Can you take this question on notice: since the inception of this project, how much have you spent, in total, on market research up until today? We have the figure now for the advertising company, but how much have you spent on market research—that is, quantitative, qualitative, the lot—since when you started to look at this in 2001 through to today? If you can answer it now, do so.

Ms Scott—Again referring to PM 48 from last estimates: Elliot and Shanahan, \$167,500.

Senator ROBERT RAY—Plus \$150,000 for the next lot.

Ms Scott—Yes, in that vicinity.

Senator ROBERT RAY—So \$317,000 approximately?

Ms Scott—Yes.

Ms Flanagan—We will take that on notice and get back to you with the exact figures.

Senator ROBERT RAY—You may have answered this before—and I apologise if you have. What was involved in the \$518,000 to Reamont? I have missed this.

Ms Scott—It relates to the youth sponsorship—some of the initiatives about linking the campaign to the youth audience.

Senator ROBERT RAY—What exactly does that mean? They had \$518,000 paid to them. I am not quite sure what you got for that. What physically do they do?

Ms Flanagan—Reamont are now called Smart Love and they proposed a number of initiatives such as the one that has already been mentioned, Big Day Out. They had planned a Valentine's Day promotion.

Senator ROBERT RAY—Are they a PR company?

Ms Flanagan—No, not a PR company; they work in the youth market. I do not know that you would characterise them as a PR company, but they are certainly, as I understand it—and I might get Mr Williams to advise us—on our GCU consultants list.

Senator ROBERT RAY—You just woke him up.

Ms Flanagan—We are having trouble finding it on the GCU list, so again we will make a phone call fairly quickly and get you a description of that particular consultant.

Senator ROBERT RAY—Half a million dollars, I have to say, has made Elliot and Shanahan look pretty cheap in that respect. You mention a couple of concepts. It is worth half a million dollars. What did they do for their half a million dollars?

Ms Flanagan—What I would have to check, for example, is whether they were looking at a particular web site. Certainly, there were products being developed with SBS and Triple J to do radio programs and documentaries. I think much of that work was being done by Reamont.

Senator ROBERT RAY—Did you say they then became Smart Love because there is \$742,000 to Smart Love. What did they do?

Ms Flanagan—Sorry, I stand corrected: Smart Love are the youth consultants. We will need to quickly find out what Reamont—

Ms Scott—Reamont was the youth sponsorship consultant.

Senator ROBERT RAY—Why don't I just put a few questions to you to ponder over and come back to us after 7.30, if you can. I am looking for a breakdown of what was spent by Reamont, \$518,000; Smart Love, \$742,000, Vibe Australia, \$174,000; Gavin Jones Communications, \$68,000; Cultural Partners Australia, \$253,000; and Haystac Public Affairs, \$474,000. That is about it. I think I know what Grey Worldwide Melbourne were paid to do and we are pretty clear what Elliot and Shanahan were paid to do. So you might just have a look and get back to us with precisely what they did for their money. What did they develop? What did they do for you? Give that a bit of thought, will you, and we might return to it after 7.30.

Senator FAULKNER—With the same time frame in mind, are you actually able to prepare for us quickly a document that goes to the key expenditures involved in the reshooting, the redevelopment, of these advertisements? Are you able to disaggregate that?

Ms Scott—I already indicated that we have not got invoices in for some of the activities. Going to that level of precision, I think you will find that we would run out of sources of information very quickly. We might create an incorrect impression because we just do not have all the information in.

Senator FAULKNER—I do not want you to create an incorrect impression. You gave certain details on costs at the February estimates hearing.

Ms Scott—I understand you want the information tonight.

Senator FAULKNER—If that is possible.

Ms Scott—I just do not know whether we will have that available for you tonight.

Senator FAULKNER—We know that the reshooting was \$200,000. We know that a component of the research was \$150,000. These are very substantial amounts of money. Do you stand by those costs?

Ms Scott—I indicated when I provided them that they were indicative because we do not have invoices at this stage. You asked for—

Senator FAULKNER—I had not finished my sentence. I do not mean the \$200,000 and the \$150,000; I was going to go to the figures that were provided at the February estimates round.

Ms Flanagan—They are correct costs. They are for invoices received and paid, which is why they are accurate figures.

Senator ROBERT RAY—We know subsequent to that that there is approximately \$200,000 for a reshoot going to Grey Worldwide Melbourne; we know there is about \$150,000-odd going to Elliot and Shanahan. Are there any figures going to anyone else that we do not know about—more money to these people we mentioned before? We have a \$2.7 million figure to which we are going to add \$350,000.

Ms Scott—The answer to that is going to be yes because we have two very significant new parts of the campaign—one is a booklet and the other is a helpline to provide counselling, referral and—

Senator ROBERT RAY—We are just missing the point a bit here, although indirectly you are right. I do not want to know, at this stage, how much you are spending on the booklet or on the helpline, but I do want to know how much you are spending on consultants giving advice to them. In other words, all these people have given you advice and developed programs. Are there any other figures to be added in? At the moment, we have got to \$2.7 million; we are now a bit over \$3 million. Are there any others to be added in?

Ms Scott—There will be more because as part of changing the program we have sought to change some of the Indigenous elements of the campaign.

Senator ROBERT RAY—Who are you using for that? Let us see who else you have used. Have you reused anyone on this list apart from Grey and Elliot and Shanahan? If not, who else have you added and about how much it is going to cost?

Ms Flanagan—We have approached the consultants on this list to ask them to recontract for the new direction, a refined campaign.

Senator ROBERT RAY—All of them?

Ms Scott—No. In relation to the translation of the ads and the booklet into 14 languages, we would propose that there be further work involved on that once the booklet is signed away; media kits will be in 14 languages and that will be additional work; and an ambassador program in relation to the Indigenous element of the campaign where we have some members in the community who will make public statements supporting the elimination of violence against women. That will be an element of the campaign. Those are the important elements. Also, with convenience advertising we can spread around the number of the helpline service in places where people can get the number and, if they wish, ring the hotline.

Senator ROBERT RAY—How do you do that? I do not follow.

Ms Scott—One of the issues is that the booklet will reach people in their households, but some people who are victims of violence will not want to be seen to be noting the number or copying it down from the TV. If we make the number available on posters in doctors' surgeries, in Medicare offices or even on the backs of toilet doors then they are places that someone can take note of the number without feeling that they are going to be threatened by someone noting that they have taken the number down. That is one thing that we are contracting people for.

Senator ROBERT RAY—So that is four things that you are doing. That was helpful. Now we will have to go back to the question. Are there any companies—other than those on this list on PM 48—that you are currently contracting to do new work? We will come back to this list, but are there any others?

Ms Scott—In relation to the booklet there are, obviously, new companies involved.

Senator ROBERT RAY—Who are they?

Ms Scott—I am sorry, I do not know the printing firm. But, obviously, printing industries—

Senator ROBERT RAY—Just for the moment I think we are examining—and I know that there is a bit of crossover here—where you are getting your advice. What is apparent from this list is that, even though they may go on and actually do some physical things, these are mostly advice people. So for the moment I am concentrating on who is giving you advice and what consultants you are using, rather than who is printing the booklet—we may cover that another time. You have used an advertising agency. You have used a research company. I assume that one or two of the others on the list are PR companies. I am asking you whether you have added anyone to this list as a consultant or someone from whom to seek advice on this change of direction.

Ms Scott—Do we have to pay for the advice for it to be of interest to you?

Senator ROBERT RAY—If you got it as a freebie then well done. We will forget about it.

Ms Scott—We got some free advice as well.

Senator ROBERT RAY—So any professional paid advisers are on this list.

Ms Scott—I will have to check, simply because we have different work being undertaken now. For example, Cultural Partners, Gavin Jones Communications, Haystac and Smart Love are doing different tasks this time around, but they are on the original list. I am not sure that the list that you have from PM 48 will encompass all the people that we have sought advice from. It certainly does not encompass some of those that we have sought and got free professional advice from.

Senator ROBERT RAY—I would like you to get back to me on two points. One is: if in terms of this list you have employed anyone else and paid them for advice—and this is payment for the advice rather than for printing or whatever—could you let me know who they are and how much you paid? The other is: if you have recontracted or renegotiated an extension to the contract of any people on this list, could you let me know who and how much? Then we can proceed with the questioning.

Ms Scott—Okay.

Senator FAULKNER—In relation to this advertising campaign, were there any cancellation costs?

Ms Scott—Yes.

Senator ROBERT RAY—How many and how much?

Ms Scott—There were six contracts that were cancelled or varied that resulted in cancellation costs.

Senator ROBERT RAY—Who were the six?

Ms Scott—They are a subset of the ones on PM 48. I will read them out, but they will be familiar names: Haystac Public Affairs, Smart Love, Reamont, Gavin Jones Communication, Vibe Australia and Cultural Partners Australia.

Senator FAULKNER—And the amounts?

Ms Scott—The total amount is \$1.1 million.

Senator ROBERT RAY—Yes, and do you have the breakdown per company?

Ms Scott—It obviously varies very considerably.

Senator ROBERT RAY—Yes, hopefully.

Ms Scott—Haystac Public Affairs, \$30,700; Smart Love, \$627,534—

Senator ROBERT RAY—This is the biggie, is it?

Ms Scott—That is correct—Reamont, \$197,512; Gavin Jones Communications, \$46,500; Vibe Australia, \$81,500; and Cultural Partners Australia, \$150,790.

Senator FAULKNER—That is \$1.1 million?

Ms Scott—Yes, \$1.134536 million.

Senator ROBERT RAY—I am going to ask you a very stupid question, because I do not have a clue how you operate. Let us take Reamont. They have a contract for \$518,000. Is the \$197,000 additional or is it part of the \$518,000?

Ms Flanagan—Their original contract was for \$1,295,000.

Senator ROBERT RAY—That was their original contract?

Ms Flanagan—That was their original contract price.

Senator ROBERT RAY—So you had to pay them \$518,000 for work delivered and then an additional \$197,512 as a cancellation fee?

Ms Flanagan—That is correct.

Senator ROBERT RAY—As of now, you may pay them a third lot of money if you recontract them.

Ms Flanagan—We have not recontracted with Reamont.

Senator ROBERT RAY—But it is possible?

Ms Flanagan—Yes.

Senator ROBERT RAY—You have actually paid Smart Love \$742,500 for work done and a cancellation fee of \$627,534.

Ms Flanagan—That is correct, and their original contract price was \$3,150,000.

Senator ROBERT RAY—I would love to know what we are paying them \$3 million for.

Ms Flanagan—We are not paying them that.

Senator ROBERT RAY—Again, after the dinner break you might come back in detail.

Ms Flanagan—We are not paying them \$3 million.

Senator ROBERT RAY—No, but you must have contracted to pay them for services.

Ms Flanagan—Yes, we did originally.

Senator ROBERT RAY—I am going to ask you to tell us after the dinner break. The consultants' figures here are \$2.7 million—and I should not say consultants; that is unfair. It is a bad description by me, I think, because the work they do goes a bit beyond consultancy. That is what is spent, but I wonder what the budget was. If this was \$3 million and you have effectively paid only \$1.3 million worth, it must have been a very big budget.

Ms Scott—The total campaign, excluding some elements of research, was \$13.7 million.

Senator ROBERT RAY—A lot of that would be to pay for ads or printing or otherwise.

Ms Scott—That is correct.

Senator ROBERT RAY—It seems to be a rather big figure for the up-front research, campaign advice and strategy advice.

Ms Flanagan—There was a whole lot of product that had been drafted but not yet finalised included in that \$2.7 million. For example, some documentaries for radio had been prepared and there were other things, like wrist bands that young people were able to swap. There was a whole lot of concept and design work included in that \$2.7 million.

Senator FAULKNER—What happened to that?

Ms Flanagan—Some of that is not going to proceed but other work, such as the development of a web site—which we have talked about—even though the web site will be different, is also included in that \$2.7 million.

Senator FAULKNER—What did you spend on the radio documentaries?

Ms Scott—We have indicated to a number of the consultants that, whether we entered into an arrangement with third parties, we were prepared to look at entering into discussions with them about their use of material. Obviously we have not got to that stage yet.

Senator FAULKNER—You have told us that there are radio documentaries and wrist bands that are not going to be used. Is that right?

Ms Flanagan—They were certainly being developed. We had not seen the final product.

Senator FAULKNER—What stage of development did they get to?

Ms Flanagan—They were still in draft. We had not yet seen them in the department to approve them.

Senator ROBERT RAY—They were cancelled before anything else happened. Is that right?

Ms Flanagan—They have been put on hold while we assess whether they can be used in the current campaign or in some other way.

Senator FAULKNER—Have you worked out yet what this change of ideological focus on this campaign is going to cost the Commonwealth? It sounds like it is into the millions that

literally is money wasted. Do we know what that figure is? We have all this lost advertising space; contracts have been cancelled.

Ms Scott—It would be incorrect to think that money spent was the same as money wasted. For example, the media buy will be able to be drawn on when the advertisements go to air. The material done in research was part of the content that was considered in the preparation—

Senator FAULKNER—What about the placement cancellation?

Senator ROBERT RAY—Put a good gloss on that.

Ms Scott—The amount of money that was allocated to the media buy will be reallocated. We do not consider that money lost.

Senator ROBERT RAY—Tell us what the upside is of paying out \$1.1 million in cancellation fees.

Ms Scott—That is unclear at this stage. It is unclear how much of that will be recoverable.

Senator FAULKNER—There are fees spent on concepts and designs that have not been used. There are cancellation fees. There is the reshooting. There is the research. We are talking in the millions here. We are not talking about just a small amount of money. This has developed into one of the great public administration debacles of the Howard government, hasn't it?

Ms Scott—No.

Senator FAULKNER—What do you mean, 'No'? There is \$1.134 million on cancelled contracts, around \$200,000 on reshooting, \$150,000 on research and God knows what else on the concepts and designs which are not being progressed and so on and so forth. It is a huge amount of money. It is not a laughing matter, I would not have thought.

Ms Scott—In the development of a campaign, it is not unusual to see items retested and advertisements reshot.

Senator FAULKNER—This is a scandal. It is all because of an ideological obsession by the government deciding at the last minute on a change of direction for this advertising campaign. It is very difficult to get these figures from the officials at the table, but the campaign appears to have cost the taxpayers millions.

Ms Scott—I think we have answered all your questions.

Senator FAULKNER—We will come back to them. We will get a consolidated list of the money that is not going to be recouped—as you are able to provide at the moment, if you can please—and other areas that are outstanding. It is absolutely massive.

Ms Scott—As we indicated earlier, we had not even seen some of the material that was in the concept stage, so it was not the case that every material was at the completion stage. That would be an incorrect impression.

Senator FAULKNER—Concept and design is what I said.

Senator ROBERT RAY—Of the \$2.746 million that you have actually paid out—and we will leave the cancellation fee aside for the moment—is there any way of calculating how much of that expenditure is not yet intended to be proceeded with?

Ms Scott—I do not think it is possible to work that out.

Senator FAULKNER—You can assure us that we will get this campaign up and running just in time for the election? I really want to be assured, Ms Scott, that you will make it to the election. It has been three years in the preparatory work, but we will have it completed and to air before the election, won't we?

Ms Scott—The government will determine the timing of the campaign.

Senator FAULKNER—I bet they will!

Senator ROBERT RAY—But we should be in a position, we hope, with just a little more study of these matters, where you will be able to tell us what Reamont has done for its half a million, what Smart Love has done for its three quarters of a million et cetera—leaving aside the cancellation stuff at the moment—so we can get an idea of what is likely to be proceeded with and what is likely to have been jettisoned. We should be able to have a rough idea of that when you establish what actual work they have done. That is correct, isn't it? Or am I misunderstanding you?

Ms Scott—We will try and answer your questions as soon as possible.

Senator ROBERT RAY—Thank you for that. Now, do you want to answer my question? You went to the timing of it; I am asking whether it is possible to go to the substance of these issues. Sure you will answer the question as soon as possible, we accept that, but just using one example—Smart Love: you have spent \$742,000 for services rendered. I want to know whether, at some stage in this inquiry, we can find out what services they have rendered. I understand you have had to spend another \$627,000 in cancellation fees with them, but I just want to know what you have spent it on in each of these items. Surely we can find that out. We must be able to keep that track.

Ms Scott—We will provide you with the information you have sought as soon as possible.

Senator FAULKNER—But you cannot tell us now what, if any, of the \$1.134 million of cancellation fees might be recouped?

Ms Scott—No.

Senator FAULKNER—Is it possible that any of it will be?

Ms Scott—It is difficult to determine at this time. I have indicated before that a number of the third parties have sought to enter into discussions with us about products that were at early stages of development. It is unclear what will come out of those discussions.

Senator FAULKNER—I think it is extremely unlikely any of it will be recouped—that is my guess—and I think someone should just front up and say so. You have indicated there is going to be a mass mail-out for this campaign. That is right, isn't it?

Ms Scott—It is going to be a booklet.

Senator FAULKNER—Will there be the usual accompanying letter from Mr Howard or not? Or will just his photograph be in the booklet? Because that is one of the changes: we have had to remodel the campaign to make sure that his photograph is in there.

Ms Scott—The Prime Minister has indicated his close involvement in the launch. I am just trying to recall his exact words in relation to his involvement in either writing a foreword for the booklet or having a letter for the booklet.

Senator FAULKNER—I do not believe that people responsible for organising this campaign cannot tell this committee, given this monstrous waste of public money you have already presided over, whether there will be an accompanying letter for the booklet that is going to be posted out. It is a reasonable question: is there going to be a letter or is it just the booklet?

Ms Scott—It has not been determined yet.

Senator FAULKNER—When is the mail-out going to occur?

Ms Scott—During the campaign, and the timing of the campaign is to be determined by the government.

Senator FAULKNER—So you do not have any idea?

Ms Scott—I have indicated that the timing of the campaign is at the determination of the government.

Senator FAULKNER—Yes, I know that, but these things require planning. I am amazed if the Office of the Status of Women is not intimately involved in this sort of planning.

Ms Scott—We are involved in the planning, yes.

Senator FAULKNER—But you cannot share with us the timing. This is something that you started in 2001; it is now 2004. It has been a public administration debacle of the highest order, and even now—three years into it; \$1.134 million completely wasted on cancellation fees, hundreds and hundreds of millions of dollars in other areas completely wasted, taxpayers' money down the drain—as we speak, you cannot tell us what the timing is going to be.

Ms Scott—I do not agree with all the statements in the preamble to your question. You asked an earlier question—

Senator BRANDIS—It wasn't a question; it was abuse.

Senator ROBERT RAY—I don't think it was abuse.

Ms Scott—I think you prefaced your earlier question about the timing of the campaign by asking whether the campaign would be this year and I indicated yes. I think you have asked other questions about the timing of the campaign. I cannot give you a precise date but we do expect it to be relatively soon.

Senator FAULKNER—Is it direct mail or unaddressed householder mail? Does anyone know that?

Ms Scott—Those sorts of issues have not been determined.

Senator ROBERT RAY—How many booklets will there be?

Ms Scott—We have not had final sign-off on that.

Senator ROBERT RAY—So you have done no planning—you have no idea?

Ms Scott—That is not correct. I do not have final sign-off but we have done extensive—

Senator ROBERT RAY—What are you estimating?

Ms Scott—We have done extensive planning.

Senator ROBERT RAY—What does your extensive planning indicate at this stage?

Ms Scott—We are planning that there will be a household booklet.

Senator ROBERT RAY—So, six to eight million copies. Is that what you are saying?

Ms Scott—We also have some secondaries that we are preparing for. For example, people may want to get extra copies of the booklet. We may have copies of the booklet in Medicare offices, Centrelink offices, university health care centres and places like that.

Senator ROBERT RAY—So approximately how many are you planning on? You must have some idea. It must be in your budget.

Ms Scott—We are planning on 10 million but the final sign-off has not been given on that.

Senator ROBERT RAY—You could have told me 10 million about four minutes ago, to be honest—if you were approaching your job here properly. Instead of stalling why didn't you answer the question properly?

Senator FAULKNER—What is the name of this campaign?

Ms Scott—Elimination of violence against women.

Senator FAULKNER—Is that going to be the name in the public dissemination of the campaign? I am really asking whether there is a—

Ms Scott—A tagline?

Senator FAULKNER—A tagline, a slogan.

Ms Scott—There is a tagline but it is not that.

Senator FAULKNER—Could you tell us what the tagline is?

Ms Scott—I am going to wait till the sign-off of the campaign before I release that information.

Senator ROBERT RAY—So it is classified at this stage, is it?

Ms Scott—I would like to have it signed off. I would not like to give you information that turns out to be inaccurate.

Senator ROBERT RAY—How can it be inaccurate if you tell us what it is now, even if it is changed down the way? If the government wanted it kept confidential, I would understand. If that is what you are saying to us, I will accept the answer. Is that what you are saying?

Ms Scott—I am saying that the tagline does not have final clearance. I would not want to give you information that has not been finally cleared.

Senator FAULKNER—During the three years that it has taken for this campaign to develop there was a previous slogan or tagline—I do not want to use that terminology. It was: No Respect, No Relationship. That is correct, isn't it?

Ms Flanagan—Yes.

Senator FAULKNER—I am not an expert in these things but that seemed like a good publicity slogan—or, to use your terminology, tagline—to use. Has that been superseded?

Ms Scott—Because of the new direction of the campaign we have developed a new tagline.

Senator ROBERT RAY—I will ask you an obvious question. You are not planning to use the electoral roll to mail this stuff out, as occurred in a different campaign and which was found to be illegal?

Ms Scott—No.

Senator ROBERT RAY—I have your assurances on that?

Ms Scott—I would not want to do anything that was illegal.

Senator ROBERT RAY—The tax commissioner and the electoral commissioner had to be pulled up on that, so I thought I would check with you.

Senator FAULKNER—This is obviously a PM&C mass mail campaign. You may not be able to help us, Mr Williams, but can you identify for us any other mass mail campaigns that are going to occur in the near future? I am defining ‘the near future’ as the lead-up to the next election, where obviously we are facing a massive blow-out of government advertising. You will make the point to me that you do not know when the election is going to be, which is a fair enough point, but what is planned over the next three or four months?

Mr Williams—The only booklet that I am aware of that has been definitely agreed is the one that is foreshadowed in the current campaign on the new Medicare. Reference to that is in the advertising that has commenced. That book will go out. Ms Scott has referred to a booklet for the elimination of violence against women. There are other campaigns under way which may have a booklet as a component.

Senator FAULKNER—Can you identify those?

Mr Williams—As I have previously said at these committee hearings, until approval is given it is premature to speculate as to whether there will be a booklet or not.

Senator FAULKNER—You are saying to me that there are no other approvals given. I really want to be clear on this, Mr Williams, because if these things have been printed, obviously approval has been given, hasn’t it?

Mr Williams—If a booklet has been printed, yes.

Senator FAULKNER—I am asking you again; I really want to be clear. I hear what you say about the Medicare campaign. I appreciate that information; thank you.

Mr Williams—That is probably on the public record.

Senator FAULKNER—I understand that. I hear what has been told to us by the witnesses at the table about the domestic violence campaign. I understand it is the status, albeit the evidence adduced being exceedingly vague about it. I just want to be clear that there are no other approvals in relation to mass mail marketing campaigns.

Mr Williams—As I understand it, as at today I am not aware of any approvals that have been given to print booklets. I am not aware of any booklets that have been printed.

Senator FAULKNER—You are saying there is no booklet on family benefits as yet?

Mr Williams—I am not aware of any booklet, Senator.

Senator FAULKNER—You would not be aware, of course, of any use of the electoral roll for mass mail-outs?

Mr Williams—In terms of the Medicare booklet that is proposed, that will be an all-household booklet for each householder—not addressed to the particular householder.

Senator FAULKNER—Medicare has its own very substantial database too, doesn't it?

Mr Williams—It does, but on this occasion the booklets will not be personally addressed.

Senator FAULKNER—There was not an earlier booklet done up for an earlier iteration of this domestic violence campaign, I assume?

Ms Scott—No, Senator.

Senator FAULKNER—Not even in the planning stage?

Ms Scott—No.

Senator FAULKNER—It is a completely new initiative as a result of the change campaign?

Ms Scott—As set out before in my answer to you.

Senator FAULKNER—We will have to revisit that. What about the school component on the domestic violence campaign? Where is that up to? Is there a school component?

Ms Scott—There is no explicit school component.

Senator FAULKNER—Was there previously planned to be a school component?

Ms Scott—There were some curriculum resources that were in preparation. With a shift in the focus towards a helpline and a booklet, that element of the campaign is not proceeding.

Senator FAULKNER—So that has been junked?

Ms Scott—It is not proceeding.

Senator FAULKNER—It has been junked. Were any moneys expended on that?

Ms Scott—The figures we provided earlier include that.

Senator FAULKNER—Can you give me an update on any plans to target young men and boys, which is an issue that I know has been canvassed previously?

Ms Scott—The campaign will be directed to both young men and women and the community generally. The focus on young men is quite discernible in the campaign.

Senator FAULKNER—We will come back to this after the dinner break. In relation to one element of this, which is the 1800 number, you have not been able to tell us the number—fair enough. What about the service provider? This is quite a significant issue, isn't it, because there are important issues relating to the professionalism of the service provider. I think it is fair to say that, isn't it?

Ms Scott—That is right. It is going to be Lifeline.

Senator FAULKNER—It is Lifeline, is it? So that has been determined.

Ms Scott—Yes.

Senator FAULKNER—Has that been publicly announced?

Ms Scott—We have had contact with people in the counselling sector and made them aware of the helpline and that it will be Lifeline doing that work. It is knowledge in that interested community. I imagine it will be part of a bigger public statement at some stage by the government.

Senator FAULKNER—How did you go about this? Was it over some sort of select tender process?

Ms Scott—Yes.

Senator FAULKNER—Obviously expertise in sexual assault services would have been a crucial element of this, wouldn't it?

Ms Scott—The key refocus of the campaign was to improve the level of practical support provided to women, moving away from just referral to a web site to providing a counselling service and a referral service.

Senator FAULKNER—So it is mainly a referral service, is it?

Ms Scott—No, counselling. Lifeline is able to do on-phone counselling.

Senator FAULKNER—I am sorry, the purposes of the hotline?

Ms Scott—It is to provide counselling over the phone and, where necessary, referral to other services. Lifeline anticipate that they will be doing predominantly the bulk of providing assistance.

Senator FAULKNER—How long would you expect that 1800 number service to operate for?

Ms Scott—Twelve months as a clearly identified number, but during the campaign Lifeline will operate on our behalf a 24-hour seven days a week counselling helpline.

Senator FAULKNER—Has there been an issue here about duplication of services?

Ms Scott—No.

Senator FAULKNER—Some of the states—I am not sure about all of them—provide excellent services in this area, don't they?

Ms Scott—There are counselling services in many of the states and territories. They are not all 24 hours seven days a week. We may well be referring people to some local services—for example, crisis accommodation and so on—but, importantly, this will be the only nationally available 24-hour seven-day service of this type where we have a clear call to action through a campaign.

Senator FAULKNER—So you do not think duplication is a problem.

Ms Scott—No.

Senator FAULKNER—In relation to this focus you mentioned on younger people, which seems sensible, at one stage I had seen a suggestion—and it may have been in evidence

before this committee; I do not recall, but it may have been media commentary—of a plan to use football as some sort of vehicle as an effective promotional activity in relation to young men and boys. Do you recall this, Ms Scott?

Ms Scott—Yes. A small element in the original campaign was something called ‘coaching boys into men’. It was going to be a pamphlet style product which would encourage coaches to take opportunities to raise in coaching settings discussion about how to treat women appropriately and things like that. That was an early idea. That has really been superseded by the booklet, which will have wider coverage.

Senator FAULKNER—So that element of the program is no long extant?

Ms Scott—No. It is not part of the current campaign and it has been superseded by the booklet, which takes up in good detail those particular issues.

Senator FAULKNER—Frankly, I am not so sure how useful that would have been in the current circumstances anyway. We will revisit some of these issues after the dinner break.

Mr Metcalfe—Mr Chair, this might be an appropriate time for me to respond to a question I took earlier. I think we were asked whether the department had provided any advice in relation to the merger of the ABA and the ACA, and the answer is yes.

Senator FAULKNER—I see. This is advice from, what, the department to the Prime Minister?

Mr Metcalfe—Yes. If you want to ask more detailed questions, I will ask the appropriate officer to come to the table.

Senator FAULKNER—Maybe it is best to do it in the relevant program.

Mr Metcalfe—I am happy to do it then. I just wanted to come back on that specific question.

Senator FAULKNER—The only thing is that you will have to identify for us what the relevant program is—if you know, of course, which is your test for the day.

Mr Metcalfe—I think we will cover it under output 1.

Senator FAULKNER—Is it Economic Division?

Mr Metcalfe—That is right. It is output 1, Economic and industry policy.

Senator FAULKNER—We will deal with it there. Thanks very much.

Senator ROBERT RAY—I do not really know where this one fits. I want to go to the *Gazette* contract ID 1323095, and the department is the Department of the Prime Minister and Cabinet. The division is People, Resources and Communications. It is a contract to the value of \$3,331 and the description is a ‘conference’. ‘Sole source’ was the procurement method, obviously because it was for a relatively small amount. The supplier name was the Quay Restaurant, Circular Quay. Can you tell me what that one is about?

Ms Scott—The department and the Australian Public Service Commission cohosted a dinner as part of the centre of government senior officials meeting that was held in Sydney on 13 and 14 April. It was a two-day meeting held in Sydney and attended by Dr Peter Shergold and Mr Andrew Podger as well as by counterparts from the United Kingdom, Canada and

New Zealand. For example, the secretary to the cabinet and the head of the home civil office, people from New Zealand and the head of policy from 10 Downing Street attended.

Senator ROBERT RAY—How many people went to the dinner?

Ms Scott—Seventeen people attended the dinner, which included all meeting participants and the UK, New Zealand and Canadian high commissioners. I do have a list of attendees.

Senator ROBERT RAY—If you would care to table it, that is fine. If you would not care to table it—

Senator FAULKNER—Would \$195 a head be right?

Ms Scott—It looks like your calculator and my calculator match.

Senator ROBERT RAY—We did not have a calculator, though; that is the good news.

Senator FAULKNER—We are just old numbers men from way back—a bit like Senator Mason and Senator Brandis.

Senator ROBERT RAY—Do you know who chose the restaurant? It says a ‘sole source’ here. By the way, I did not expect you to have a tender; I think that would have been a bit excessive.

Ms Scott—I think I can indicate why the choice was made there.

Senator ROBERT RAY—Was it because of the ravioli of slow braised quail, black lipped abalone, celeriac puree, quail consomme for \$33? Or was it that in the main course you could have a Bangalow pork neck, slowly braised with Pedro Ximenez vinegar and aromatics, rare breed prosciutto, shiitake, red rice.

Senator FAULKNER—Eat your heart out.

Senator ROBERT RAY—And for dessert you might have had white nectarines set in their own juices, vanilla bean panna cotta for \$20. It sounds quite nice—typical Sydney prices, though.

Senator FAULKNER—How predictable to have a jibe at Sydney.

Senator ROBERT RAY—Ms Scott, you were about to tell us who chose the restaurant.

Ms Scott—The secretary chose the venue for the dinner. Having attended the restaurant on a previous conference with international guests he considered it suitable.

Senator FAULKNER—That is good.

Senator ROBERT RAY—Minister, I can tell you that you will have to up the TA if we are to go and dine there at \$190 a head.

Senator FAULKNER—While Senator Ray is on the *Gazette* publishing system, I notice that the honours secretariat, which is what I call it—it has a new name, hasn't it, Mr Metcalfe?

Mr Metcalfe—Awards and National Symbols Branch is the name. The Honours Secretariat is at Government House.

Senator FAULKNER—You know what I am referring to.

Mr Metcalfe—I think so, Senator; I would not try to double guess you.

Senator FAULKNER—Contract No. 1305981—it is called the ‘Divisional Support Unit’ in here—is for ‘the design, development and implementation of a media management system for the honours database’. Why does the honours database need a media management system? Is it because of all the bad publicity it has been getting?

Mr Metcalfe—There is a lot of good publicity about honours.

Senator FAULKNER—I have missed that. There has not been good publicity for the honours out of this committee.

Mr Metcalfe—I will ask Mr O’Neill to elucidate.

Mr O’Neill—It is a way of moving from hard copy media to electronic copy. It is much more simplified. At the moment, the material that we get from Media Monitors about recipients is in hard copy. This comes in electronically, so we can link it to the Australian honours list and we increase our database for our promotional work to get an understanding of the people and promote them in promoting the Australian honours system.

Senator FAULKNER—I am sorry, but how does this promote people on the database?

Mr O’Neill—When we go to a region we want to be able to find out who the people are there. As you know, you can get the material off the web site. You can do a search by postcode to find people. We are now able to get the material in electronic form so that we can have a quick understanding of the recipients in a region and, when we go there for our promotional work, we are able to make contact with them and promote them. Local governments do the same and they are very keen to promote what we call ‘Honouring our local heroes’ so that they have a good understanding of the recipients in their region. They are invited to the Australia Day sausage sizzles that most local councils now operate. It is a way for them to know who their recipients are.

Senator FAULKNER—You can do all that now, can’t you? You do not need another contractor.

Mr O’Neill—A lot of work is done by the newspapers. This does not breach copyright; it is merely done for research to understand who the people are. So when we do a search—take, for example, the word ‘volunteer’. At the moment, unless it comes up on the citation it frequently does not appear. The background that the media article provides enables us to focus on the volunteers and make sure that it is right.

Senator FAULKNER—So this will be accessible from your web site, will it?

Mr O’Neill—It will not be accessible on the web site. This is for our internal research, to understand the people, so that we can focus on different groups within the honours area.

Senator FAULKNER—You are not suggesting giving awards to people we do not understand?

Mr O’Neill—No, quite the opposite; it is just that the citation is abbreviated.

Senator FAULKNER—The other question I was going to ask concerns the refurbishment of the conference room at PM&C, contract 1326432, of \$63,166.38. I am wondering whether this was for the National Circuit PM&C building.

Ms Scott—It was.

Senator FAULKNER—Who uses that conference room?

Ms Scott—It is used for both internal and external meetings. It is a secured conference room cleared by ASIO. Previously we did not have a secure conference facility. I do not mean a large conference as in hundreds of people; I mean a facility that would allow the secretary to meet with senior members of the department.

Senator FAULKNER—Is that what this fit-out is about?

Ms Scott—Yes, fitting out a secure facility. That means it needs to meet the requirements of a secure facility—a raised floor, a dropped ceiling, secure windows, independent airconditioning.

Senator FAULKNER—The issue that is obviously raised here is: if you are going to leave the building, how much fitting out is warranted?

Ms Scott—Prior to the creation of this secure conference room, we did not have a secure meeting room in the department. When we had National Security Division, International Division and meetings between secretaries taking place involving a number of people, it was obviously a shortfall that we did not have a secure meeting room. I am pleased to say that the owners of the building appreciate that the facility that has been created is very valuable.

Senator ROBERT RAY—Each time you have a secure meeting, does ASIO have to come and—

Ms Scott—I am not going into the arrangements about securing a room. It is standard practice that we do not go into that.

Senator ROBERT RAY—I was going to ask: if they were to do so, is it user pays still for PM&C? Not this particular room but generally, if you have to have a secure meeting, ASIO does its clearances. Is it still user pays?

Ms Costello—Yes, it is.

Senator ROBERT RAY—Thank you. It was very simple to answer that question, without endangering national security.

Senator FAULKNER—Concerning the flood in the cabinet room, which we heard about in the examination of estimates of the parliamentary departments, has it had any impact at all in relation to your department that you can identify?

Ms Scott—We did have some staff come up to help—the Cabinet Policy Unit, the Prime Minister's office and staff—regarding computers and access to papers.

Ms Costello—A couple of ancillary parts of computers—the power packs—had to be replaced. That was a couple of hundred dollars.

Senator ROBERT RAY—Did you have to replace the TV?

Ms Costello—No. We didn't own a TV. There were some copies of *Hansards* damaged by the water and we are currently reviewing what to do with those.

Senator FAULKNER—So in fact very little impact.

Ms Costello—Very little impact, yes.

Proceedings suspended from 5.59 p.m. to 7.33 p.m.

Senator FAULKNER—When we left for the dinner suspension, I believe Ms Scott and Ms Flanagan were going to come back to us with some information and some updated and more precise figures in relation to the new antidomestic violence campaign. Are you in a position to do that for us, Ms Scott?

Ms Scott—Yes, Senator. I can provide answers to some of the questions you asked.

Senator ROBERT RAY—Would it be easier if we go through those questions?

Ms Scott—If you wish.

Senator ROBERT RAY—First of all, we were going to get a breakdown of money, excluding Grey Worldwide Melbourne, who I assume were the technicians doing the ads, and Elliot and Shanahan, who we assume did the two tranches of research. Let us go to what Reamont did for their \$518,000 and/or what they were going to do for the \$197,000 they got paid in compensation.

Ms Scott—The contract was initially for sponsorship of NOISE, a national youth multimedia festival.

Senator ROBERT RAY—We are paying half a million dollars for a festival. What does a festival do? I am clearly out of touch here, so you will have to help me.

Ms Scott—This is the sponsorship contract. Because the old campaign had a very strong youth element, a preventative flavour, the idea was to engage with youth through music, radio and so on to emphasise the themes of the then campaign.

Senator FAULKNER—You keep stressing the past tense here. The \$518,000 has been spent. That is correct, isn't it?

Ms Scott—Correct.

Senator FAULKNER—What was delivered for that?

Ms Scott—As we indicated earlier, there were products in development or in this case sponsorship arrangements formed, and one was in relation to this national youth multimedia festival—for example, sponsorship of Big Day Out, which I think Ms Flanagan referred to earlier.

Senator FAULKNER—Was the festival sponsored?

Ms Scott—The new direction of the campaign occurred in December, and the participation of the campaign in Big Day Out did not proceed.

Senator FAULKNER—But the money was still spent?

Ms Scott—A contract had already been entered into, and we ended up making a part payment for the Big Day Out.

Senator FAULKNER—And that part payment was \$197,000, was it?

Ms Scott—I do not have that figure.

Senator FAULKNER—What was the part payment?

Ms Scott—The part payment was for Big Day Out, but I do not have the figure for that element of it.

Senator FAULKNER—Is that included in the six contracts totalling \$1.134 million you mentioned prior to the dinner suspension?

Ms Scott—Yes. Actually I need to clarify that. That was a contract, but the part payment of that was included in the \$518,000 referred to in question PM 48.

Senator ROBERT RAY—Let me just reverse this questioning. So far you have spent \$715,512 on Reamont. That takes into account what you have paid for them and then what you have added in for a cancellation fee.

Ms Scott—Yes.

Senator ROBERT RAY—What have you actually got from them for that payment of almost three-quarters of a million dollars?

Ms Scott—They developed four video clips to music tracks, and the video clips would provide positive depiction and empowering images of young people in a contemporary way. In some cases, we have early development on product or part sponsorship of something.

Senator FAULKNER—Those four video clips are not in development; they were actually produced, were they?

Ms Scott—Yes.

Senator ROBERT RAY—Now that the theme has changed, are they usable?

Ms Scott—It is still to be determined whether there will be a use for them.

Senator FAULKNER—Have they ever been used?

Ms Scott—No.

Senator FAULKNER—When were they completed? When were they ready to go?

Ms Scott—I do not have that information.

Senator FAULKNER—So far, for the \$715,512, we have four video clips that have never been used. What else have we got for it?

Ms Scott—The radio documentary series that Ms Flanagan referred to before.

Senator FAULKNER—What is the status of the radio documentary series?

Ms Scott—They are partly finished.

Senator FAULKNER—Have the ones that are finished ever been played or used?

Ms Scott—No.

Senator FAULKNER—Are there any plans to play or use the ones that either have been finished or are going to be finished?

Ms Scott—No. That is the subject of further discussion.

Senator FAULKNER—So at this stage there are no plans to use them?

Ms Scott—We understand that Triple J is interested in using them.

Senator ROBERT RAY—Has the sponsorship of Big Day Out just gone by now?

Ms Flanagan—Yes. Big Day Out was held earlier on in the year.

Senator FAULKNER—Was it sponsored and were moneys paid for sponsorship?

Ms Flanagan—Some money was paid, as I understand it, for designing what was going to be done on Big Day Out. There was going to be a tent and product—

Senator FAULKNER—Was any acknowledgement given for the sponsorship at Big Day Out?

Ms Flanagan—It was not used for Big Day Out because the campaign direction had changed by then.

Senator ROBERT RAY—When you talk about the Big Day Out, do you mean the Big Day Out in Melbourne and then the Big Day Out in Sydney?

Ms Flanagan—Yes.

Senator ROBERT RAY—In how many places?

Ms Flanagan—I think that they are held in each capital city around Australia over a couple of months.

Ms Scott—Gold Coast, Adelaide, Sydney, Melbourne and Perth.

Senator ROBERT RAY—Civilised areas of Australia.

Senator FAULKNER—So we have the four video clips to music tracks never to be used—

Ms Scott—No, I did not say that. I think that would be a misinterpretation of my answer.

Senator ROBERT RAY—That is fair. You said they may still be under consideration?

Ms Scott—Yes.

Senator FAULKNER—The radio documentary series has not been used—

Senator ROBERT RAY—Yet.

Senator FAULKNER—and for the sponsorship of the Big Day Out—which did not go ahead—and whatever moneys were poured into it, there seemed to be no return. That is what we have so far for the \$715,512. What else is there?

Ms Scott—There was going to be a small electronic magazine.

Senator FAULKNER—There ‘was’ going to be a small electronic magazine? That is in the past tense too, is it?

Ms Scott—Yes.

Senator FAULKNER—So that is not going to happen either?

Ms Scott—No.

Senator FAULKNER—How much did that cost us? We have not gone to the disaggregation, but that is a complete dead duck, is it?

Ms Scott—It may be the case that the party who entered into the partnership arrangement we have may express an interest in picking that up. But I do not think at this stage they have.

Senator FAULKNER—What is its status then—limbo?

Ms Scott—Because the campaign was going to go for 12 months, some products were nearing completion and some were at a very early stage. For example, in this element there were a number of items, most of which were not fully developed. They were still at a relatively early stage.

Senator FAULKNER—It is a dead duck, as I said. Is that fair?

Senator ROBERT RAY—No longer extant, as they say.

Ms Scott—At this stage, it does not appear that that project will be proceeded with.

Senator ROBERT RAY—Is there anything else for the \$715,512?

Ms Scott—There was going to be a Valentine's Day promotion.

Senator FAULKNER—There 'was' going to be?

Ms Scott—Yes.

Senator FAULKNER—That is again in the past tense: there 'was' going to be a Valentine's promotion. What happened to that?

Senator ROBERT RAY—Why don't you ask what day it was?

Senator FAULKNER—I was hoping it was 14 February. It sounds like a Valentine's Day massacre, though.

Senator ROBERT RAY—What was going to happen on Valentine's Day?

Ms Scott—There was going to be a theme based around Valentine's Day—that is, the 'no respect, no relationship theme' was going to be related to Valentine's Day.

Senator ROBERT RAY—So that did not go ahead. Was there anything else?

Senator FAULKNER—It will not go ahead, obviously, because Valentine's Day has gone. Is that right?

Ms Flanagan—Yes.

Senator FAULKNER—Was there anything else for the \$715,512?

Ms Scott—I think that is reasonable coverage.

Senator FAULKNER—Can I sum it up then. For \$715,512, we have four video clips to music tracks that have never been used and may never be used; we have a partially funded radio documentary series that is partly finished, which has never been used and may never be used; we have sponsorship for the Big Day Out, which was paid for but did not happen; we have the electronic small magazine, which was paid for but not proceeded with; and we have the Valentine's Day exercise, which was paid for but not proceeded with.

Senator ROBERT RAY—That is it.

Senator FAULKNER—So far, we have the grand total of zero return for the expenditure of \$715,512 of taxpayers' money. That is just the first item we have got to.

Senator ROBERT RAY—We will do them in order of the question if it makes it easier for you—question 48 on the list. Can we go to Smart Love. There was \$742,500 actually paid and I think you said the cancellation fee was \$627,534. Is that right?

Ms Scott—That is correct.

Senator ROBERT RAY—Do you want to run through the list of expenditures or proposed projects?

Senator FAULKNER—Are you going to add that up?

Senator ROBERT RAY—I am in the process of adding it up.

Senator FAULKNER—Let us go through Smart Love. First of all, what do Smart Love do? What services do they provide?

Ms Flanagan—Smart Love are our consultants on targeting the youth market. They are also producing product for us—TV series, documentaries et cetera.

Senator ROBERT RAY—Can we run through the same list of projects and what happened to them?

Senator FAULKNER—Can we just check the figure, though. Smart Love is—

Senator ROBERT RAY—\$1,370,034.

Senator FAULKNER—Can you confirm that figure of \$1,370,034?

Ms Scott—Yes, \$1,370,034.

Senator FAULKNER—What did we get for that?

Ms Scott—This firm worked very closely with Reamont and were involved in some of the things I referred to earlier, such as the radio material.

Senator ROBERT RAY—This is a radio documentary, is it?

Ms Scott—That is right.

Senator FAULKNER—You mean the radio documentary system that has never been used and may never be used?

Senator ROBERT RAY—It is partly finished.

Ms Scott—That was to be used by Triple J. Triple J have expressed some interest in discussing with us future use of the material. They were also involved in the special edition zine that I referred to earlier—12 pages exploring the campaign themes to be distributed with street press.

Senator FAULKNER—I am sorry; that is not the electronic small magazine? You had a different name for it there.

Ms Scott—Yes, zine.

Senator FAULKNER—That is its name, is it?

Ms Scott—Apparently it is the terminology for—

Senator FAULKNER—I see. It is some sort of diminutive magazine, is it?

Ms Scott—Yes.

Senator FAULKNER—This is the small electronic magazine that there is no proposal to proceed with; it is not being proceeded with.

Ms Scott—It is unlikely to go ahead. They were also involved in some cinema style products, but that was not very advanced. Of the expenditure recorded in PM 48, only \$10,000 related to that cinema work.

Senator ROBERT RAY—Do you have a breakdown of those other two? You have the \$10,000 there; what about the electronic magazine?

Ms Scott—It was a sub-element of other work relating to magazine supplements. I think that some of that magazine supplement material we will be able to draw on.

Senator ROBERT RAY—The cinema style products will not go ahead?

Ms Scott—We have the idea of cinema under investigation now but it is unclear that this will go ahead as it was. It is probably too early to tell.

Senator FAULKNER—It is fair to say that it is unlikely, is it?

Ms Scott—I do not know.

Senator ROBERT RAY—But we have got nothing yet. What is next?

Ms Scott—There was some early work on a TV series. Reamont was contracted with Smart Love for this work. Of the original contract, \$235,000 was related to Smart Love and \$150,000 to Reamont but, in fact, the amount paid to Smart Love, as recorded in PM 48, was \$25,000. The idea there was a series of short programs that would go on free-to-air TV.

Senator FAULKNER—That is a dead duck.

Ms Scott—Again, there is a little bit of interest in that product.

Senator ROBERT RAY—What do you mean by ‘short series’? When do you put these on free-to-air? What length are you talking about?

Ms Scott—Half an hour.

Senator ROBERT RAY—They are documentaries, are they?

Ms Scott—Four half-hour episodes of magazine television.

Senator FAULKNER—Four half-hour episodes of magazine television takes a fair lead time.

Ms Scott—That is right, but the campaign was going to run for 12 months. Some of it was going to be rolling out many months after the launch.

Senator FAULKNER—I do not think we will be seeing a TV series, do you?

Senator ROBERT RAY—What else for the \$1,370,000? We cannot be near it yet.

Ms Scott—Content production, building and management of sitelets.

Senator ROBERT RAY—Sitelets?

Senator FAULKNER—That is small sites, is it?

Ms Scott—Yes.

Senator FAULKNER—Small sites of advertising, I assume; would that be right?

Ms Scott—They were going to be on Triple J, Sanity, Big Day Out, Channel 10—

Senator ROBERT RAY—Exactly what are they?

Ms Scott—A sitelet will contain information about the campaign. For example, you go to the ABC web site and then it directs you to a smaller site which would contain information about the campaign.

Senator ROBERT RAY—So Triple J has got its own site, has it?

Ms Flanagan—Yes.

Ms Scott—I have to say I have never visited Triple J.

Senator ROBERT RAY—It is not your personal knowledge we are seeking here; it is the knowledge overall of the department.

Ms Scott—I am sure they would have a site on the ABC web site.

Senator ROBERT RAY—As a subsite of that, they would have something?

Ms Scott—Yes.

Senator ROBERT RAY—Are they going ahead?

Ms Scott—No.

Senator ROBERT RAY—No—scrapped, scratched, hold all bets.

Senator FAULKNER—That is the one.

Senator ROBERT RAY—Anything else for the \$1.3 million?

Ms Scott—On Triple J there was going to be a *Super Request* program.

Senator ROBERT RAY—What is that?

Ms Scott—This was going to go on once a month for eight months where Triple J would do a live request program in regional towns.

Senator FAULKNER—And what happened to that?

Ms Scott—Well \$20,000 has been spent to date in relation to PM 48, and that is not proceeding.

Senator ROBERT RAY—No longer extant.

Senator FAULKNER—That is gone.

Senator ROBERT RAY—Hold all tickets. Anything else?

Ms Scott—There was some magazine supplement work. I think that material will be drawn on, or has been drawn on already, in relation to other products.

Senator ROBERT RAY—What sorts of magazines are we talking about here?

Ms Scott—Magazine supplements for glossy magazines.

Senator FAULKNER—It has already been used, has it?

Ms Scott—Some of the material that will appear in the booklet will draw on material prepared or researched—

Senator FAULKNER—Let us be honest here: how much of that will be drawn on?

Ms Scott—I have not got an analysis of the proportions.

Senator FAULKNER—Yes, but somebody must know. Is it fair to say minimal?

Ms Scott—I do not know that. Some of the material.

Senator FAULKNER—Some material was drawn on.

Senator ROBERT RAY—We are trying to find out what we have got for \$1.3 million. This is the first bit of value for money you have indicated, but now we cannot quantify it. There is a bit of a good news story here and we cannot develop it.

Senator FAULKNER—Anything else? Is that the lot?

Ms Scott—Parts of the idea about the power of the personal story that lay behind this work will be used.

Senator FAULKNER—What is the power of the personal story? Was there some development work there, was there?

Ms Scott—Yes.

Senator FAULKNER—To the value of?

Ms Scott—I do not have the total for that.

Senator FAULKNER—Do you have a total for the magazine supplement work?

Ms Scott—No, I do not have a figure for that either.

Senator FAULKNER—Anything else in that lot?

Ms Scott—I think that is fair representation of it.

Senator FAULKNER—So let me sum up Smart Love—this is Smart Love who are consultants on targeting the youth market as well as providing product—for the grand total of \$1,370,034 the Commonwealth of Australia has received the following services: a radio documentary series, which has never been used and may never be used, and in fact will probably never be used; an electronic small magazine, called a zine, which you have described as unlikely to go ahead; a cinema style product to the value of \$10,000 of the \$1.37 million, which is still under investigation; early work on a TV series for four programs, which has just fallen into a complete black hole.

Ms Scott—I would not characterise it like that.

Senator FAULKNER—No, but I am because think it is fair.

Ms Scott—I do not think that is my characterisation.

Senator FAULKNER—You are unclear as to what its status was. The content production and management of something described as sitelets has gone into a complete black hole, and Triple J's *Super Request* live request program has gone into a complete black hole. The good news for everyone about their \$1.73 million is magazine supplement work, and some material

might be drawn on there, and the power of the personal story might also be drawn in. That is \$1.37 million to add to the zero return from Reamont's \$715,512. So I suppose we should get to the next one.

Senator ROBERT RAY—Just before we do that, on what basis was the \$627,534 calculated to pay for? I would have thought that for the amount of work that Smart Love did, which seems to mostly be in the embryonic stages, the \$742,500 would have well and truly paid for it. So why the \$627,534 compensation payment?

Ms Scott—Under clause 25 in the agreement in relation to the youth communications campaign or element of the campaign, the government was able to draw on that clause to say that we were reducing the scope of the contracted consultancy. We sought from Smart Love an indication of statement regarding their costs to date that they incurred in the development of the television series, the radio tour, the radio documentary, the cinema, the online, the booklets, the electronic material, the street press material and, in line with that, the extent of abatement in fees or allowances payable owing to the reduced scope of the work. That material was then provided by Smart Love. It was then scrutinised by the Office of the Status of Women. Advice was sought from AGS on our contractual obligations.

Senator ROBERT RAY—Did you have to pay for that advice from the AGS by the way?

Ms Scott—I understand that is correct.

Senator ROBERT RAY—How much was that? I just want to make sure that I have got the bill right for this.

Ms Scott—I do not have that figure.

Ms Flanagan—We do not have that figure with us. We can get it to you.

Senator ROBERT RAY—Does it come through you, Ms Costello? Would you have it?

Ms Costello—I was just going to have a look but I do not believe I have got that figure.

Senator ROBERT RAY—Have a look while we move on. That would be good. Keep your attention on that. So you are convinced that the compensation was right, are you?

Ms Scott—The Office of the Status of Women scrutinised the information provided.

Senator ROBERT RAY—When you say scrutinised it, we know that you paid this mob \$742,000 for a lot of embryonic work. Are you satisfied that you still had an obligation to pay them another \$627,534?

Ms Scott—They had costs associated with the development of material and, when that material was not proceeded with, they had costs associated with staff or subcontractors that they had put on to take on this work and that was not going ahead.

Senator FAULKNER—Was any work done on a documentary for schools?

Ms Scott—Yes.

Senator FAULKNER—Does that fit into any of these particular items because you have not mentioned it to us?

Ms Scott—That was under Haystac.

Senator FAULKNER—Good. We will get to Haystac, no doubt.

Senator ROBERT RAY—We can go to Vibe Australia. While we go through the figures, you can do the calculations; I will do it the old-fashioned way. Before we go to the actual details, what do Vibe Australia actually do?

Ms Scott—They were related to the Indigenous element of the campaign.

Senator ROBERT RAY—So that was their speciality, was it?

Ms Scott—Correct.

Senator ROBERT RAY—And how did you come by them? By way of tender or recommendation?

Ms Scott—That was before my time, Senator.

Senator ROBERT RAY—Someone must know.

Ms Scott—Ms Flanagan may.

Ms Flanagan—I would have to take that on notice. This contract did not form part of the campaign but was brought into the campaign at a later stage. I do not have the details with me about how that contract was arrived that.

Senator FAULKNER—Who brought it into the campaign at a later stage?

Ms Flanagan—It was recommended by OSW that it be brought into the campaign and decided by government that it would be appropriate to do this.

Senator FAULKNER—I thought you were running OSW.

Ms Flanagan—I am.

Senator ROBERT RAY—But you were not there when it was brought in. Is that what you are saying?

Ms Flanagan—I was there when it was brought in, but I was not there when the actual process by which this company was selected was there, so I cannot give you the details of how it was selected. I can get that to you.

Senator ROBERT RAY—That is all we want to know. In other words, they were selected before you took on your job.

Ms Flanagan—Yes, they were.

Senator ROBERT RAY—See, that is easy, isn't it? It is an easy answer when you do that. Who would know within OSW the circumstances of their employment?

Ms Flanagan—We can take that on notice, or we can see whether staff are still there and try to find out for you tonight how that selection was made.

Senator ROBERT RAY—Would they have to have been on the GCU list? Does Mr Williams know anything about it?

Ms Flanagan—Originally, because this particular sponsorship was not part of the campaign, I suspect there was a different sort of selection process. As I say, I do not have those details.

Senator ROBERT RAY—I do not think you should speculate that there was a different sort of process. Is it possible to pick people who are not on the GCU list? Maybe Mr Williams could briefly visit the table and refresh us on this. It is a while since we went through this stuff.

Mr Williams—The Indigenous consultant that was selected through the MCGC process was Gavin Jones Communications, and the Vibe contract may have been a contract associated with Gavin Jones Communications. As the representatives from OSW have indicated, they perhaps need to talk to their organisation to see how that was achieved.

Senator ROBERT RAY—You would not be able to tell us whether Vibe Australia is on your list of firms, would you?

Mr Williams—I could take it on notice, but I could not tell you off the top of my head.

Senator ROBERT RAY—You have well over 1,000 still on it, have you?

Mr Williams—Probably not 1,000, but there is quite a number there, Senator.

Senator ROBERT RAY—If you could let us know. We had better move on. Vibe Australia is in fact far more expensive than Gavin Jones Communications. It is a larger contract.

Senator FAULKNER—Just before you go to Vibe specifically, are you able to indicate to the committee, Ms Flanagan, whether you are aware that this month *Cosmopolitan* magazine is running a six-page story of their own on these issues without any of the government support materials? Can you confirm that to the committee?

Ms Flanagan—Yes, Senator, I am aware of that article.

Senator FAULKNER—You would be highly embarrassed by that, I assume, would you?

Ms Flanagan—No, not at all, Senator.

Senator FAULKNER—I thought you would be.

Ms Flanagan—No.

Senator ROBERT RAY—Just before we move on, have you been able to get a figure for the AGS advice?

Ms Costello—Not yet, Senator. We are searching.

Senator FAULKNER—*Cosmopolitan* magazine have just done it on their lonesome, have they?

Ms Flanagan—Yes, they have taken the initiative to run the article.

Senator ROBERT RAY—But they will not have hotline numbers or anything like that, will they?

Senator FAULKNER—Or any of the support materials the Australian taxpayer has paid \$2 million for so far—not out, by the way; it is still rising. It is stepping up, to use the current terminology. How embarrassing.

Senator ROBERT RAY—I go back to the legal costs for Smart Love. Was this the only one you had checked out? Did you have them all checked out in one piece of advice or did

you have to go back separately to find out for each one of these compensations? Do you understand the question?

Ms Scott—We made contact with each of the firms involved. In two cases we were cancelling contracts outright and in the four other cases we were varying contracts or terminating elements of their contracted work to OSW.

Senator ROBERT RAY—With Smart Love you went to the Australian Government Solicitor for advice, didn't you?

Ms Flanagan—We went to the AGS for advice on what we should do with all of these contracts.

Senator ROBERT RAY—So it was just one set of advice for all the contracts, not specific advice on Smart Love?

Ms Flanagan—No.

Senator ROBERT RAY—I would still like to know the cost of that advice. I turn to the detail of the work that was done by Vibe Australia and the status of that work, which cost \$255,560.

Ms Scott—There was going to be a series of community concerts.

Senator FAULKNER—What happened to them?

Ms Scott—They are not part of the new direction of the campaign.

Senator ROBERT RAY—They have been cancelled, in other words.

Ms Scott—That is correct.

Senator FAULKNER—They are gone.

Ms Scott—In fact, all the elements of Vibe are cancelled.

Senator FAULKNER—The whole of Vibe—the whole quarter of a million dollars—is out the back door.

Senator ROBERT RAY—What other aspects are there, just so we know? The concerts are gone; what else is gone?

Ms Scott—An eyes-up self-mailer, which was where people would send in their experiences on incidents of relationship violence.

Senator FAULKNER—That is gone.

Senator ROBERT RAY—That is two things. Are there any further ones?

Ms Scott—The sponsorship of a basketball hip-hop challenge.

Senator ROBERT RAY—It is gone.

Ms Scott—A competition related to a magazine, which would focus on women and combating relationship violence and sexual assault.

Senator FAULKNER—The magazine competition is gone.

Senator ROBERT RAY—What sort of magazine? What is involved when you say competition?

Ms Scott—The competition prize was to the value of around \$1,000. People were to develop an Indigenous role model about combating domestic violence.

Senator ROBERT RAY—That one is gone. Anything else?

Ms Scott—The production and broadcast of two radio specials.

Senator ROBERT RAY—That is a scratching, is it?

Senator FAULKNER—That is a goner.

Ms Scott—There is an element here that was related to having campaign ambassadors, and that will be retained.

Senator ROBERT RAY—Is that mentioned anywhere else in these things or should we go to that now?

Ms Scott—The ambassadors?

Senator ROBERT RAY—Yes.

Ms Scott—I mentioned it earlier today.

Senator ROBERT RAY—You mentioned it earlier, but it does not apply to any of the other ones on the list. It actually comes under Vibe, does it?

Ms Scott—Yes.

Senator ROBERT RAY—Tell us about the ambassadors.

Ms Scott—And it comes under Gavin Jones too.

Senator ROBERT RAY—When we get to that, could you just note that. What are the ambassadors?

Ms Scott—They are role models from the Indigenous community whom we can use in publicity material and for speaking engagements, whom we can make reference to and who will act as points of focus for the Indigenous elements of the campaign.

Senator FAULKNER—But you have not used the past tense in relation to that one.

Ms Scott—That is right. We propose to retain that.

Senator FAULKNER—What element of Vibe Australia's \$255,560 are the ambassador role models?

Ms Scott—There were to be radio interviews by campaign ambassadors, and we will be retaining the campaign ambassadors concept.

Senator FAULKNER—What element of that \$250,000 from Vibe are the campaign ambassadors? You told us before that the whole of Vibe was gone.

Ms Scott—That is correct. The campaign ambassadors concept will be retained.

Senator FAULKNER—But that is not in Vibe?

Ms Scott—Yes, it is in Vibe.

Senator FAULKNER—I am missing something here.

Ms Scott—Vibe contained radio interviews by campaign ambassadors.

Senator ROBERT RAY—Whilst you may retain the concept, are you going to fund that project through Vibe or from somewhere else?

Ms Scott—I think we will fund it through Gavin Jones.

Senator ROBERT RAY—So technically your evidence has been absolutely correct; none of it survives, except one concept may get picked up in another program.

Ms Scott—I am pretty confident we will pick up the Indigenous ambassadors.

Senator FAULKNER—What you are saying is that the campaign ambassadors are to be funded under Gavin Jones and that the radio interviews were part of the Vibe element. Is that right?

Ms Scott—Yes, that is right.

Senator ROBERT RAY—Is there anything else?

Ms Scott—There were to be some workshops using art at some of the basketball hip-hop events, where Indigenous youth would be encouraged to discuss and express what a positive relationship was and what the features of a positive relationship were.

Senator FAULKNER—That is gone?

Ms Scott—Yes.

Senator FAULKNER—That is it?

Ms Scott—Yes.

Senator FAULKNER—To sum this up: from Vibe Australia, at \$255,560 expenditure, the Commonwealth has received precisely nothing. There were to be community concerts, but they have gone; the eyes-up self-mail has gone; the basketball hip-hop challenge has gone; the magazine competition for Indigenous role models is gone; the two radio specials are gone; the interviews by campaign ambassadors with Indigenous community leaders are gone, although in a different program the campaign ambassadors will stay; and the workshop art at the hip-hop events is gone. So everything is gone from Vibe Australia. Does this mean that there is nothing left that is pretty well directed at Indigenous people?

Ms Scott—No, there will be an Indigenous element of the campaign.

Senator ROBERT RAY—They were not one of the two where you had to check the legality of the contract before cancellation compensation was paid?

Ms Scott—As Ms Flanagan indicated earlier, we sought AGS advice in relation to all of these contracts.

Senator ROBERT RAY—Yes, but I think you said in two places it was a cancellation and in the other four it was an amendment of the condition, a variation. Is this one being cancelled or varied?

Ms Flanagan—Cancelled.

Senator ROBERT RAY—I hope so.

Ms Flanagan—Reamont and Vibe are the two that were cancelled and the others have been varied. In terms of the AGS advice, the amount that we have paid, excluding GST, was \$1,472.

Senator ROBERT RAY—Why do you always exclude GST—because you are not liable for it?

Ms Flanagan—Yes.

Senator ROBERT RAY—It is robbing Peter to pay Paul.

Ms Scott—It is a transaction which, in the end, does not have an impact.

Senator FAULKNER—The Reamont contract is cancelled. Is it not unrealistic to even suggest that some of that material might be used in the future? You are not suggesting much will be.

Ms Scott—We sought expressions of interest from basically third parties involved in this—whether they were interested in proceeding with some of this product.

Senator ROBERT RAY—As time is on the wing, let us go to Gavin Jones Communications, \$114,500. Do you want to list what they were doing for you?

Ms Scott—This is the engagement of a number of high profile Indigenous ambassadors to promote and act as the public face of the Indigenous component of the campaign.

Senator ROBERT RAY—When you say ‘engagement’, what does that imply—paying them to do so?

Ms Scott—I think it is more to find ambassadors.

Senator ROBERT RAY—It is more headhunting, is it?

Ms Scott—Yes.

Senator FAULKNER—That element of the program has obviously survived, hasn't it?

Ms Scott—Yes, we hope to continue with the ambassadors element.

Senator FAULKNER—You hope to continue?

Ms Scott—Yes. The campaign has not been finalised.

Senator FAULKNER—So it may survive.

Ms Scott—It is reasonable to expect that it will survive.

Senator ROBERT RAY—What else have they done?

Ms Scott—They were going to develop and maintain an Indigenous specific campaign subsite.

Senator FAULKNER—Were going to?

Ms Scott—It does not look like a substantial amount was contracted for that, so that was a relatively minor element of it.

Senator FAULKNER—But it has gone, hasn't it?

Ms Scott—The web site is now very different. It is a scaled down version of a web site. There will be some Indigenous specific material but it will not be significant.

Senator FAULKNER—And it will not be from this work.

Ms Scott—I do not know that that is the case.

Senator FAULKNER—So what is its status—the Gavin Jones Communications work on the Indigenous specific campaign web site?

Ms Scott—I do not have that information here.

Senator FAULKNER—Status unknown.

Ms Scott—They were going to work with SBS on a *Living Black* series covering the campaign.

Senator ROBERT RAY—So what has happened to that?

Ms Scott—This is the idea of drawing attention to some of the elements of the youth part of the campaign to get coverage for it.

Senator ROBERT RAY—So what has happened to it?

Ms Scott—Because we are not going ahead with, for example, some of those youth elements, this will not proceed either. You cannot give publicity to what you are not continuing with.

Senator ROBERT RAY—No.

Senator FAULKNER—It is gone.

Senator ROBERT RAY—Next.

Ms Flanagan—There was also something called the Deadlies.

Senator FAULKNER—The Deadlies? The whole thing is pretty deadly; I think we have discerned that.

Ms Flanagan—This is a national gathering of Aboriginal people, which is now being televised. Because it is a large gathering and it is also being televised, we were going to put campaign messages into the television production.

Senator ROBERT RAY—What has happened to that? Is it gone?

Ms Flanagan—Yes, as I understand it.

Senator ROBERT RAY—Cancelled.

Senator FAULKNER—Campaign messages of the Deadlies—gone.

Senator ROBERT RAY—Anything else? They were four things that they were doing.

Ms Flanagan—There was also the production of six stories for a magazine called *Deadly Vibe*. It is the largest Aboriginal youth media vehicle in the country with a monthly print run of 55,000.

Senator FAULKNER—There were six stories for that?

Ms Flanagan—Yes.

Senator FAULKNER—What happened to those stories—gone?

Ms Scott—The Indigenous element of the campaign is still in development, so I do not want to be categorical about whether—

Senator FAULKNER—We would like to know the status of the six stories though.

Senator ROBERT RAY—Were they actually written?

Ms Scott—I do not know; that is a level of detail we do not have in front of us.

Senator FAULKNER—Are you going ahead with the six stories in *Deadly Vibe* magazine?

Ms Scott—We are going ahead with an Indigenous element. I do not know at this precise point, because I do not have the information in front of me, whether that will be an element. We will have to check.

Senator FAULKNER—Status unknown.

Ms Flanagan—They were also seeking to place editorial about relationship violence and sexual assault in selected press that went to Indigenous people.

Senator ROBERT RAY—What do you mean editorial?

Ms Flanagan—To do editorial content or stories that could be used in various press, such as *Koori Mail*, the *National Indigenous Times* et cetera.

Senator ROBERT RAY—What has happened to that?

Ms Flanagan—Part of the issue here is that we have asked these companies, under the refined elements of the campaign, to come back to us and suggest how they might do it. So they might say we can still use this element, but we do not have in front of us the detail of what is being proposed to actually be done under these varied contracts.

Senator FAULKNER—So status unknown?

Ms Flanagan—Status unknown at this stage.

Senator ROBERT RAY—Anything else? Or is that it for Gavin Jones?

Ms Flanagan—They were going to develop a database—

Senator FAULKNER—‘Were’ going to develop a database?

Ms Flanagan—We are intending to use the database. It will give us a database of all key secondary target audiences—including Aboriginal medical services, Aboriginal sexual assault referral services et cetera—so that will be an element that we will be able to use.

Senator FAULKNER—That has survived, has it?

Ms Flanagan—Yes, I understand so.

Senator FAULKNER—You would know. You cannot say you understand so—either it has survived or it has not.

Ms Flanagan—I do not know at this stage.

Senator FAULKNER—Status unknown. Let me sum up the \$114,500 for Gavin Jones Communications, as you have informed the committee. There was the engagement of the

high-profile Indigenous ambassadors—and it is reasonable to expect that to survive; the Indigenous specific campaign web site, status unknown; the SBS *Living Black* series, which is gone; the Deadlies campaign messages, which have gone; six stories in the *Deadly Vibe* magazine, status unknown; the editorial content in press, status unknown; and the database for target audiences, status unknown. That is all for \$114,500. At least it appears there may be some return there.

Senator ROBERT RAY—Next on the list was Cultural Partners Australia, and the money and cancellation fees paid to them was \$404,090. Is that right?

Ms Flanagan—I actually got \$404,290 but I could check it on my calculator again.

Senator ROBERT RAY—No, you are probably right. I had \$253,500 paid out and \$150,590—

Senator FAULKNER—No, I had \$150,790.

Senator ROBERT RAY—I have written it down wrong, so you are right. What is \$200?

Senator FAULKNER—When you have wasted a couple of million.

Senator ROBERT RAY—I take it they are aimed at the various ethnic communities as their speciality, are they?

Ms Flanagan—Yes, that is correct.

Senator ROBERT RAY—Do we know how they got selected?

Ms Flanagan—I think they were on the GCU.

Senator ROBERT RAY—Mr Williams, we want to know how Cultural Partners Australia were selected. We take it it was by your recommendation? You sent a list in?

Mr Williams—They were one of four NESB consultants put up as part of a select tender process. They were selected by the MCGC.

Senator ROBERT RAY—They selected them from a list of four.

Mr Williams—Yes.

Senator ROBERT RAY—All four were on your database?

Mr Williams—Yes, they were.

Senator ROBERT RAY—We would never know because you do not keep minutes of ministerial council meetings. You know the drill: let us go through the list of projects and their status.

Ms Scott—They undertook some research into cultural content to inform the NESB part of the campaign.

Senator ROBERT RAY—What sort of research was that? Did they do public opinion research?

Ms Scott—I think it was vox pop type research looking at perceptions and experience at relationships issues amongst the NESB youth population.

Senator ROBERT RAY—Vox pop.

Ms Scott—Individual experiences—

Senator ROBERT RAY—They just went out on the street and interviewed people or what? That is what vox pop usually means but it may not in this case.

Ms Scott—That is all I have in front of me. I will have to get more information, if you wish, but the idea was that it would look at people's experiences of relationship issues.

Senator ROBERT RAY—We are really paying money to do vox pop. I do not believe it.

Senator FAULKNER—What is its status?

Ms Scott—We are going ahead with the NESB part of the campaign.

Senator ROBERT RAY—Is it unfair to write cancelled next to this one?

Ms Scott—We will be able to draw on the material they have already prepared but we are not asking them to undertake any—

Senator ROBERT RAY—I think cancelled is fairly fair here.

Senator FAULKNER—Yes, gone.

Ms Scott—We have asked them not to proceed with the—

Senator FAULKNER—'Not to proceed'—that means gone.

Senator ROBERT RAY—What is No. 2?

Ms Scott—The next one was a media partnership with SBS.

Senator ROBERT RAY—What is that about?

Ms Scott—We were going to have a series of 10 mini documentaries for TV by local filmmakers exploring campaign themes.

Senator FAULKNER—Status?

Ms Scott—There is some interest in going ahead with some elements of this by SBS.

Senator ROBERT RAY—That is because you are paying them, isn't it?

Ms Scott—That fits into the category of 'to be the subject of further discussions'.

Senator ROBERT RAY—Let me get this clear: the documentaries are made. Do SBS run them out of the goodness of their heart because they are very good material or do you pay SBS to run them?

Ms Scott—We will not be paying SBS to run them.

Senator ROBERT RAY—So they have to be of enough quality.

Ms Scott—That is right.

Senator ROBERT RAY—Have any been made?

Ms Scott—We were about two-thirds of the way through the expenditure—that is probably not right; probably a bit more than that—and they have expressed interest in proceeding with the project. Whether they were finished or advanced in the making of particular elements—

Senator ROBERT RAY—How would you describe their current status? Are they suspended? Are they delayed, deferred or cancelled?

Ms Scott—They are cancelled to us but probably suspended for them.

Senator ROBERT RAY—Cancelled and suspended—there is some good terminology here. So that was a media partnership with SBS. What is next?

Ms Scott—There was to be an arrangement for the development of 15 three-minute episodes for radio.

Senator FAULKNER—Status?

Ms Scott—We are going ahead with this. We are intending that there would be some material available for publications to draw on for the non-English-speaking background. It is unclear whether some of that material may be suitable.

Senator ROBERT RAY—So it would be fair to say cancelled but some material possibly redirected, or am I being unfair?

Ms Scott—That is a reasonable summation.

Senator ROBERT RAY—That was No. 3.

Ms Scott—There is also going to be a multicultural youth music and short film festival.

Senator ROBERT RAY—Where was that going to be, or was that going to travel around?

Ms Scott—I do not have the locations for that in this document.

Senator ROBERT RAY—What is its status?

Ms Scott—Cancelled.

Senator ROBERT RAY—Any more?

Ms Scott—I think those are the main elements.

Senator FAULKNER—For our \$404,290 to Cultural Partners, we have research of the cultural content vox pops gone; we have the media partnership with SBS for 10 mini TV documentaries cancelled and suspended; we have the proposed 15 three-minute slots for radio cancelled, but some material may be redirected; and, finally, we have the short music and film festival cancelled. All of that for \$404,290 of taxpayers' money. Next one.

Senator ROBERT RAY—Could you give us an indication of what Haystac Public Affairs generally do?

Ms Flanagan—Haystac were contracted as the sort of overarching PR company for the campaign.

Senator ROBERT RAY—Where are they located? Are they Sydney based, Melbourne based or are they all over the place?

Ms Flanagan—Melbourne based.

Senator ROBERT RAY—Do you know where in Melbourne?

Ms Flanagan—No, I do not.

Senator ROBERT RAY—Let us get our figures right, because I was wrong last time. Is it \$504,027?

Ms Flanagan—I have actually got \$505,027.

Senator ROBERT RAY—You are probably right. They are a little different from the others. They must have completed most of their work, because you did not pay them a lot in cancellation fees, did you?

Ms Scott—They were paid \$30,700.

Senator ROBERT RAY—Yes, as a proportion of how much you actually paid them before that, it is a much smaller proportion in cancellation fees. I am just seeking the reason for that. I do not understand why that would be, unless they have done all their work.

Ms Flanagan—I suspect the answer is that, because they were the company that in effect were going to launch the campaign for us, much of their work had already been done because they were at the start of the campaign.

Senator ROBERT RAY—I see. It is going to be a bit harder, I would have thought, to quantify exactly what they were going to do, unlike the others, but can we have a crack at it? Have you any breakdown on what they were going to do?

Ms Scott—We mentioned earlier the ‘coaching boys into men’ pamphlet material.

Senator ROBERT RAY—‘Coaching boys into men’ was a pamphlet?

Ms Scott—It was going to be a brochure, poster and a web site content. Some of the material, as I indicated earlier, is being picked up in the booklet.

Senator FAULKNER—The brochure, the poster and some of the web site are gone, but some of the web site survives?

Ms Scott—Some of the material that was developed for that about talking to young boys about their attitudes to women survives in another form.

Senator ROBERT RAY—There is a bit of salvage there.

Senator FAULKNER—Would it be fair to say that a small proportion survived?

Ms Scott—I think I indicated to you earlier that it is going to be hard to do proportions. Certainly some of that material—

Senator FAULKNER—Some material will survive?

Ms Scott—Correct.

Senator ROBERT RAY—Cancelled, with some positive salvage.

Ms Scott—Haystac were also developing a curriculum resource, and work on that was largely completed.

Senator ROBERT RAY—For schools?

Ms Scott—Yes.

Senator ROBERT RAY—Which type of school—primary or secondary?

Ms Scott—Senior secondary or secondary schools.

Senator ROBERT RAY—What is its status?

Ms Scott—That project is largely completed, and we are in discussions with them about how it could be used in a different way.

Senator ROBERT RAY—It cannot be used as planned, as conceived?

Ms Scott—We are proposing to use it in a different way.

Senator ROBERT RAY—What do you mean ‘a different way’?

Ms Scott—We are proposing to use it in a different setting.

Senator ROBERT RAY—What is the different setting?

Ms Scott—That is related to the—

Senator ROBERT RAY—What was the previous setting that you were going to use it in?

Ms Scott—Schools.

Senator ROBERT RAY—You are going to use it, but not in schools?

Ms Scott—Correct.

Senator ROBERT RAY—You do not want to take the surprise away from where you propose to use it, because it would be like knowing what sorts of Christmas presents we were going to get in advance, would it?

Ms Scott—Yes.

Senator FAULKNER—That is completed, and you hope to use it in a different way.

Ms Scott—There was going to be the launch itself.

Senator ROBERT RAY—Where was that going to be?

Ms Flanagan—It was going to be in Melbourne.

Senator FAULKNER—You used the past tense again.

Ms Scott—There will be a launch, but it will be different.

Senator ROBERT RAY—It will not be funded out of this. Whatever has been spent on this launch is dead?

Ms Scott—There had been money spent on the launch by Haystac.

Senator ROBERT RAY—How much?

Ms Scott—Relative to the answer we provided in estimates previously, \$30,090 had been spent to that date on the launch material.

Senator FAULKNER—That is down the drain now?

Ms Scott—The future launch of the campaign will obviously be different from the old material.

Senator FAULKNER—So that is gone?

Ms Scott—We are not proceeding with that. How much material is recoverable, I do not know. That is a level of detail I am not familiar with.

Senator FAULKNER—Not proceeded with.

Senator ROBERT RAY—That is the launch in Melbourne that did not go ahead.

Ms Scott—Maybe aspects of that will be able to be recovered.

Senator ROBERT RAY—Melbourne will still be there.

Ms Scott—That is right.

Senator ROBERT RAY—What is next?

Ms Scott—There was going to be a national promotional tour where two leading experts would initially feature in the launch and then proceed to conduct a media tour around the country, where they would be available for the media to answer questions and highlight the key themes of the campaign.

Senator ROBERT RAY—Did you get names for these positions?

Ms Scott—We did in relation to one—Dr Jill Murray.

Senator ROBERT RAY—No relative I take it, Senator Murray. The second one had not been determined?

Ms Flanagan—Yes, the second one had been determined, I just cannot remember his name.

Ms Scott—It is not written down here.

Senator FAULKNER—So what is the tour's status?

Ms Scott—We are not proceeding with that aspect of it.

Senator FAULKNER—Not proceeded with.

Ms Scott—But the research was drawn on: some of the concepts that Dr Murray utilises has made its way into the campaign.

Senator ROBERT RAY—No money was paid out to any individuals at this stage though, or was there?

Ms Flanagan—Again, I do not have that level of detail with me, but I suspect that if Dr Murray had made arrangements, for example, and they were subsequently cancelled, then we reimbursed her for those—but I do not have that level of detail with me.

Senator ROBERT RAY—That is four items. Is there anything else?

Ms Scott—There was to be some stakeholder forums.

Senator FAULKNER—'Was' to be.

Senator ROBERT RAY—Stakeholder forums? What are they?

Ms Scott—Like town hall meetings, as I understand it. These were looking at raising awareness of the issues, trying to bring in prominent sports coaches, the media, Indigenous representatives, officials from state and local government—

Senator ROBERT RAY—And who was going to organise those?

Ms Scott—Haystac.

Senator ROBERT RAY—They would do the publicity for the meeting, line up the speakers, book the venue, put on the cup of tea and all that sort of thing?

Ms Scott—That is right.

Senator ROBERT RAY—What is that status now?

Ms Scott—That was going to occur in the weeks immediately following the campaign launch, and as you know that launch did not occur.

Senator ROBERT RAY—I would say that is bureaucratic speak for cancelled.

Senator FAULKNER—Gone.

Ms Scott—Ms Flanagan has already mentioned the idea of using Valentine's Day—

Senator ROBERT RAY—That was here, was it?

Ms Scott—Yes.

Senator FAULKNER—But Valentine's Day is gone, isn't it? I mean Valentine's Day survives, but not your activities on that day.

Senator ROBERT RAY—That is six. Is there anything else?

Ms Flanagan—As well as stakeholder forums, there were to be community forums, which would be held around Australia in 10 major regional centres and capital cities outside of New South Wales and Victoria. They were to focus on raising, at a community level, issues that were to be covered by the campaign. While I do not have the details of the revamped proposal from Haystac in front of me, there is no reason why we could not proceed with that sort of element.

Senator FAULKNER—So what is their status then? They may proceed?

Ms Flanagan—They may proceed, yes. Haystac were also developing the web site for us; I think we mentioned earlier we will still be having a web site.

Senator ROBERT RAY—Based on this work?

Ms Flanagan—Yes, in terms of designing technical specifications to set up a web site, that will still be used.

Senator ROBERT RAY—I am sorry, let us be precise here: the work they are being paid for will be incorporated in this web site, or are there additional elements that we do not know about?

Ms Flanagan—This will be a smaller web site than the one that was designed originally. Much of the content that was going to go on the web site will be reflected in the booklet. Information about services that people can access, as well as information about the 1800 number and other numbers, will now be what the web site comprises of.

Senator ROBERT RAY—A fair characterisation is that the web site has been marked down but not eliminated.

Ms Scott—That is right. Going back to the whole redirection of the campaign, the move was away from simply referring people to the web site and towards providing a helpline to provide direct support for women in need. Rather than just simply raising awareness, we have moved it away from these items which were one-off events and which would not last to providing practical support for women.

Senator ROBERT RAY—I think that is good, but I wonder why you contemplated the inferior ones first? That is the question it raises. You may have come up with a better solution now, but it does not explain to us why you came up with the second-rate solutions before that.

Ms Scott—I think that the government's redirection of the campaign reflected its desire to put a stronger focus on practical support and away from awareness raising with very disparate products and to go to a more focused element.

Senator ROBERT RAY—We may have acknowledged that, but I am just wondering why you got it wrong in the first place, why you had to wait for belated political guidance on this to get you on the right track.

Ms Scott—I certainly think that the campaign had a multitude of elements—

Senator ROBERT RAY—Multitude! It is like a machine gun. It is trying to shoot everything across the horizon.

Ms Scott—That lack of focus was a concern and that is reflected in the decision in December to stop those elements and to continue with a new, sharper focus to the campaign directed at supporting women in need.

Senator ROBERT RAY—Anything else from Haystac Public Affairs that we should know about, or will we finish at eight with the web site? Is that fair?

Ms Flanagan—Yes, we have finished with Haystac.

Senator ROBERT RAY—We will call on John Howard to give us a summary.

Senator FAULKNER—I think for our \$505,024 from Haystac Public Relations, we have the Coaching Boys into Men brochure, poster and web site of which some material on the web site will survive, but it is otherwise cancelled; we have the curriculum resource for senior secondary, which has been completed and which you are hoping to use in a different way; we have the Melbourne launch not proceeded with; we have the national promotional tour not proceeded with; we have the stakeholder forums or town hall meetings gone; we have Valentine's Day activities gone; we have the community forums in 10 regional centres which may proceed; and we have the web site marked down considerably but surviving. We have all of that for \$505,024.

Senator ROBERT RAY—The next one on the list is Elliot and Shanahan. Can we go to the expenditure of \$167,500. Can you tell us what that was spent on? We know it was market research, but what sort of market research? Do we know that yet?

Ms Scott—The \$167,500 was material to estimates time that had been spent on testing and research.

Senator ROBERT RAY—Testing what?

Ms Scott—Testing the advertisements that had been prepared.

Senator ROBERT RAY—Testing them and what?

Ms Scott—Providing advice on how well they were meeting the criteria.

Senator ROBERT RAY—So this is basically qualitative research on the first cut of all the ads before they got junked. Is that a fair summary?

Ms Scott—I think that is a reasonable summation.

Senator ROBERT RAY—What I am interested in is value for money here. I am interested in whether this qualitative research on developed ads to that point showed up major weaknesses or not. If you are then going to rehire them to do the research on the next lot, I want to know how valid their first lot of research was. Why don't you ponder on that while we take a break? To give you a bit of foreknowledge of where we are heading next, we will probably come back to the next \$150,000 you have spent on the reshoot.

Mr Metcalfe—Could the committee be helpful to the department on a scheduling issue? We have a large number of officers here who are covering all outputs. I was wondering whether you are going to keep them here tonight.

CHAIR—Senator Faulkner and Senator Ray, how far do you think we will progress? Who can we let go?

Senator FAULKNER—The Office of the Status of Women is coming on tomorrow morning. After lunch we will probably get back to portfolio elements. My best guess at this stage is that we will get back to output 4 after lunch tomorrow.

Senator ROBERT RAY—The difficulty in part—and we apologise for this—is that we have done this one in particular in general questioning because the Office of the Status of Women goes over to the GCU and back and forth. So we have done it here, where normally we would do it in the other one. We still have a few more general questions, which means a few people should stay.

Senator ROBERT RAY—You can send home officers from output 3.2 and the whole of output 4, except officers from output 4.4, Government communications.

Mr Metcalfe—We appreciate that very much, thank you.

Proceedings suspended from 9.02 p.m. to 9.23 p.m.

CHAIR—I call the committee to order. The committee is still examining general questions.

Senator ROBERT RAY—We were going through the \$167,000. That was to evaluate a set of advertisements that is no longer going to be proceeded with. Is that a fair characterisation?

Ms Scott—I indicated earlier that some of the material in the advertisements will appear in the final campaign, but it is correct to say that the \$167,500 was for research and testing.

Senator ROBERT RAY—Subsequent to that you have had to rehire the firm to test the next lot of ads.

Ms Scott—Yes.

Senator ROBERT RAY—And that is worth \$150,000.

Ms Scott—That is an estimate of what we may spend.

Senator ROBERT RAY—They have not done their work yet. Is that what you are telling me?

Ms Scott—They have done some work. We have been invoiced for part of the work they have already undertaken.

Senator ROBERT RAY—You mentioned before that they are doing a number of focus groups. Do you know how many have been done?

Ms Scott—Yes. They have done focus testing with 16 groups.

Senator ROBERT RAY—And they still have some to go, or is it just that there are some results to bring in?

Ms Flanagan—There are 16 groups, and we have paid out \$69,000 to date.

Senator ROBERT RAY—You have estimated \$150,000.

Ms Flanagan—Yes, we have estimated up to \$150,000. There is further testing to be done, and we have not received those invoices yet to pay them.

Senator ROBERT RAY—I presume they will do another 16 or so groups? Is that an unfair assumption?

Ms Flanagan—That sounds about right.

Senator ROBERT RAY—I asked a question before the dinner break as to the new engagements you might have put either these existing firms or new firms on. Do we have any information on that?

Ms Scott—I indicated earlier in answer to questions that the non-English-speaking element of the campaign will now include the booklet being translated into 14 languages. Once that is finalised, there will be media kits in 14 languages and translations of the ads because, now that there is a strong support focus, we want to make sure that people in need are able to get the information about the hotline and the support available.

Senator ROBERT RAY—Who is doing that work?

Ms Scott—Cultural Partners.

Senator ROBERT RAY—What is the estimated expenditure?

Ms Scott—We do not have firm costings on that.

Senator ROBERT RAY—You do not have a contract with them or an estimation? Are you still in negotiations with them? Exactly what is the status?

Ms Flanagan—We have not yet signed a variation to the contract with them so we cannot give you a final contract price on how much the variation will be.

Senator ROBERT RAY—Is that because you have not signed it or because you have not come to an agreed figure with them?

Ms Scott—Only when we finalise the booklet will we be able to finalise the translation costs.

Senator ROBERT RAY—So you do not have an estimated figure for that?

Ms Scott—I just do not know how reliable an estimate would be when we are still in the process of finalising the campaign.

Senator ROBERT RAY—What are we talking about? Is it \$100,000; is it more or is it less?

Ms Scott—It could be more than \$100,000, but I just do not know how much it will end up being.

Senator ROBERT RAY—So Cultural Partners Australia is to do that. Have you contracted anyone else or engaged in negotiations with anyone else for more expenditure somewhere?

Ms Scott—As we indicated in our earlier answers, some of the elements of the Indigenous campaign continue. Because we are now going to have a helpline that people can call 24 hours a day, seven days a week there will be advice about the helpline that will need to be targeted at the Indigenous community.

Senator ROBERT RAY—Who is doing that work?

Ms Scott—That will be done by Gavin Jones Communications.

Senator ROBERT RAY—Have you contracted with them yet? Do we know how much that will cost?

Ms Flanagan—None of these variations have been finalised.

Senator ROBERT RAY—We have two companies so far that you have previously used that you will use again, without designated figures. Is there anyone else?

Ms Scott—We indicated earlier about the convenience advertising concept, that we make available the hotline/helpline number at many venues so that people can access the number if they are under duress in other circumstances.

Senator ROBERT RAY—Who will you be re-employing to do that?

Ms Scott—That would be Smart Love.

Senator ROBERT RAY—Smart Love would get re-engaged to do that. That is three re-engaged. Anyone else?

Ms Scott—And Haystac. I indicated earlier in an answer that, of the six, four would be re-engaged and two had their contracts terminated outright. Haystac will be doing some further work in relation to the launch of the campaign.

Senator ROBERT RAY—You cannot give me an indication of how much any of that will cost either, I suppose.

Ms Scott—Until we have the campaign finalised, it would be premature to give an estimate of that.

Senator ROBERT RAY—In addition to the four re-engaged, have you engaged anyone new?

Ms Scott—We will be at some stage. Obviously we have engaged Lifeline.

Senator ROBERT RAY—Tell us about that.

Ms Scott—We have engaged Lifeline to provide a helpline to answer calls related to violence. They will provide the counselling service over the telephone to people in need and refer people on to support services where that is appropriate.

Senator ROBERT RAY—Have we got a final figure for that, annualised?

Ms Scott—The arrangement there is that there will be set-up costs and then direct costs associated with the number of calls received.

Senator ROBERT RAY—What is the set-up cost?

Ms Flanagan—It is around \$100,000, noting that they are setting up a completely separate call centre and will run it as a separate operation.

Senator ROBERT RAY—Do you know where that call centre will be set up?

Ms Scott—In Sydney.

Senator ROBERT RAY—Where in Sydney?

Ms Flanagan—It is in the CBD, I think close to—

Senator ROBERT RAY—In the centre of the city.

Ms Flanagan— In the centre of the city, yes.

Senator ROBERT RAY—That is all I want to know. Then there will be the ongoing cost. Have you negotiated that per call? How do you do that?

Ms Scott—The arrangement relates to their direct costs, and that is related to the number of calls received.

Senator ROBERT RAY—So do they amortise the cost per call and then tell you what it is going to cost? If so, how much?

Ms Scott—It depends upon the number of calls received—the volume and therefore the number of staff that they need to have on. What we have sought to do there is acknowledge their upfront costs, then have a call-for-fee basis but also cap the Commonwealth exposure for the whole contract.

Senator ROBERT RAY—I do not quite understand this. Is it more expensive, the less calls that go in, and does it sort of taper down? Or, because they have to put on more staff, is it going to go up? How does it work? I cannot quite grapple with how you are going to fund this.

Ms Flanagan—Senator, it is going to be based on direct cost, so whatever it costs them to run the operation, which we will be monitoring over time—

Senator ROBERT RAY—I see. If it is direct cost, how do you make sure that you are being charged the appropriate amount?

Ms Scott—We are going to be getting figures for calls per day and then comprehensive data on calls received—the types of calls and so on—and a lot of that is actually computerised these days.

Senator FAULKNER—But aren't Lifeline volunteers?

Ms Scott—These people will be paid to provide the counselling.

Senator ROBERT RAY—Is that because of the specialist nature of the people?

Ms Scott—That is right, because effectively Lifeline will have a dedicated call centre to provide this service to government.

Senator FAULKNER—We know it is a different phone number to start off with, so it is in no sense the traditional Lifeline service. Because there are a lot of volunteers who assist with Lifeline, as I understand—and do a great job—but this is a dedicated number, going to what you are saying, going to professional people.

Ms Scott—They are calling on their pool of volunteers, which is very considerable, and have expressions of interest from that group of people who are interested in working on the helpline. They will be paid for working on the helpline. They are trained, experienced counsellors.

Senator ROBERT RAY—Are there any other consultants or groups that you are going to pay to assist you as you get closer to the launch of the campaign?

Ms Scott—We anticipate that there will be increased demand on services, because the campaign will be raising awareness, so there will be some small amount of supplementary funding to NGOs that receive referral cases.

Senator ROBERT RAY—That is not quite the question I asked. That is quite separate. I am talking about those who are giving you the advice on how to run the campaign, research the campaign and all the rest.

Ms Scott—No.

Senator ROBERT RAY—Apart from the list we have here, four of whom have been re-engaged, and Lifeline—who, again, are more service delivery than anything else—there is no other group you are going to employ?

Ms Scott—No. Lifeline has been very helpful in advising us on requirements that people will make on counselling and so on.

Senator ROBERT RAY—When you look back to 2001 and all of this project, are you trying to learn any lessons? I am not familiar with this but, having listened to you tonight, it seems that every spivvy idea in Christendom can be run before this group and get adopted by some spivvy PR outfit. Surely there are core issues you can concentrate on. I am serious. Having hip-hop basketball matches right across every project, when it would have been better to concentrate on three or four core areas to get the message through, means that I really worry about what is being done here.

Ms Scott—It is true that it clearly was a very ambitious campaign that was starting to lose focus. The government wanted to have a sharp focus. The message was very clearly given in December that it should be sharply focused on raising community awareness, providing practical support and focusing on people in need. That completely reoriented the campaign.

Senator FAULKNER—Doesn't the Department of the Prime Minister and Cabinet have an oversight role? The Office of the Status of Women has clear responsibilities in this regard in oversighting the campaign and the campaign development, doesn't it?

Ms Scott—It was an ambitious campaign

Senator FAULKNER—I am sorry, but my question is this: does the Office of the Status of Women, and therefore the Department of the Prime Minister and Cabinet, have responsibility for oversighting the campaign?

Ms Scott—Yes.

Senator FAULKNER—The nature of the campaign as it developed over the past couple of years has, at least in part, been the responsibility of officers of your department, hasn't it?

Ms Scott—Yes.

Senator FAULKNER—And those officers are within the Office of the Status of Women? Is that correct?

Ms Scott—Yes.

Senator FAULKNER—As a result of the government's massive change of ideological tack, we have a situation where literally millions of dollars have been poured down the drain. That is true, isn't it?

Ms Scott—No.

Senator FAULKNER—What do you mean it is not true? It has gone. Public money has been expended on a raft of projects that have been discontinued. I am happy to go through with you in some detail if you would prefer.

Senator ROBERT RAY—No, please!

Senator FAULKNER—It is literally millions of dollars.

Ms Scott—The Prime Minister is on the record about his views on the old campaign and his desire to see a redirection of the campaign.

Senator ROBERT RAY—He is the minister responsible for this, isn't he? Let us start with that. You work in the Prime Minister's department. He is the responsible minister in this case, isn't he?

Senator FAULKNER—He is not any more?

Senator Hill—I suppose there is a role for the minister assisting him on the status of women as well. But between the two of them—

Senator ROBERT RAY—Are you saying that a senior minister is not responsible for the more junior minister in the portfolio now? You have rewritten the cabinet handbook already?

Senator FAULKNER—It does not suit.

Senator ROBERT RAY—If you do not like Senator Faulkner's characterisation, Minister, can you tell me whether the \$3 million spent so far for these companies and the cancellation fee is value for money? Can you look me straight in the face and say that you have got value for money so far?

Senator Hill—Of course you have not got value for money so far. But to take the hard decision may well in the end save a lot more money. I think you have fairly said that this campaign clearly got off the rails. When that becomes apparent there are two options: either you let it continue—with the consequence of by then knowing that you are not going to get value for money—or you take the hard decisions, and in this instance the hard decisions were taken.

Senator ROBERT RAY—I would have thought that there were three options. You can continue on and throw good money after bad, which you have characterised, or you can step in and redirect it. But the third option also has to be looked at: how did it go off the rails and how do you prevent it going off the rails in future? Who was the ministerial supervisor here who was asleep at the bloody wheel when it went off the rails? That is what I am asking.

Senator Hill—It is always easy to look at these things with hindsight. As the official has said, this was an ambitious program. Listening to the detail, I can see what it was designed to achieve. I can understand why these various interest groups and markets were identified. But somewhere—and it may not have been easily apparent; it may not have been obvious for some considerable time—in effect it became unworkable.

Senator ROBERT RAY—It may well have been the diversity that influenced the ministerial council, but it was also the basic thrust of the campaign. Wasn't that the reason it got rejected? It was not just a question of these diffused projects; it was also that the central thrust was assessed to be in the wrong direction. Is that true or am I being unkind here?

Senator Hill—I think that that is right, but in some ways it is part of the same thing. There was a common goal and there were different ways to address that issue. The way that was being looked at was seen as being too scattergun and in the end—perhaps partly because of the scattergun approach—there was concern that it would be ineffective.

Senator FAULKNER—We have not yet established who had ministerial oversight. Can we come back to that? Who had ministerial oversight for this program? Can someone answer that?

Senator Hill—I think that the Prime Minister would accept ultimate oversight, but it seems to me that, as it is a campaign being formulated—is that the correct expression?—by the Office of the Status of Women, there is also a role for the Minister Assisting the Prime Minister for the Status of Women.

Senator FAULKNER—So who had ministerial oversight? It is the Prime Minister, is it?

Senator Hill—I think it is a combination of both.

Senator FAULKNER—Who was the Minister Assisting the Prime Minister for the Status of Women in 2003?

Senator Hill—Senator Vanstone.

Senator FAULKNER—As a matter of course did the Office of the Status of Women provide briefings to Senator Vanstone as this campaign was being developed?

Ms Flanagan—Yes.

Senator FAULKNER—Do you also provide briefings to the Prime Minister or drop copies of briefings?

Ms Flanagan—Yes. There are drop copies provided to the Prime Minister's office.

Senator FAULKNER—So within the Office of the Status of Women do you work to Senator Vanstone as the minister assisting the Prime Minister in this area or do you work to the Prime Minister? Who has direct ministerial oversight and supervision?

Ms Flanagan—We work to both the Prime Minister and the minister assisting on matters such as this. I would categorise it as the minister assisting probably having more of the daily oversight of these sorts of matters.

Senator ROBERT RAY—This matter went in a big way to the ministerial group in December, is that right? Did I hear right there?

Ms Scott—No, the last was considered by MCGC in November.

Senator ROBERT RAY—That was last year?

Ms Scott—Yes, it was before the redirection of the campaign.

Senator ROBERT RAY—And following that it got redirected? Is that what you are saying?

Ms Scott—There was government consideration of the campaign and that is when it got redirected.

Senator ROBERT RAY—But how many times prior to that did issues surrounding this campaign go to the ministerial group?

Ms Scott—In previous estimates we have indicated that MCGC saw some material, not the full array of material, over the course of quite some time. I think it saw parts of the campaign or heard about the campaign up to 11 times—but not all of the material that you have heard today.

Senator ROBERT RAY—No, but they were obviously closely involved in the campaign if they had 11 briefings or considerations.

Ms Scott—I was not around at the time but I think it is correct to say they mainly focused on the TV and radio—

Senator FAULKNER—As I understood it, it effectively had all the elements of the campaign before it, didn't it?

Ms Scott—I do not know if that would be a reasonable statement.

Senator FAULKNER—There is a role here for the Government Communications Unit, isn't there, which is also in the Department of the Prime Minister and Cabinet?

Ms Scott—Yes.

Senator FAULKNER—And it also worked closely with the Office of Status of Women in the development of the original campaign, didn't it?

Ms Scott—Their role is to advise the government generally on campaigns; they do not act as a consultant to OSW.

Senator FAULKNER—Yes, but what level of interface did you have with GCU?

Ms Flanagan—As I have said, GCU services the MCGC. Of course in the preparation of meetings that we had with the MCGC we liaised with the GCU on those. That was the main sort of interaction we had with GCU.

Senator ROBERT RAY—You mentioned 11 meetings, or maybe 12 with the final one; who represented the political side on the ministerial committee? Obviously the Prime Minister

would not go along. You have your permanent members, but usually the client department is then represented in each case. Who represented the client department—in this case PM&C?

Ms Flanagan—It was most usually officers of the minister assisting who attended.

Senator ROBERT RAY—So it was staff?

Ms Flanagan—It was staff, yes.

Senator ROBERT RAY—On all occasions?

Ms Flanagan—I would need to get GCU to check that. Again some of this was before my time, but in the times that I went it was staff that attended. The minister did not attend.

Senator ROBERT RAY—It gets back to our question of ministerial supervision; we are just trying to get a fix on who would have had an overview of it.

Ms Scott—I think it would be fair to say it was such an extensive campaign that it would be incorrect to think that MCGC had seen the diversity of this campaign in its entirety.

Senator ROBERT RAY—Thanks for that answer, but I did not actually ask that this time round. I am just trying to see who was represented in a political sense, because you usually have a minister, and in this case staffer, attend. In this case it is Senator Vanstone's staff and not the Prime Minister's staff.

Ms Flanagan—Yes, that is correct.

Senator ROBERT RAY—So you do not know if Minister Vanstone attended any meetings to do with this?

Ms Flanagan—We need to find out from the GCU whether that occurred.

Senator ROBERT RAY—It is not within your recollection, but you were not at them all.

Senator FAULKNER—Are you aware if Dr Shergold, as secretary of the department, has expressed any concerns about how broadly this particular campaign has been administered?

Ms Scott—The Prime Minister is on the public record as expressing his dissatisfaction with elements of the campaign.

Senator FAULKNER—I know that.

Ms Scott—I think it is reasonable to say that Dr Shergold wants the campaign refocused and elements drawn back to its core.

Senator FAULKNER—But what, if any, administrative action has been taken at the departmental level because of some of the concerns that have been raised—however valid you think they are? I think a lot of the Prime Minister's concerns are not valid, because we all know what is driving him—the most base of political motives only. But so be it; we are all politicians. In relation to the way the program is administered at the departmental level, which I am trying to quarantine, have concerns been expressed by Dr Shergold?

Ms Scott—Dr Shergold has taken a fair interest in the redirection of the campaign. He has expressed his determination that the campaign be very focused and he is provided with updates on how it is proceeding.

Senator FAULKNER—What has he done to ensure—

Ms Scott—He has increased his oversight of it and he has certainly increased the oversight of the executive of the campaign.

Senator FAULKNER—How has he increased his oversight? What is his role now?

Ms Scott—He chaired a meeting of people working on the campaign to ensure that they appreciated the fact that the campaign is now going to be given a very clear, sharp and concentrated focus.

Senator FAULKNER—When did that meeting take place?

Ms Scott—I do not have the date of that; I could find out.

Senator FAULKNER—Who was at the meeting? You were there, I suppose?

Ms Scott—Yes.

Senator FAULKNER—Ms Flanagan would have been there?

Ms Flanagan—Yes.

Senator FAULKNER—Who else was there?

Ms Scott—I am just getting help with my recollection. My recollection is that some members of the Government Communications Unit were there and some staff from the office of the minister assisting. We would have to check.

Senator FAULKNER—You can remember the meeting. Dr Shergold was pretty heated at the meeting, wasn't he?

Ms Scott—No.

Senator FAULKNER—He was pretty sharp in his comments, wasn't he?

Ms Scott—No, Senator.

Senator FAULKNER—He was certainly advising the meeting about what the Prime Minister had said in relation to the campaign.

Ms Scott—The Prime Minister's comments on the campaign are well known.

Senator FAULKNER—So has any administrative action been taken in the department to improve matters?

Ms Scott—Yes.

Senator FAULKNER—What are those administrative actions?

Ms Scott—The oversight of the campaign by the executive has increased. The campaign has clearly got a new and sharper focus. We have energetically gone about arranging the select tendering of the hotline. That has been successfully accomplished. We have ensured that all material prepared in relation to the campaign passes through the executive.

Senator FAULKNER—Has there been any disciplinary action as a result of these events?

Ms Scott—It is not a case where someone has breached any Public Service guideline or anything like that. People operated in good faith, but effectively the campaign became overly ambitious and started to lose its focus.

Senator FAULKNER—Has any disciplinary action been taken—

Ms Scott—As far as I am aware, no-one has been in breach of any Public Service guideline. There is no action required, because no-one is in breach of any guideline.

Senator FAULKNER—So the answer to my question is no.

Ms Scott—Yes, but it is no because there is no-one in breach of any guideline.

Senator FAULKNER—Has anyone been moved to a different function in the department as a result of this?

Ms Scott—There has been some change in personnel, reflecting work demands. But no-one is being punished, because there has been no breach of the guidelines.

Senator FAULKNER—Has the Auditor-General been asked to investigate any of the matters relating to this campaign?

Ms Scott—There is no suggestion that there has been a misappropriation of government funds.

Senator FAULKNER—You do not call in auditors-general only on the basis of misappropriation. I do not believe that there has been a misappropriation—there is certainly no evidence of that and I would not suggest it. I would suggest massive maladministration on the part of the Department of the Prime Minister and Cabinet, but certainly there is no suggestion of misappropriation. Do not read into my questions, Ms Scott, something that is not intended. No-one here—or, to my knowledge, anywhere else—has suggested any fraud or misappropriation, and I do not think that anyone could reasonably suggest that that is the case. Let us put that aside. I certainly believe that this has been a public administration debacle—the sort of thing the Auditor-General ought to have a very close look at—and my question is: has the Auditor-General been invited to investigate the circumstances surrounding this particular advertising campaign? Has any consideration been given to inviting him to do so?

Ms Scott—We have not approached the Auditor-General, and I disagree with the premise of your question.

Senator ROBERT RAY—We have asked you this before. There is almost \$3 million down the drain. You have salvaged little bits and pieces only.

Ms Scott—I have never agreed with that characterisation. I have indicated a number of times that material developed during the course of the campaign will be reflected in the final products.

Senator ROBERT RAY—Reflected! Three million dollars worth of reflection—

Ms Scott—It will be used.

Senator ROBERT RAY—and a bit of salvage here and there! I have never seen a worse waste of money.

Senator FAULKNER—Has anyone had their performance pay stepped down or rephased, to use the new terminology? It is a serious question: has anyone had their performance pay stepped down?

Senator Hill—I think you are being a bit unfair to the witness. I am not trying to apologise for what has been an unsatisfactory process, but I do think that we need to go back—as I said,

it is with the benefit of hindsight—and look at what went wrong. There appear to be two different issues. One issue—

Senator FAULKNER—What has happened is that \$3 million of public money has been flushed down the toilet—

Senator Hill—Come on, you have been talking for hours!

Senator FAULKNER—and I am asking whether the Auditor-General has been invited to examine these issues. That is a reasonable question.

Senator Hill—You and I both know that the Auditor-General does not need an invitation.

Senator FAULKNER—No, but he might get one.

Senator Hill—The Auditor-General conducts lots of efficiency audits without any invitations.

Senator FAULKNER—He has got to know about the extent of the debacle which has now been exposed at this committee.

Senator Hill—But at some point—and it seems that it was somewhere around November—it was decided that the goal of the campaign was not going to be achieved with the plan that was being developed and, by that stage, implemented. I think you can reasonably say, ‘Shouldn’t that have been realised earlier?’, and I am not sure why it was not. The second aspect is that, even if the goal of the campaign had not changed—even if the style and structure of the campaign had not changed—the detail of it seems to have been obviously far too scattergun to have achieved the overall objective, and that can be criticised. I think the important thing now is that, firstly, the mistakes were realised—because it could now be a lot worse—and, secondly, that lessons are learnt for the future.

Senator ROBERT RAY—Minister, you are right in one sense when you say a lot of this is in hindsight, but Senator Faulkner’s original question was about performance pay, which is judged always in hindsight. I think it is a reasonable question. If you do not know the answer, fine. The question was: was this a factor in terms of awarding performance pay, which is, of course, a matter of hindsight, where you go back to someone’s record and say, ‘That was good. You can have performance pay’ or ‘That wasn’t so good. We won’t award it’?

Senator Hill—I am not too sure at what level you wish to attach that. You can level the responsibility of accountability all the way up the system. In fact you have been asking questions about which of the ministers was ultimately responsible. I think the answer was that nobody has lost performance pay as a result of this matter.

Senator ROBERT RAY—Is that the answer?

Ms Scott—The redirection of the campaign occurred in December. The performance appraisal cycle ends on 30 September.

Senator FAULKNER—Exactly. So will it be a factor in the next round of performance pay considerations?

Senator ROBERT RAY—The minister can answer that.

Senator Hill—Obviously every individual who is being judged for performance pay has their total performance assessed. If their performance has included a direct or indirect responsibility for this program, obviously it will be taken into account.

Senator FAULKNER—The truth is here, Minister, that we have about \$3 million—\$2 million or \$3 million, it is not precise from the figures we have extracted here today—of public money flushed down the toilet in relation to this particular campaign. It is a massive public administration debacle. Given the government appears not to have acted and you cannot even explain to us who is responsible for ministerial oversight, for my part, I am going to talk to the relevant shadow minister, Ms Roxon, and I am sure that we will be inviting the Auditor-General to have a look at this appalling example that has been set by the Department of the Prime Minister and Cabinet. It is a shameful performance.

Senator ROBERT RAY—I will just go back to one aspect that we drifted off because we got onto something else. We talked about the \$167,000 paid to Elliot and Shanahan to research the ads. What I never really found out from you was what their assessment of the ads was. How did they go into focus groups?

Ms Scott—We do not release research until the campaign is finished.

Senator ROBERT RAY—When did you last release research in the Office of the Status of Women?

Ms Scott—We would only consider that issue when the campaign is completed.

Senator ROBERT RAY—That was not the question I asked you. I said: when did you last release market research in the area of the status of women? I know when you will consider doing it this time around, but when did you last do it?

Ms Flanagan—For this particular campaign we have not released any market research. We have run other campaigns. I do not know whether the—

Senator ROBERT RAY—I think I understand that. Do not treat me like a total dope. That was not what you were asked. You have explained that you are not going to even consider releasing it this time around until the campaign is over. I think I have grasped that. But I am asking when you last released any market research in the Office of the Status of Women. That is a simple question, because it then goes to the fact of whether you have any intention of even considering releasing it this time.

Ms Scott—The Office of the Status of Women has been around for, I think, 25 years—

Ms Flanagan—Thirty.

Ms Scott—so that would require a more considerable extension of corporate knowledge than either Ms Flanagan or I have.

Senator ROBERT RAY—Do you have any corporate knowledge—that is what I am going to—of releasing market research?

Ms Scott—Ms Flanagan joined the Office of the Status of Women in August 2003. Have I got that right?

Ms Flanagan—July.

Ms Scott—July 2003. Do you know of any material released in that period?

Ms Flanagan—Certainly in my time there has been no release of market research and, Senator, I would have to take on notice whether we have done it before.

Senator ROBERT RAY—Let us broaden it out to the entire PM&C. When did you last release research? I can remember one of two instances, I think, but when did you last do it?

Ms Scott—Senator, your corporate memory on this issue may actually be better than ours.

Senator FAULKNER—It is a pity we are not running the department.

Senator ROBERT RAY—All I am saying is that your promise to consider it is a case of: ‘Let’s fob him off with that; when we get round to it.’ Of course you will never release it, because this government does not release its research. The last time it did so in a major way was over the GST, when we found them focus grouping Labor Party ads from 1993. That is one of the reasons you will not ever release it—because we have caught you out. So you are not going to release it. I am asking you, with the \$167,000 you paid Shanahan, whether they said whether the ads were successful or unsuccessful. I am wondering what guidance they gave you. I tell you what: if everyone else wants to scrap these ads and they ticked them off, I want to know why you are re-employing them.

Senator Hill—Release of the original Shanahan research can be considered.

Senator ROBERT RAY—I am not asking for it to be released, Minister. I am not going that far.

Senator Hill—What do you want?

Senator ROBERT RAY—I am asking whether they gave it a positive tick or whether they were negative about it.

Senator Hill—I assume they gave it a positive tick, or the process would not have continued.

Senator ROBERT RAY—I am asking that because I can then have a follow-up question: did it give it a positive tick or did it not?

Senator Hill—I am just raising the issue. They have only part of the package. The ads may well have tested positively if the total package was deemed in the end to not be able to achieve its objective.

Ms Scott—A similar question was asked in February.

Senator FAULKNER—And what was your answer?

Senator ROBERT RAY—Ms Flanagan answered it, didn’t she?

Ms Scott—That is correct.

Senator FAULKNER—What did you say? Did you say:

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.

Is that what you said?

Ms Flanagan—Yes, that is correct.

Senator FAULKNER—We knew that.

Senator ROBERT RAY—But those ads were scrapped?

Ms Scott—Those ads have been altered in light of the direction of the campaign, which will now have a focus on practical support for women in need.

Senator ROBERT RAY—So they were altered by the ministerial council, not by the results of the research?

Ms Scott—They were altered as a result of a decision by the government.

Senator ROBERT RAY—Yes, but not as a result of the research.

Ms Scott—They were altered as a result of a decision of the government that the existing campaign was not satisfactorily meeting the objectives of the government.

Senator ROBERT RAY—But they were not altered as a result of the research.

Ms Scott—The decision was made by the government, not in MCGC.

Senator ROBERT RAY—I understand that, but I am asking: was the basis of the decision making based on Shannan's research or, quite properly, on other factors the government took into account?

Senator Hill—Was there any further research put before the government?

Ms Scott—No.

Senator ROBERT RAY—Was this research put before government.

Ms Scott—This research was readily made available to MCGC.

Senator ROBERT RAY—Yes, but you said they did not make the decision, it was a government decision taken later. What I am really asking is this: if you used this firm and market research says these ads were going down well, and government did not think they were, why did you use them again?

Ms Scott—The government thought that the direction of the campaign did not put enough focus on practical support for women.

Senator ROBERT RAY—Yes, so obviously that reflects on the ads as well as the rest of the campaign.

Senator Hill—I do not know that that necessarily follows.

Ms Scott—You want things built for purpose. The original campaign was about preventative measures directed at youth; the new campaign is directed at practical support to women in need. They are quite different purposes.

Senator ROBERT RAY—I just wonder how we got it so wrong.

Senator Hill—The youth one was more of an education—

Ms Scott—That is right.

Senator Hill—A much longer term build up, values—

Ms Scott—That is right.

Senator ROBERT RAY—Are you happy there? Have you got it all sorted out?

Senator Hill—I could see where it went wrong I think. It is so easy with hindsight.

Senator ROBERT RAY—So easy with hindsight?

Senator Hill—Yes. But it may not have been as easy during the development of the campaign.

Senator ROBERT RAY—There was not much hindsight shown by the ministerial council when it considered this on 11 occasions. There was not much ability to predict—

Senator Hill—I do not know the detail of the meetings—

Senator ROBERT RAY—That is handy.

Senator Hill—The early meetings would be the interesting ones.

Senator ROBERT RAY—Yes. But that is just a matter of hindsight now, isn't it? Let us move on, Senator Hill—that is your favourite phrase.

Senator Hill—That is for you to decide.

Senator ROBERT RAY—No, we always know something is wrong when you want to move on. You have to learn from the lessons.

Senator Hill—Of course you have to learn from these lessons.

Senator ROBERT RAY—There is no apparent evidence of that here today, I have to say, that you have, some evidence that you may have learnt—

Senator Hill—I suspect a lot has been learnt from the experience, but it is very difficult to prove that.

Senator FAULKNER—Anyway, the youth focus has gone out of the campaign, hasn't it? That is what it sounds like.

Ms Scott—No, it is still directed at younger people but the message has to be suitable for all age groups. The style of the campaign is radically different. It had an educative, preventative, long-term focus—

Senator FAULKNER—It has not got a long-term focus any more, because that hotline is only going to last for 12 months, isn't it?

Ms Scott—It was focused on young people and their early experiences of relationships, but the new focus of the campaign is on providing practical support for women in need, so it has a more immediate focus now. If somebody needs instant assistance they have a hotline that they can call. That hotline can provide counselling over the telephone and, if necessary, can refer them to other people. In some cases people have been referred to crisis centres and in other cases they may have been encouraged to make reports to the police or change their circumstances. The focus in some ways is more immediate because it is going to provide immediate help whereas the old campaign simply referred people to a web site.

Senator FAULKNER—That is your view; my view is that the old campaign, to use your terminology, was about young people and prevention and a very significant element of the new campaign is about Mr Howard's chances of being re-elected. That is my view of it.

Senator Hill—No. You would say that. That is your political point.

Senator FAULKNER—Yes, that is my opinion.

Senator ROBERT RAY—That is the two editorials, and we will move on.

Senator Hill—That is right. That has helped fill in the day. You have made your point.

Senator ROBERT RAY—Yes, but it did not cost \$3 million.

Senator FAULKNER—That is right. You have made your point at the cost of \$3 million to Australian taxpayers—congratulations! We might move to another issue, because you are obviously so uncomfortable answering questions on this particular issue—

Senator Hill—I am not uncomfortable at all.

Senator FAULKNER—We have heard Mr Howard indicate in very recent times that the government would be investigating the issue of different approaches in relation to travel entitlements for members and senators. You would be aware of that.

Senator Hill—Yes.

Senator FAULKNER—My question is whether the Department of the Prime Minister and Cabinet has been tasked in relation to that particular review.

Mr Metcalfe—The answer is no.

Senator ROBERT RAY—When the Prime Minister says he is going to have a review, do you know who he has got in mind to do it?

Ms Belcher—No, I am not aware. There has not been any contact with the department that I am aware of at this stage.

Senator ROBERT RAY—What about you, Senator Hill?

Senator Hill—It has been put to me that the most logical department to do that work would be Finance because of the fact that they administer the system. I was just trying to clarify whether we knew a direction had been given and I think the answer to that is no.

Mr Metcalfe—PM&C has not received any request to undertake that work.

Senator ROBERT RAY—The next stage of the questioning then goes to the Minister representing the Prime Minister. If they are having an inquiry that he has talked about, I thought he might know who was doing it. He is presuming it is going to be an internal government inquiry headed by DOFA. Is that right?

Mr Metcalfe—We just do not have details.

Senator Hill—Perhaps I should not presume, but it seems to me to be the logical department to either conduct or manage such an investigation.

Senator FAULKNER—I am a little surprised that if the Department of Finance and Administration were undertaking such a review the Department of the Prime Minister and Cabinet would not be aware of it. Normally, I would have thought you would have been, Mr

Metcalfe. I think you would appreciate that often that is the case given the sorts of answers you and your predecessors have provided here at Senate estimates.

Mr Metcalfe—To make our point absolutely clear, we have no knowledge of having been requested to undertake such work and at this stage we do not have information as to who might be undertaking such an inquiry.

Senator FAULKNER—Would you be able to, from a departmental perspective, check with Dr Shergold for us, please?

Mr Metcalfe—I think when we come back tomorrow we will certainly provide further information.

Senator FAULKNER—I would appreciate that, if you could.

Mr Metcalfe—If there is anything more to say, we will.

Senator FAULKNER—I accept that you have no knowledge of the announced review.

Mr Metcalfe—There may have been something discussed today that we do not have knowledge of, but if we can assist in providing further information we will.

Senator FAULKNER—You might ask the secretary of this committee to inform senators if you have that information available.

Senator ROBERT RAY—One of our standard sorts of questions is to ask whether you have had any staff conferences or retreats since we last met—I think it was February. Have you had any of those?

Ms Belcher—No.

Senator ROBERT RAY—If you did, none of you were invited.

Senator FAULKNER—On another matter, Mr Metcalfe, you recall that the Prime Minister and Senator Vanstone announced that the government would abolish ATSIC and introduce some new arrangements for Indigenous programs. You would be aware of that announcement?

Mr Metcalfe—Yes, I recall that.

Senator FAULKNER—There was a media statement issued in Senator Vanstone's name that a ministerial task force would be established to ensure 'improved outcomes' and so forth and a different approach to Indigenous programs. As the coordinating department, can you indicate to the committee who the ministers are who are involved in the task force?

Ms Scott—We have provided advice on the ministerial task force and I just have to check with my colleague whether we have had it finally signed off.

Senator FAULKNER—Thank you.

Ms Scott—That might be a question we can give you a definitive answer to tomorrow morning. I do not think I have the paperwork with me. It certainly has progressed, and I just need to confirm that in fact the Prime Minister has signed off and so on.

Senator ROBERT RAY—So it has not met yet if it has not been signed off. Is that what you are saying?

Ms Scott—It certainly has not met.

Senator FAULKNER—I do want to ask some questions about it, but I do not want to ask them tomorrow morning when some of my colleagues will be asking questions of the Office of the Status of Women, which is organised to kick off in the morning. There is also a range of other preordained elements of the program of the committee, so we will have to work it out at another stage. But I am a bit disappointed that in general questions no-one can answer a question about the composition of the ministerial task force. It seemed to me to be a pretty straightforward one that I expected an answer to, to be honest.

Ms Scott—I think there is a straightforward answer; I just want to make sure I am going to provide the correct answer. We have provided advice on this issue; I just need to confirm that the matter has been signed off.

Senator ROBERT RAY—That is a separate answer again.

Ms Scott—It relates to the first question I was asked.

Senator ROBERT RAY—You said you want to be certain, but you want to be certain that it has been signed off so you are not pre-empting an announcement. Is that right?

Ms Scott—That is correct, yes.

Senator ROBERT RAY—Is this a cabinet committee or just a task force? How do you describe it?

Ms Scott—It is a ministerial task force. That is not the same as a cabinet committee.

Senator ROBERT RAY—So it is only going to have ministers on it, in a sense, or will it have departmental representatives on it as well?

Ms Scott—It is proposed that it will have departmental secretaries also attend.

Senator ROBERT RAY—So it will have ministers and departmental secretaries or their representatives.

Ms Scott—I imagine it will actually be departmental secretaries given the status of the ministerial task force.

Senator FAULKNER—And who is providing the secretariat for the task force—PM&C or Senator Vanstone's department?

Ms Scott—The secretariat will be provided by PM&C and Minister Vanstone's department as a collaborative effort.

Senator FAULKNER—Have you nominated an officer or officers in your department to undertake the role?

Ms Scott—Yes.

Senator ROBERT RAY—Are they still waiting to be ticked off?

Ms Scott—No.

Senator ROBERT RAY—How senior are the staffers?

Ms Scott—The secretary will be the most senior officer working on ministerial task force work, but there will also be me, a division head, a newly acquired band one SES officer as well as two executive level 2 officers and some junior staff.

Senator FAULKNER—We will have to come back to that tomorrow. It may have to be after the other program elements that the chair has organised cooperatively with other senators' programs, which I think you are aware of. Most of the program elements of PM&C will come back probably after the luncheon break.

Mr Metcalfe—Yes, that is what we are expecting.

Senator FAULKNER—That is my expectation too. I was very pleased to read in the *Sydney Morning Herald* on 23 February 2004 that scientists had blocked a medal for the Prime Minister. Are we aware if the Prime Minister has been offered the award of the prestigious Australian Academy of Science medal?

Ms Scott—Could you repeat your question, please?

Senator FAULKNER—I am referring to a newspaper article in the *Sydney Morning Herald* on 23 February this year that goes to the question of whether Mr Howard would or would not be offered the award of what is described—and it is—as 'the prestigious Australian Academy of Science medal'. Is the department aware of whether the Prime Minister has been invited to be a recipient of that particular medal?

Dr Horne—I am not personally aware of whether he has but I shall inquire to find out whether the department is aware or not aware.

Senator FAULKNER—I will refer you then to the article that I have mentioned, the date of which is now contained in the *Hansard* record, which states:

Minutes from academy's September meeting note a "confidential proposal" to award Mr Howard a medal in 2004 to mark its 50th year.

Are you not aware of this?

Dr Horne—I am not aware of that.

Senator FAULKNER—It goes on to say:

An academy spokeswoman said Mr Howard had been approached through a protocol officer.

I thought that would probably come to the department. Do you think that would be right, Mr Metcalfe, or do you think it would go directly to Mr Howard's office?

Mr Metcalfe—We will check to see if the department has any knowledge, but that term could imply direct contact with the Prime Minister's office.

Senator FAULKNER—It looks like they have got cold feet on the whole idea and decided he was not an appropriate recipient anyway—people started to threaten to resign when the idea was floated. It would be nice to hear what the latest situation is and whether he will be bemedalled or not.

Senator ROBERT RAY—I want to go back to the Uhrig review of statutory authorities. Is that done under the auspices of PM&C, because I noticed that the Prime Minister announced it; or is it a different department that has responsibility?

Mr Metcalfe—Ms Belcher may be able to help us with this.

Ms Belcher—I would have thought it was more the Department of Finance and Administration. They supported Mr Uhrig in his inquiry.

Senator ROBERT RAY—But it was Mr Howard that announced it, wasn't it?

Ms Belcher—Yes, that is right.

Senator ROBERT RAY—Which department is responsible for evaluating it now?

Ms Belcher—Finance and Administration.

Senator ROBERT RAY—At some stage I am sure I read that it was expected that the report would be released within a few months. It came in in July 2003. Is that right?

Ms Belcher—I do not have that date. I do not have up-to-date information on it.

Senator ROBERT RAY—We had better let it slide then.

Ms Belcher—But there is a report that has been presented to government. There has been some government consideration of the report, but I do not know that that consideration has been finalised. There has not been any government response at this stage.

Senator ROBERT RAY—You might be able to help me here. Who is actually evaluating it in terms of the government response? Is it just DOFA or is it more than that?

Ms Belcher—It is broader than that in the sense that it is being looked at by cabinet—

Senator ROBERT RAY—But from a departmental point of view?

Ms Belcher—Finance and Administration is doing that.

Senator ROBERT RAY—Just them?

Ms Belcher—Yes.

Senator ROBERT RAY—You do not have any input into it?

Ms Belcher—Only in that cabinet process of providing coordination comments.

Senator ROBERT RAY—I will not pursue that any further.

Senator FAULKNER—Mr Metcalfe, I remind you of what occurred at the previous estimates round. I can see Mr Williams listening attentively there in the audience. We had flagged with the department the good sense, in relation to government advertising, of trying to bring some aggregated tabulation of advertising campaigns. I think you would recall this. Because output 4 will be dealt with tomorrow, I thought it might be useful for you to assure me that we were going to save a considerable amount of time by that work having been prepared. I hope that is something that can be built on in future estimates committees. It seems to be a sensible way of dealing with this. Are you able to put my mind at rest about this?

Mr Metcalfe—I would seek to put your mind at rest, but I do not have direct responsibility for GCU issues in my current role, so I will pass the question to my colleague.

Senator FAULKNER—I think that this was raised with you, Mr Metcalfe, at the last round.

Mr Metcalfe—I think it was—I certainly recall it—but I have not had direct responsibility in considering the issues further.

Ms Scott—I am sure that GCU will handle questions as efficiently as always.

Senator ROBERT RAY—The problem is that every time you have to look up that folder it takes hours, Ms Scott—dreary hours to drag it out. So do not talk about efficiency. That is not a reflection on Mr Williams; it is just the way the material has to be dragged out, when most of it could be given out and then the questions could be targeted.

Senator FAULKNER—It is just that this was flagged at a previous estimates round. I do not know if that work has been done, but I thought it might be useful to mention it tonight in advance of coming back tomorrow afternoon. I do not think there is a need for this. Normally, up until recent times, officials from the Department of the Prime Minister and Cabinet have been very helpful in providing information to this committee. I do hope that we are not seeing some sort of change in approach from the department, and I am sure that that is not the case. Are you aware of that suggestion I made, Mr Metcalfe? I think you are.

Mr Williams—I was there, Senator Faulkner.

Senator FAULKNER—I thought I would flag it with you tonight, Mr Williams, because we will see you again tomorrow.

Mr Williams—I will just raise two issues. One is that, unfortunately, my pages and my colleague Mr Taylor's pages were not numbered, so that made it extremely difficult. The other is that since then we have had a look to see how we could come up with material in a way that would make it far easier to answer your questions.

Senator ROBERT RAY—Tell me that you have not hired a consultant to number your pages! Just reassure me of that.

Mr Williams—I have spoken to the staff in GCU and said, 'In future, make sure the pages are numbered.' There was no high-priced consultant.

Senator ROBERT RAY—That is good.

Senator FAULKNER—Reading between the lines, does that mean you are likely to table the document, which might save a bit of time?

Mr Williams—I would not say table the document, but we have material here which will enable us to answer your questions much more expeditiously.

Senator FAULKNER—I appreciate that, but I respectfully suggest to the senior executive of the department that, if it is possible to present this in the form of a document that is simple but exhaustive in the sense that it contains all the advertising campaigns—you know the sort of information that is asked—it literally will save hours and hours, because this is one issue that the committee is going to visit and hopefully not revisit at great length tomorrow.

Mr Williams—I believe we will be able to go through the process much more expeditiously, but I should say that, given the nature of the questions I have been asked at past estimates committees and, indeed, some of the questions at this estimates committee, we do need a depth of information that does not fit on one page—for example, in answering some of your OSW questions tonight.

Senator ROBERT RAY—We can pursue this tomorrow. What you can do for us tomorrow, because you have the morning to do it in, is—because I now understand that you are talking about depth of information—a summary of campaigns that are envisaged in the pipeline and give that to us. Then we will ask you detailed questions about those, rather than us having to get them read out one by one, because some we may not be interested in. Can you at least do that?

Mr Williams—As I said at the outset, Senator, we have done some work on this since the last estimates committee hearing, and we believe we have a solution which will achieve the objective of—

Senator ROBERT RAY—Thank you for that, but now answer my question. Can you give us a one-page summary of what is in prospect?

Mr Williams—I am not in a position to do that.

Senator ROBERT RAY—All right. There is always an easy way and a hard way to do these things. I am sorry you picked the hard way. We will see you tomorrow.

Mr Williams—I do not believe it will be difficult, Senator.

Senator ROBERT RAY—I would take some advice on that overnight from the minister and see where you get to. That is all on that. We should be able to get rid of program 1 tonight, if we move on there now.

[10.38 p.m.]

CHAIR—We will move to program 1.

Senator FAULKNER—There is one brief matter that we held over. Mr Metcalfe, you would recall that I asked about the issue of the ABA and the ACA a little earlier in the day and whether the department was involved. I think the first answer I had was ‘no’ and then I got a ‘yes’, which is fine. Can I have an indication of what the involvement was of the Department of the Prime Minister and Cabinet in any advices or any other role in relation to the merging of the ABA and the ACA?

Dr Horne—The department provided the Prime Minister with advice on proposals relating to the merger.

Senator FAULKNER—How was that advice generated? How did it come out? You did not just decide, ‘Oh, we’ll shoot up a bit of advice.’ Did someone request it?

Dr Horne—Whatever the proposal was, we would have consulted agencies around Canberra and we would have prepared the advice.

Senator FAULKNER—So which agencies did you consult?

Dr Horne—I imagine the agency—

Senator ROBERT RAY—Hold on, do not imagine anything. You are giving evidence. Either say you do not know or give evidence. Do not say you imagine anything.

Dr Horne—I do not know, Senator.

Senator FAULKNER—Was there any IDC or the equivalent in relation to this?

Dr Horne—I could not answer that question.

Senator FAULKNER—How many pieces of advice were there? Did you give written advice?

Dr Horne—We would have given one piece of advice on the subject.

Senator FAULKNER—You would have?

Dr Horne—Yes.

Senator FAULKNER—You mean you did?

Dr Horne—Yes, we did, and we would have in this particular case.

Senator FAULKNER—When was that?

Dr Horne—That was on 7 April 2004.

Senator FAULKNER—Under whose signature was that advice? Did it go to the Prime Minister?

Dr Horne—That advice went to the Prime Minister.

Senator FAULKNER—Who prepared that advice, or who was the signing officer for that advice in the department?

Dr Horne—It would have been one of the officers within my division.

Senator FAULKNER—Can you say at what level, or who it was?

Dr Horne—It would have been at the assistant secretary level.

Senator FAULKNER—Was a request made of your division for the preparation of advice?

Dr Horne—It would have been the standard operating procedure of preparing a piece of advice on a cabinet document.

Senator FAULKNER—You mean a coordination comment?

Dr Horne—No, I mean providing a piece of advice on a cabinet document—a brief.

Senator ROBERT RAY—I think I follow you.

Senator FAULKNER—Does the department have any role, given the government has now announced the merging of the two authorities? That was a decision announced around the time of the budget. Was it actually announced in the budget? Can you help me with that?

Dr Horne—It was announced on 11 May, I think. It was a budget announcement, I think, on a budget letterhead.

Senator FAULKNER—Are you able to confirm what the commencement date of the amalgamated authority will be? My recollection is July 2005, but you might confirm that for me.

Dr Horne—I cannot lay my hands on the press release at the moment, but I shall check the press release before I answer your question.

Senator FAULKNER—Does PM&C have any role in relation to the appointment of board members or the chair to the new authority, the ACMA—I think that is the acronym for the new authority, isn't it?

Dr Horne—We do not have any role but, for normal appointments that are considered by the government, we would simply look at a piece of paper which has the names from the minister and we would on occasions comment or not comment, as the case may be.

Senator ROBERT RAY—You would not be instructed on the matter, would you?

Mr Metcalfe—The normal procedure is that appointments of that sort are proposed by the portfolio minister, who writes to the Prime Minister, and PM&C may or may not offer advice.

Senator ROBERT RAY—Would that depend on the particular issue?

Mr Metcalfe—There is a whole range of reasons as to why advice might be offered.

Senator FAULKNER—Obviously these are matters that are at the front and centre of the business of another portfolio—there is no argument about that. You have a situation here where two agencies have been effectively amalgamated and I wondered whether there was any role that PM&C played in relation to new administrative arrangements or the like in these circumstances. Are you, Mr Metcalfe—or someone else—able to outline whether there is a role? I would appreciate understanding what it is. There may not be, but I thought you might tell us.

Mr Metcalfe—It depends very much on the particular issue. I think Dr Horne has indicated that some advice was provided to the Prime Minister in the cabinet context but, depending upon the type of administrative arrangement, PM&C may have a large role, a small role or no role at all. It really depends upon the specific case in point.

Senator FAULKNER—So in this specific case in point?

Dr Horne—In this specific case, no particular role.

Senator FAULKNER—‘No particular role’—I wish you did not have the adjective in there.

Dr Horne—Would you prefer me to say ‘no role’?

Senator FAULKNER—I think it would be clearer if you said that. I would only prefer you to say it if it was right, though. That is a serious point. ‘No particular role’ is close to a non-answer. ‘No role’ is a clear answer, but I do not want you to say ‘no role’ if it is not the case.

Dr Horne—No specific role, perhaps, but ‘no particular’, ‘no specific’—we could have a debate about those—

Mr Metcalfe—My colleague, without wanting to get into semantics on that question—

Senator Hill—What Dr Horne is saying is that they have an overview on everything.

Mr Metcalfe—Yes. There could be issues in the future that come to the attention of the department, upon which advice or assistance might be provided, given the lead times. I am not across the detail personally, but there could be legislation involved and we could be asked for a review in relation to those aspects. I think that Dr Horne is not wanting to be precise

because he cannot be precise at this stage. But our role to date has been limited to a briefing for cabinet.

Senator FAULKNER—A briefing for the Prime Minister?

Mr Metcalfe—A briefing for the Prime Minister relevant to cabinet considerations.

Senator FAULKNER—For the purposes of cabinet deliberations.

Mr Metcalfe—I was giving a short answer.

Senator FAULKNER—I want to end the agony on the ACMA—if that is all right with you, Mr Metcalfe—and very briefly move to one another issue before we pull stumps. You would recall that I raised in this output at the last estimates what Dr Horne described as ‘the sports area’ within the division and there was one officer who had certain responsibilities. Dr Horne said that the office was responsible for briefing the Prime Minister on major sporting issues and events. There was a very brief consideration and a couple of questions on this matter. Dr Horne, can you provide a little more detail on what this particular officer does so that the committee has a bit more understanding of their role. First of all, is it a dedicated role or does the officer have other responsibilities?

Dr Horne—The section covers a range of matters, including Commonwealth-state relations. Sports is one of the issues that that section picks up. There is a range of things that the section picks up.

Senator FAULKNER—I am just talking about the officer that you identified. I do not particularly want to know the officer’s name, but I was wondering whether there was one dedicated officer dealing with sport. You are saying there is not.

Dr Horne—Not just sport.

Senator FAULKNER—So what proportion of the relevant officer’s time is spent on matters relating to sport?

Dr Horne—That would depend; it would change from time to time. For example, for the Commonwealth Games or the Olympic Games you would expect them to spend rather a large amount of their time on the subject.

Senator FAULKNER—Would you? Were they in place when there was a Commonwealth Games? Did such an officer exist at that time?

Dr Horne—We have a Commonwealth Games in 2006.

Senator FAULKNER—Yes, I know there is one in 2006. The previous one was in 2002. Was the officer in place then?

Dr Horne—It would have been a different officer, but there would have been somebody who was looking at that issue, as there is currently.

Senator FAULKNER—You are sure of that?

Dr Horne—I would be pretty confident of that.

Senator FAULKNER—I thought this officer’s responsibilities were new. I take your word for it; you would know more about it than me. You are an expert in these things; I am not. I understood it was a new area of responsibility but I may have got that wrong.

Mr Metcalfe—I do not think anything Dr Horne said implied that it was new.

Senator FAULKNER—Part of this officer's responsibility is identifying opportunities for prime ministerial involvement in sporting events. Is that right?

Dr Horne—No.

Senator FAULKNER—They do not do that at all?

Dr Horne—Identify opportunities? I do not know—

Senator FAULKNER—That is what I mean: identifying opportunities—the usual dictionary definition. Keeping a weather eye on all the chances for the Prime Minister to go along and be photographed at sporting events. You are saying this officer does not do that.

Dr Horne—That is what I am saying, yes.

Senator FAULKNER—What do they do?

Dr Horne—There are issues, as I said, with the Commonwealth Games.

Senator FAULKNER—What do they do? They are not running the Commonwealth Games, for God's sake.

Dr Horne—No, they are not running the Commonwealth Games. They are preparing advice on subjects—

Senator FAULKNER—They're not running in the 100 metres. What are they doing in relation to the Commonwealth Games?

Dr Horne—For example, they are involved in matters which involve coordination of security. This is a very big issue for the forthcoming Commonwealth Games, and the officer would be involved in coordinating activities in relation to security and other issues that require involvement.

Senator FAULKNER—You are now saying to me that part of the officer's task is not to prepare a brief for the Prime Minister about what sporting activities are coming up in the future and letting the Prime Minister's office know to see what the Prime Minister might want to demonstrate an interest in. That is not part of the brief.

Dr Horne—No, I did not say that. I think your words were rather a different set of words when you put them last time.

Senator FAULKNER—Look, I do not know if you are making this difficult for me deliberately—

Dr Horne—I am not trying to make it difficult for you at all. I am trying to answer your questions.

Senator FAULKNER—Right, well my question is: is the officer's task to prepare a brief for the Prime Minister about what sporting activities are coming up in the future and to let the Prime Minister's office know to see what the Prime Minister might want to demonstrate an interest in? Is that part of this officer's brief?

Dr Horne—Forgive me, Senator; it must be the late hour of the night.

Senator FAULKNER—I do forgive you; I hope someone forgives me.

Senator Hill—It is impossible for us to answer that question.

Senator FAULKNER—You haven't got a clue, Senator Hill. Please don't try and help again.

Senator Hill—Give me a chance.

Senator FAULKNER—For heaven's sake, give me a break.

Senator Hill—Give me a chance to try and resolve the conflict over this complex issue.

Senator FAULKNER—It is a simple question to which I—

Senator Hill—It might well be that the officer keeps the Prime Minister apprised of major sporting events and then the Prime Minister himself decides whether he has an interest, whereas the question that has been put is whether it is the officer's job to draw important events to the Prime Minister's attention for that purpose. It does seem to be—

Senator BRANDIS—Why don't you just ask what the officer's job is?

Senator FAULKNER—Because I have asked that a number of times, actually, and I have got nowhere with that. I am now asking a question deliberately in the form that I asked the question, and I am expecting Dr Horne to give me a response.

Senator Hill—My suggestion was not helpful?

Senator FAULKNER—No, as is often the case. I do recall a number of years ago when you did make a helpful suggestion, but it is a long time between drinks for you.

Dr Horne—The department would simply provide a list of major events that are coming up over the period ahead.

Senator FAULKNER—The officer is responsible for briefing the Prime Minister on major sporting issues and events. Is the officer a he or a she?

Dr Horne—It depends on who does it.

Senator FAULKNER—Jesus! The current person occupying the role—is it a man or a woman?

Dr Horne—The current person occupying the role—

Senator FAULKNER—It is a man or woman?

Dr Horne—He is responsible for doing that.

Senator Hill—It is a male.

Dr Horne—Yes, it is a male.

Senator FAULKNER—Thank heavens! We have established at least one thing—that is terrific. Chalk that one up for persistence.

Senator Hill—And we have established that he provides the Prime Minister with details of sporting events.

Senator FAULKNER—No, we have established that he is a male. We have not established anything else beyond the fact that it is a bloke, right? But we are moving on from

that. Thank you, Dr Horne, for that most edifying contribution. Is that officer responsible for briefing the Prime Minister on major sporting issues and events?

Dr Horne—The question you asked is very similar to a question that you asked on 16 February.

Senator FAULKNER—No, in fact it is identical to an answer you gave then.

Dr Horne—Yes, and I said ‘yes’ I think on that occasion.

Senator FAULKNER—No you did not; that was your answer. You said:

That officer is responsible for briefing the Prime Minister on major sporting issues and events.

Dr Horne—Yes.

Senator FAULKNER—That is terrific. We got that answer on 16 February.

Dr Horne—So are you asking me for something more on this occasion?

Senator FAULKNER—No. You seemed to be struggling with the question, so I thought I would be clear about it and go to your precise words, and then we spend five minutes on that. Five minutes on you not sure whether you are willing to commit yourself to the identical words you used on 16 February. I want to know what this person does in relation to sport—that is all.

Dr Horne—I think I have informed you, Senator.

Senator FAULKNER—Well I don’t, so can you just go through it again.

Dr Horne—The person would look and see if there is a major sporting event. They would make a list and simply provide that list to the office.

Senator FAULKNER—To the Prime Minister’s office?

Dr Horne—Yes.

Senator FAULKNER—So this person does investigate opportunities for the Prime Minister to use sporting events for political advantage. That is what they are doing.

Dr Horne—No.

Mr Metcalfe—I think Dr Horne has been very clear on the—

Senator Hill—You will draw a political conclusion which is legitimate, but you cannot force those words into the officer’s mouth.

Senator FAULKNER—Anyway, Dr Horne, thankfully it is 11 o’clock and thankfully I do not have to ask you any more questions tonight about this very important issue. But I respectfully suggest you reflect on the *Hansard* record of tonight and the *Hansard* record of Monday, 16 February 2004. And if I have the misfortune of being here in another Senate estimates round, we might try and get to the bottom of what this person actually does.

CHAIR—Thanks, Senator Faulkner, and with that the committee will adjourn until 9 a.m. tomorrow and we will commence with the examination of output 2.2, Women’s policy.

Committee adjourned at 11.01 p.m.