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Official Committee Hansard

SENATE

FINANCE AND PUBLIC ADMINISTRATION LEGISLATION
COMMITTEE

ESTIMATES

(Budget Estimates)

THURSDAY, 17 JUNE 2010

CANBERRA

BY AUTHORITY OF THE SENATE

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SENATE FINANCE AND PUBLIC ADMINISTRATION**LEGISLATION COMMITTEE****Thursday, 17 June 2010**

Members: Senator Polley (*Chair*), Senator Bernardi (*Deputy Chair*), Senators Cameron, Jacinta Collins, Ryan and Siewert

Participating members: Senators Abetz, Adams, Barnett, Bilyk, Birmingham, Mark Bishop, Boswell, Boyce, Brandis, Bob Brown, Carol Brown, Bushby, Cash, Colbeck, Coonan, Cormann, Crossin, Eggleston, Farrell, Feeney, Ferguson, Fielding, Fierravanti-Wells, Fifield, Fisher, Forshaw, Furner, Hanson-Young, Heffernan, Humphries, Hurley, Hutchins, Johnston, Joyce, Kroger, Ludlam, Lundy, Ian Macdonald, McEwen, McGauran, McLucas, Marshall, Mason, Milne, Minchin, Moore, Nash, O'Brien, Payne, Pratt, Ronaldson, Scullion, Sterle, Troeth, Trood, Williams, Wortley and Xenophon

Senators in attendance: Senators Abetz, Bob Brown, Cameron, Collins, Kroger, Ludwig, Polley, Ronaldson and Ryan,

Committee met at 4.31 pm

FINANCE AND DEREGULATION PORTFOLIO

Consideration resumed from 27 May 2010

In Attendance

Senator Ludwig, Special Minister of State

Executive

Ms Jan Mason, Acting Secretary

Outcome 2 (AMPS)

Mr John Grant, First Assistant Secretary, Procurement Division

Ms Laurie Van Veen, Assistant Secretary, Communications Advice Branch

CHAIR (Senator Polley)—I declare open this meeting of the Senate Finance and Public Administration Legislation Committee. Pursuant to the resolution of the Senate of 16 June, the committee is resuming its consideration of the particulars of proposed expenditure for 2010-11 for the Department of Finance and Deregulation, outcome 2, program 2.1, relating to government advertising. I remind committee members that that is the purpose for this afternoon's hearing.

Under standing order 26, the committee must take all evidence in public session. This includes answers to questions on notice. Officers and senators are familiar with the rules of the Senate governing estimates hearings. If you need assistance, the secretary has copies of the rules. I particularly draw the attention of witnesses to an order of the Senate of 13 May 2009 specifying the process by which a claim of public interest immunity should be raised, which I now incorporate in *Hansard*.

The extract read as follows—

Public interest immunity claims

That the Senate—

- (a) notes that ministers and officers have continued to refuse to provide information to Senate committees without properly raising claims of public interest immunity as required by past resolutions of the Senate;
- (b) reaffirms the principles of past resolutions of the Senate by this order, to provide ministers and officers with guidance as to the proper process for raising public interest immunity claims and to consolidate those past resolutions of the Senate;
- (c) orders that the following operate as an order of continuing effect:
 - (1) If:
 - (a) a Senate committee, or a senator in the course of proceedings of a committee, requests information or a document from a Commonwealth department or agency; and
 - (b) an officer of the department or agency to whom the request is directed believes that it may not be in the public interest to disclose the information or document to the committee, the officer shall state to the committee the ground on which the officer believes that it may not be in the public interest to disclose the information or document to the committee, and specify the harm to the public interest that could result from the disclosure of the information or document.
 - (2) If, after receiving the officer's statement under paragraph (1), the committee or the senator requests the officer to refer the question of the disclosure of the information or document to a responsible minister, the officer shall refer that question to the minister.
 - (3) If a minister, on a reference by an officer under paragraph (2), concludes that it would not be in the public interest to disclose the information or document to the committee, the minister shall provide to the committee a statement of the ground for that conclusion, specifying the harm to the public interest that could result from the disclosure of the information or document.
 - (4) A minister, in a statement under paragraph (3), shall indicate whether the harm to the public interest that could result from the disclosure of the information or document to the committee could result only from the publication of the information or document by the committee, or could result, equally or in part, from the disclosure of the information or document to the committee as in camera evidence.
 - (5) If, after considering a statement by a minister provided under paragraph (3), the committee concludes that the statement does not sufficiently justify the withholding of the information or document from the committee, the committee shall report the matter to the Senate.
 - (6) A decision by a committee not to report a matter to the Senate under paragraph (5) does not prevent a senator from raising the matter in the Senate in accordance with other procedures of the Senate.
 - (7) A statement that information or a document is not published, or is confidential, or consists of advice to, or internal deliberations of, government, in the absence of specification of the harm to the public interest that could result from the disclosure of the information or document, is not a statement that meets the requirements of paragraph (1) or (4).
 - (8) If a minister concludes that a statement under paragraph (3) should more appropriately be made by the head of an agency, by reason of the independence of that agency from ministerial direction or control, the minister shall inform the committee of that conclusion and the reason for that conclusion, and shall refer the matter to the head of the agency, who shall then be required to provide a statement in accordance with paragraph (3).

(Extract, Senate Standing Orders, pp 124-125)

CHAIR—I welcome the Special Minister of State, Senator the Hon. Joe Ludwig, and officers. Minister and Ms Mason, do either of you have an opening statement?

Senator Ludwig—No, thank you.

Ms Mason—No, thank you, but I would just like to apologise on behalf of Mr Tune, who is currently on recreation leave, so I am standing in for him. His leave was arranged before we knew about this hearing. I do apologise.

CHAIR—Thank you, Ms Mason.

Senator RONALDSON—It is no reflection on Ms Mason, but I am disappointed that Mr Tune is not here. Mr Grant, how long have you been a public servant?

Mr Grant—About 30 years.

Senator RONALDSON—How long have you been first assistant secretary of the Procurement Division?

Mr Grant—About four years.

Senator RONALDSON—So you would have seen a variety of situations in relation to government advertising and you would have seen old arrangements and then new arrangements and then new arrangements after that. So you would view yourself as being very well briefed about these matters?

Mr Grant—Not really. I was not involved in campaign advertising until the function was transferred to the Department of Finance and Deregulation.

Senator RONALDSON—Okay. After you gave evidence on 27 May, did you discuss your evidence with Mr Tune or with the minister's office? If so, when?

Mr Grant—Not with the minister's office. I did discuss one element with Mr Tune, and that had to do with the time frame between the agreeing to of an exemption and the tabling of the statement. I sent a letter to the committee secretary clarifying the record.

Senator RONALDSON—When did you have those discussions with Mr Tune?

Mr Grant—I cannot tell you exactly. Within a week of the Senate estimates committee hearing.

Senator RONALDSON—What prompted those discussions?

Mr Grant—I read my transcript, and I had gone back to the office to check that I was correct in the advice that I had provided. I found that my recollection that was not quite as correct as I would have liked it to be, so I talked to the secretary about it

Senator RONALDSON—That was on 27 May. You went back and checked it that afternoon or that evening, did you?

Mr Grant—It was after I got the transcript. I cannot tell you the exact date. I have not written it down in a diary or anything like that.

Senator RONALDSON—What day of the week was 9 June, do you know?

CHAIR—It was a Wednesday.

Mr Grant—Today is 17 June, so it must have been a Wednesday.

Senator RONALDSON—So it was nearly two weeks after the Senate estimates that you felt motivated to write your letter of clarification, was it?

Mr Grant—I actually wanted to see what I had said, and I wrote the clarification—

Senator RONALDSON—The transcript was available on the Friday.

Mr Grant—I am sorry, I did not see it on the Friday.

Senator RONALDSON—Did you leave here questioning what you had said or was it only when you read the transcript that you reviewed what you had said?

Mr Grant—I suspect it was when I read the transcript. I wanted to make sure that I had provided correct information.

Senator RONALDSON—You see, you made the same comments at least twice in relation to the timing of the tabling of exemptions. You made the comment to me and then some time later you made identical comments to Senator Xenophon. I am interested in the wording of your letter of explanation. What do you understand by the word ‘transmission’?

Mr Grant—That is when it is provided to the tabling office. Perhaps I can explain that for these sorts of things we do a brief, and it has a package. From within the Public Service it is not always easy to see what the process is in terms of the timing of different things. I simply got confused. So ‘transmittal’ is when it is provided to the tabling office.

Senator RONALDSON—So you meant ‘tabling’, did you, rather than ‘transmission’?

Mr Grant—No, I think the correct word is transmission. I had that—

Senator RONALDSON—No, I do not think it is. Anyway, I am not going to die in a ditch over that. But you meant tabling—that is, the act of the exemption being given physically to the table’s office—did you?

Mr Grant—Yes, I believe that would be the case, but the reason I used the words was that there was an instance where I think there were a couple of weeks between providing the document and it being tabled. That is why I used those words.

Senator RONALDSON—The minister’s statement was tabled late on 28 May. Is that correct?

Mr Grant—Yes, 28 May.

Senator RONALDSON—What time of the day was that done, do you know?

Mr Grant—I do not know.

Senator RONALDSON—Minister, do you know what time it was done?

Senator Ludwig—Morning.

Senator RONALDSON—What time?

Senator Ludwig—Somewhere between 9 am and 10 am, I think. I can check on that but it was certainly in the morning.

Senator RONALDSON—When did you put out advice in relation to that? Was it the next day, Friday, the 28th, was it?

Senator Ludwig—Friday was the 28th, as I recollect.

Senator RONALDSON—So did you table it on the Friday morning or the Thursday morning?

Senator Ludwig—Finance informed that I had granted exemption on the 27th, which was the Thursday, and then on the 28th the media release was released and there was the tabling of the ministerial statement on the exemption.

Senator RONALDSON—What did you say happened on the 27th?

Senator Ludwig—The letter was signed.

Senator RONALDSON—No, the letter was signed on the 24th.

Senator Ludwig—Sorry.

Senator RONALDSON—That is the very point, Minister—the letter was signed on the 24th.

Senator Ludwig—Yes. I wrote to the Treasury granting exemption and copying in the chair of the ICC.

Senator RONALDSON—So it was not signed one day and then tabled the next day, Minister.

Senator Ludwig—No.

Senator RONALDSON—That was the very point of what we have been talking about for the last two weeks—the delay in doing so.

Senator Ludwig—What you had asked was when I had released the media release and tabled the statement, which was the 28th. I thought you were saying that it was the 27th and late that day.

Senator RONALDSON—You just told me that you signed it on the 27th. But you now acknowledge that it was the 24th, on the Monday?

Senator Ludwig—Yes.

Senator RONALDSON—Was the House of Representatives sitting on Monday the 24th?

Senator Ludwig—Could you say that again?

Senator RONALDSON—Was the House of Representatives sitting on the Monday?

Senator Ludwig—Well—

Senator RONALDSON—Was the House of Representatives sitting on the Tuesday, the 25th?

Senator Ludwig—If it was estimates—

Senator RONALDSON—Was the House of Representatives sitting on the 26th or the 27th?

Senator Ludwig—I am sure they were but I would have to check the record.

Senator RONALDSON—Well, why did you not table the document on the 24th or the 25th or the 26th or the 27th?

Senator Ludwig—Because I was preparing the tabling statement. It was estimates, if I recall.

Senator RONALDSON—What time was it signed on the 24th?

Senator Ludwig—No; the letter was signed on the 24th, as I said.

Senator RONALDSON—That is right. The granting of the exemption was signed on the 24th.

Senator Ludwig—The tabling statement was tabled on the 28th?

Senator RONALDSON—I am fully aware of that, Minister, and that again is what we are discussing. You signed the letter of exemption on the Monday. Why did you not table a ministerial statement on the Monday when you had signed the letter and sent it off to the Treasurer rather than waiting until the 28th, when Senate estimates had finished?

Senator Ludwig—What I had said was that I had signed the letter on the 24th and tabled on the 28th.

Senator RONALDSON—You granted the exemption on the 24th of May.

Senator Ludwig—Yes.

Senator RONALDSON—Thank you.

Senator Ludwig—You are not listening. I think I said that.

Senator RONALDSON—Oh, I am listening; I can assure you of that.

Senator Ludwig—I do not think you are listening.

Senator RONALDSON—You granted the exemption on 24 May, did you not? Yes or no?

Senator Ludwig—I think we have gone over that. I said that I signed the letter which granted the exemption on the 24th.

Senator RONALDSON—Yes, that is right.

Senator Ludwig—We have said that a couple of times.

Senator RONALDSON—So you granted the exemption on the 24th.

CHAIR—Senator Ronaldson and Minister, can I just remind members of the committee and witnesses that, if a question is asked, I need to be able to hear the question and the response. It is disorderly to speak over the top and it is very hard for Hansard to record these proceedings. Senator Ronaldson put a question to the minister and the minister was in the process of answering the question. I give the minister the call to respond.

Senator Ludwig—What you seem to fail to appreciate is the difference between providing the letter—which was signed on the 24th—and releasing the statement of reasons, which is not the same thing as making the decision. In this instance, the statement of reasons was tabled four days after the decision was made and on the same day I completed drafting it. Senate estimates was, as you recall, ongoing at that point and questions on notice had not expired.

Senator ABETZ—Minister, who prepared the table of reasons? Would that not have been supplied to you by the department with the letter that you signed on the 24th?

Senator Ludwig—No, my office and I prepared the tabling statement.

Senator ABETZ—There was no draft from the department?

Mr Grant—As part of the usual briefing pack, we would have the brief, the draft letter and a draft of the tabling statement. But ministers' offices, as you would be aware—

Senator ABETZ—Thank you.

Senator RONALDSON—When was the department advised?

Ms Mason—On 27 May.

Senator RONALDSON—Are you absolutely sure of that?

Mr Grant—Sorry, Senator, that is of when –

Senator RONALDSON—When the minister had made his decision and prior to the signing of the letter to the Treasurer on 24 May, when were you advised?

Mr Grant—On 27 May.

Senator RONALDSON—You did not know about it until three days after the minister had written the letter to the Treasurer. Is that the evidence you are giving?

Mr Grant—We were advised on 27 May.

Senator RONALDSON—This is just remarkable. Mr Grant, are you aware that Dr Hawke was advised one or two days prior to 24 May about the decision that the minister had made?

Mr Grant—Perhaps I can clarify. I talked to Dr Hawke after this morning's JCPAA hearing. He received the letter on Friday, 28 May. I actually gave him a call on Thursday, 27 May when we were advised that the exemption had been granted.

Senator RONALDSON—So is Dr Hawke going to write a letter of clarification to the committee as well?

Mr Grant—He probably will.

Senator RONALDSON—I think we will have to have a clarification committee meeting the way it is going.

Senator KROGER—I refer to your conversation with Dr Hawke subsequent to that public hearing this morning. At the hearing he advised that he had received that letter on 24 May. Just clarifying: are you saying that he is now suggesting that he received the letter on 28 May?

Mr Grant—In my discussions with Dr Hawke after his appearance this morning he had believed that he had said he had received a letter dated 24 May. He agreed that he received a copy of the signed letter on 28 May, and I think he had mentioned that he had been advised by a departmental official day or two before. That was me giving him a call on the Thursday advising that we had received the letter of exemption.

Senator ABETZ—Did you make the call to Dr Hawke?

Mr Grant—I did.

Senator ABETZ—About his evidence today?

Mr Grant—I did, because we were watching.

Senator KROGER—Who advised Dr Hawke prior to his receiving the letter, allegedly on 28 May? Who made the call to Dr Hawke?

Mr Grant—I personally called him on 27 May.

Senator KROGER—So you have a note to yourself that you called him on 27 May to verbally advise him, do you?

Mr Grant—No. I do not keep notes of everything that I do, but, as a normal part of good practice and given that he is the Chair of the Independent Communications Committee, when I was advised that the letter had been signed I thought that it was sensible for me to give the Chair of the ICC—the Independent Communications Committee—a call to let him know, and that letter was provided to him the next day.

Senator RONALDSON—So you say you found out about it on 27 May, is that right?

Mr Grant—That is correct.

Senator RONALDSON—That is, the Thursday.

Mr Grant—That is correct.

Senator RONALDSON—When did you ring Dr Hawke?

Mr Grant—On the Thursday.

Senator RONALDSON—I remember that Mr Tune gave evidence. He may well want to send a letter for clarification in as well, but, when Senator Ryan put the proposition to Mr Tune that Dr Hawke might be sitting there watching TV before he knew about the exemptions, Mr Tune was very quick to indicate to the committee that that simply would not be the position and that, once the decision had been made, the minister would contact the chair of the ICC in a short space of time. So is that another matter that requires clarification?

Ms Mason—We will check that evidence, but it is not a lengthy period between the signing of the letter on 24 May and the department's becoming aware that the letter had been signed. It is not uncommon for documents to take a day or two to get back to the department, so that is not remarkable. Mr Grant's advising Dr Hawke about the existence of the letter on 27 May was again very promptly done, and then the tabling took place very shortly thereafter.

Senator RONALDSON—How many meetings of the ICC had taken place in relation to this campaign? We know they started on the 21st and probably received briefing materials before then. How many committee meetings had there been?

Mr Grant—In relation to the tax reform campaign, I think there was only one meeting when the ICC met with the Treasury to discuss this campaign.

Senator RONALDSON—They were briefed on the 21st.

Mr Grant—That is right.

Senator RONALDSON—They were briefed the day after the cabinet subcommittee met; that is my understanding.

Mr Grant—That is correct, on the 21st.

Senator RONALDSON—Those other meetings between—

Mr Grant—Treasury did not come back to the ICC after that meeting.

Senator RONALDSON—I take it from that that there was no sense of urgency if they had not requested another meeting between 19 April and 10 May.

Mr Grant—Sorry; it was 21 April. The answer is that it is up to departments and agencies to take forward their campaigns.

Senator RONALDSON—Before I get onto the urgency issue, I will go back to you, Ms Mason. You are telling the committee that you would not have expected to be advised of a letter of exemption until some four days after that had been granted. Are you seriously telling the committee that?

Ms Mason—No, I am not saying that. I am simply saying that occasionally documents do take a day or two to come to the department after they have been signed. We do not necessarily get a telephone call on each and every occasion that a document may be signed.

Senator RONALDSON—The first day was Tuesday. The second was Wednesday. You did not get this until Thursday, which, remarkably, happened to coincide with the finalisation of these Senate estimates in relation to this particular aspect. You did not think to yourself: ‘It is a bit surprising that I’m getting advised of this letter now. Isn’t it remarkable that it coincides with the completion of the Senate estimates?’

Ms Mason—No, I actually did not think about it at all, because that advertising issue was not within my area of responsibility. It was in preparing for this hearing that I sought to brief myself on the key developments.

Senator RONALDSON—You found out about this, presumably, after the Senate estimates, did you?

Ms Mason—Indeed.

Senator RONALDSON—Is that remarkable, Minister—that, fortuitously, you did not advise the department until after the Thursday, when two hours had been set aside for the discussion of these matters? Purely coincidence, was it?

Senator Ludwig—The timing is not of my making. These matters are obviously handled through my office and the department. I do not communicate directly with the department on everything I do on a day-to-day basis.

Senator RONALDSON—So it is your officer’s fault that they did not advise the department until the 27th. You have no responsibility in that?

Senator Ludwig—There is no fault involved; we are just informing the committee of the time lines accurately.

Senator CAMERON—I wonder why it would be useful for the department to spend hundreds of millions on Work Choices.

Senator RONALDSON—What a remarkable intervention. He has known about this for three days, and the best he can do—

CHAIR—Senator Ronaldson, you have the call.

Senator RONALDSON—Mr Grant, what were the other examples of exemptions that you had based your new-found knowledge on?

Mr Grant—The key one was the exemption for the Australian Electoral Commission, I think, where the exemption was agreed on 17 August 2009 and was transmitted to the Senate on 17 September 2009. There was another exemption that took a lot longer, but we had a ministerial change and the paperwork got lost. That was for the swine influenza pandemic. I based my note to you and my assessment on what a normal time would be.

Senator RONALDSON—A normal time in hindsight, not a normal time at the Senate estimates.

Mr Grant—As I said, I apologise. I had not realised that it sometimes takes some weeks for this to occur.

Ms Mason—This is based on a very small sample, so trying to determine what is normal is difficult to do on a very small sample.

Senator RONALDSON—I assume, Minister, that the Treasurer got the letter on the Monday. Did he?

Senator Ludwig—I signed it on the 24th, so it would have gone through the normal procedures for it to be communicated to the Treasury. I would expect it to have arrived on the Monday, but I can check my record to see when they actually received it.

Senator ABETZ—Was it faxed?

CHAIR—Senator Abetz, are you seeking the call?

Senator RONALDSON—Was the letter sent or, as Senator Abetz said, was it faxed? How was it delivered?

Senator Ludwig—I think my focus was elsewhere at the time, but I will check my records to see how it was communicated. I said I would check to see how it was communicated.

Senator RONALDSON—The agencies presented to Treasury on 10 May, did they not?

Senator Ludwig—The Treasurer wrote to me seeking exemption from the guidelines on 10 May.

Senator RONALDSON—And they presented to Treasury on 10 May, is that right?

Senator Ludwig—Who was presenting?

Mr Grant—I think this relates to the creative agencies.

Senator RONALDSON—Advertising, yes.

Mr Grant—I think Treasury advised that during the Senate estimates.

Senator RONALDSON—So we can assume, unless we get further clarification, which I am sure we will, that the Treasurer received this letter on 10 May and I ask you, Minister, if it was good enough for—

Senator Ludwig—No, that is not right.

Senator RONALDSON—When was it then?

Senator Ludwig—It could not have been on 10 May.

Senator RONALDSON—Sorry, 24 May I should say. I assume, unless you tell me otherwise, that the Treasurer received the letter on 24 May when parliament was sitting.

Senator Ludwig—As I said, I will take that on notice. I am happy for you to assume that for the purposes of a question, if you have one.

Senator RONALDSON—Minister, given that you made that decision and given that there was a sense of urgency, why did you not—although you were apparently able to draft a lengthy letter and I would assume therefore that you would have time to draft a less lengthy letter of explanation—draft a letter of explanation and table it on the Monday? If you were busy then, why did you not do that on the Tuesday? If you still could not find time, why did you not do that on Wednesday? How long were you sitting beside these officials during that week? You did not even have the courtesy to tell the department officials that you had taken what Ms Mason has quite rightly said was a very small sample—

Senator Ludwig—Is there a question?

Senator RONALDSON—Yes, there is. You made a very significant decision, you were sitting beside these officers, you were here on the Thursday to discuss these matters at the request of the committee and you did not tell Mr Tune that you had granted an exemption four days before. Minister, the only reason for doing that was because you wanted to make sure that the committee's investigation of these matters had finished before you gave advice to the department, Dr Hawke and parliament—and even that was delayed.

Senator Ludwig—I think you are trying to make a mountain out of a molehill, but let me be clear about this. The letter was signed on the 24th. I do not personally—

Senator Ronaldson interjecting—

CHAIR—I call the committee to order. The minister is responding. I need to hear his response and Hansard needs to record it. The minister has the call.

Senator Ludwig—As I indicated, I signed the letter on the 24th and then, if you recall, I was in estimates for various periods during that week for quite long hours because estimates start at 9 am and finish at 11 pm. I can have a look at my diary, but there was also other work that I had to deal with and I had to prepare the statement of reasons. It was important to prepare the statement and ensure that it was accurate. I tabled it once it was finalised—

Senator RONALDSON—Why didn't you get the department to do it?

Senator Ludwig—You are not letting me finish my answer. You asked a question and I am providing the answer. Having provided the statement I then tabled it the next day, on the Friday morning. As I indicated, it is not for me to personally communicate every decision to the department. That is why there is a ministerial office and there is the ability to deal with the correspondence accordingly.

Senator RONALDSON—If your colleague had written to you advising that it was a matter of great urgency—

Senator KROGER—Compelling.

Senator RONALDSON—It was more than compelling, they actually used the word ‘urgency’ as well. Compelling is the last of the three and urgency is the second of the three—

Senator Ludwig—I am pleased you have got that right now.

Senator RONALDSON—So your colleague has written to you with a matter of urgency and you did not bother advising the department and asking them to at least prepare a draft statement of reasons?

Senator Ludwig—The guidelines, of course, are there for me to utilise and the exemption was provided to me. It is a matter of how I then deal with that.

Senator RONALDSON—So what you are suggesting is that you are quite happy to completely and utterly bypass the department despite there being an urgent request from your colleague?

Senator Ludwig—No.

Senator CAMERON—That is just—

Senator Ludwig—That is not the evidence at all.

CHAIR—Senator Ronaldson had the call, and interjections are not helpful.

Senator Ludwig—I did want to respond to that.

CHAIR—I was not sure if Senator Ronaldson had finished his question. It was a statement—

Senator Ludwig—The statement must have had an inflection at the end, otherwise it should not be ruled as a question and should be ruled out of order. If we look at the course of events, the department of finance did not need to know immediately. Given the sense of the decision I made, it was more important for Treasury to be advised and so I wrote to them.

Senator RONALDSON—Okay. So it was important for the Treasurer to be advised—

Senator Ludwig—I said ‘Treasury’.

Senator RONALDSON—Treasury to be advised; presumably, the Treasurer as well—

Senator Ludwig—Well, yes.

Senator RONALDSON—I think you might have actually written to the Treasurer as opposed to Treasury. So it was important for your colleague to know about it but apparently no-one else—is that what you are telling the committee?

Senator Ludwig—No, of course the department—

Senator RONALDSON—So why were they not advised?

Senator Ludwig—They were advised. You are the one accusing—

Senator RONALDSON—Others were not advised.

Senator Ludwig—You are the one indicating they were not advised.

CHAIR—Senator Ronaldson, you are asking a question; allow the minister to respond.

Senator Ludwig—Of course they were advised during the usual process, and I wrote to the Treasurer explaining my reasons to grant exemption.

Senator RONALDSON—Who prepares the advertising guidelines; is that the department—the 2010 *Guidelines on information and advertising campaigns by Australian government departments and agencies*?

Mr Grant—The guidelines were agreed by the government.

Senator RONALDSON—Okay. I presume that these guidelines guide the minister and others in relation to advertising guidelines? The expectation is that those guidelines will be met?

Ms Mason—They certainly offer guidance in the terms specified in the different versions of the guidelines—the older ones and then the more recently revised ones.

Senator RONALDSON—Minister, is it assumed by you that the principles that underpin these guidelines will be met?

Senator Ludwig—They are guidelines, and the principles are there for that purpose.

Senator RONALDSON—So your expectation is that they would be met?

Senator Ludwig—For the purpose which they are provided for, yes.

Senator RONALDSON—And, indeed, I presume an exemption would not change your requirement for the principles of the guidelines to be met?

Senator Ludwig—Within the guidelines there is an exemption process, so the exemption provides an exemption from the guidelines.

Senator RONALDSON—Is it your expectation that the principles that underpin all—

Senator Ludwig—I am not going to answer a hypothetical question. Is there a particular circumstance that you are referring to?

Senator RONALDSON—I know that in your letter to the Treasurer of 24 May—the secret letter that only the Treasurer knew about for about five days—you said:

I expect the Treasury to: adhere to the intent of the Guidelines, ...

Do you remember writing that?

Senator Ludwig—Yes.

Senator RONALDSON—So I can assume, can I, that even when there has been an exemption you expect the intent of the guidelines to be met?

Senator Ludwig—In that circumstance, I did.

Senator RONALDSON—Good. Can I take you to principle 1, No. 18:

The subject matter of campaigns should be directly related to the Government's responsibilities. As such, only policies or programs underpinned by:

- legislative authority ...

Was there legislative authority for the mining tax?

Senator Ludwig—Principle 1 provides:

The subject matter of campaigns should be directly related to the Government's responsibilities. As such, only policies or programs underpinned by:

- legislative authority; or
- appropriation of the Parliament; or
- a Cabinet Decision which is intended to be implemented during the current Parliament should be the subject of a campaign.

There are three dot points there. So the principles are in whole—

Senator RONALDSON—I thank you for reading it again. I ask you: was—

CHAIR—Senator Ronaldson, the minister is responding. Allow him to finish and then you can continue with your questioning. Minister, you have the call.

Senator Ludwig—To the extent that it is an appropriation, there is legislation for an appropriation. So if that is what you mean—

Senator RONALDSON—You know that is not what I mean at all.

Senator Ludwig—Then you do need to be specific about what you mean.

Senator RONALDSON—Policies or programs, not appropriation. On the government's mining tax policy, was there any legislative authority for this program or this policy? The answer is no.

CHAIR—Senator Cameron has a point of order.

Senator CAMERON—If this bullying attitude could stop for a second, my point of order is that it is not appropriate for Senator Ronaldson to be asking questions and then answering the questions. The minister is entitled to respond to the question.

Senator RYAN—On that point of order: Senator Ronaldson was in the preface to a question and he was actually trying to continue the question when Senator Cameron raised his point of order. It was a legitimate preface to a question.

CHAIR—Can I just remind all senators that the process is a very simple one—that is, you put questions to the witnesses and then we allow them to respond and you continue on. I do not think I need to remind senators, but I will, that putting a question and answering it yourself is not helpful to these hearings.

Senator RONALDSON—So we have ascertained that there was no legislative authority for this. I will then move to the appropriation of the parliament for—

CHAIR—Can I just remind all members of the committee that, if you put a question, as you did previously, Senator Ronaldson, and then answer it yourself without giving the minister the opportunity to respond, you cannot then go on and say that he has answered. You put the question and you answered it yourself. Would you please allow the minister to respond to the question.

Senator Ludwig—I think it is clear that it is a tax policy. I think we can all agree on that. We can also agree that the third dot point is that it can be a cabinet decision—see Budget Paper No. 2. So I think we are in the same area.

Senator RONALDSON—There certainly was not an appropriation of the parliament for this policy. I will go to the third dot point. Is there a cabinet decision which is intended to be implemented during the current parliament that should be the subject of a campaign? Was this decision to be implemented during the current parliament?

Senator Ludwig—If you look at Budget Paper No. 2 at page 297, I think it provides your answer. There was an appropriation in the budget for the advertising.

Senator RONALDSON—For the advertising campaign, not the policy, which is not what the guideline says. It does not say the advertising campaign; it says the policy or the program.

Senator Ludwig—There are three points. There is legislative authority or an appropriation of the parliament or a cabinet decision which is intended to be implemented during the current parliament. There are three grounds and they are all ‘or.’

Senator RONALDSON—None of those three requirements have been met.

Senator Ludwig—They have been met. I reject your assertion.

Senator RONALDSON—They haven’t been; you know that and I know that. So basically you have—

Senator Ludwig—It is interesting to make evidence in this way.

Senator RONALDSON—Basically, you have an advertising campaign for which you have no legitimacy—

Senator Ludwig—That is wrong.

Senator RONALDSON—an advertising campaign which you withheld from the public—

CHAIR—Is there a question?

Senator RONALDSON—for five days. Indeed it is not surprising that you have been pilloried from one end of this country to the other by serious media journalists, and quite rightly so. If I have the time today I will actually go through the large number of comments that I have received.

CHAIR—Is there a question, Senator Ronaldson?

Senator RONALDSON—Ms Mason, can you table a copy of the draft statement which was submitted to the minister.

Senator Ludwig—I would like to respond.

CHAIR—Is there a question, Senator Ronaldson?

Senator RONALDSON—Yes. Would Ms Mason please table a copy of the draft statement that was submitted to the minister as part of the briefing referred to earlier on?

CHAIR—The minister is seeking the call to respond to you.

Senator Ludwig—What you have missed of course—and perhaps the problem that you have had is in not asking questions but simply making statements—is that this is an appropriation bill. It is intended to be passed. I am hopeful that the appropriation bill which underpins the principle will be passed in this fortnight; that is why I included it.

For the record, the Rudd government's advertising framework is transparent. That is why you have got the ability to ask questions about the time of the letter being signed, between the 24th and me tabling the statement—and I included all the correspondence to provide that level of transparency. It was unfortunate that a range of people used national security as one of the reasons. Of course that was not one of the reasons. I think Senator Abetz used that himself.

I tabled a statement of reasons for the exemption. For the purposes of ensuring that there is public scrutiny, the Treasurer and I have also declassified and released the relevant documents, in the interests of openness and transparency, and I made myself available to attend further scrutiny by this committee in the interests of openness and transparency so that you could have an opportunity to ask questions. This is in addition to—

Senator Ronaldson interjecting—

CHAIR—Senator Ronaldson! I again remind committee members that it is unhelpful to have people speaking over the top of one another and unhelpful for the recording of these proceedings. The minister had the call. I would appreciate the courtesy of being able to hear the minister's response. Minister, you have the call.

Senator Ludwig—Thank you, Chair. If you recall, at Senate estimates I answered fully and completely all questions that were asked of me, save those I took on notice. For the record, having made the decision on 24 May I am asked why I did not table an exemption on that day. That is the point that you make. The answer is simple: I did not have a prepared statement to table. Between my signing of the decision and the tabling of the statement it might surprise you that we were in estimates. If you recall, there have been two previous occasions on which an exemption was granted—the case of the swine flu and the case of the AEC. Those statements relating to previous exemptions were not tabled within a couple of days of the decision. One was tabled at three months and one was tabled one month after that date. So it is not the case that I have acted any differently in these circumstances.

Senator RONALDSON—The fix was in.

CHAIR—Senator Ronaldson, have you finished? Senator Abetz is asking for the call, and at 5.15 pm I am going to Senator Brown, which was the agreement.

Senator ABETZ—Minister, just so I get this clear: you made your decision but were unable to table it because the reasons and rationale in a statement of reasons had not been developed or prepared sufficiently for tabling. It seems to me, Minister, if I have got this right, that you made the decision and then you had to rack your brains to try to find a reasoning and a rationale to back the decision. I would have thought you would work out all the reasons first—

CHAIR—Is there a question?

Senator ABETZ—and then make your decision. So which way round did this occur, Minister?

Senator Ludwig—I appreciate that you asked me that question. Of course in forming my view it was a matter that I had to take very seriously—because it is an exemption that you then do have to provide, and you do have to table a statement. So they were done in the correct order, can I assure you.

Senator ABETZ—So you make the reasons?

CHAIR—Minister, have you finished?

Senator ABETZ—They made the decision and then thought about the reasons for the decision later—

Senator Ludwig—No.

Senator JACINTA COLLINS—No, that is not what he said.

Senator ABETZ—rather than working through it all, going through the reasons and then saying, ‘Given all this evidence, given all of these circumstances, my decision is this.’

Senator CAMERON—Point of order, Chair. The point of order is that Senator Abetz asked the minister a question and the minister responded to that question. It was not what Senator Abetz wanted to hear so he continued to harass the minister.

Senator ABETZ—I did want to hear it; it was a great answer.

Senator CAMERON—It is not appropriate to continue trying to put words in the minister’s mouth.

CHAIR—On the point order I will, yet again, explain to the committee members that the process in estimates is to put questions and allow the witnesses to respond. I remind all committee members of that. Senator Brown, you have the call.

Senator RONALDSON—Point of order, Chair. I just want to make sure that Ms Mason was going to take on notice my request for a—

CHAIR—That is not a point of order, but I will ask Ms Mason.

Senator RONALDSON—It is, because I want to make sure that Ms Mason was aware of the question, that’s all.

CHAIR—Ms Mason, you did get the request from Senator Ronaldson to have the document tabled.

Ms Mason—I did hear that request. I did not have the opportunity to respond at that time, but it has been reasonably well accepted over a long period of time that the advice provided by the department to a minister is not normally tabled. The request that the senator made does form part of an attachment to a brief to the minister and we would prefer not to table it.

Senator RONALDSON—When was that delivered? Was it the 28th?

CHAIR—Senator Ronaldson, we will come back to you and you can take up your question then.

Senator RONALDSON—Ms Mason is yet to answer my question. I wanted to ask a question. It will take a nanosecond. Ms Mason, what date was it?

Ms Mason—Can I just clarify your question, please?

Senator RONALDSON—When was the brief given to the minister?

Ms Mason—There was a brief on 14 May.

Senator RONALDSON—On 14 May?

Senator BOB BROWN—The current advertising campaign in question on the resource super profits tax is exempted under the new guidelines for campaigns which relate to national emergency, extreme urgency or other compelling reason. Can you just reiterate to the committee which of those reasons ported this exemption?

Senator Ludwig—As you know, the guidelines provide for three reasons for exemption: national emergency, extreme urgency and compelling reason. The ground which I based it on, which you can find in the letter that I provided to the Treasurer and in the statement of reasons, relies on extreme urgency and compelling reason. The ground of national emergency, which you may be confused with and I am not sure if I see in any transcript you using this phrase, was not cited in the Treasurer's request for exemption, was not considered by me and was not stated by me as a reason.

Perhaps it might be worthwhile if I take a second to correct the record. There were a range of individuals who used a 'national emergency'. For one, the editorial in the *Daily Telegraph* on 29 May claimed that the decision was made on national emergency grounds. That was false. It was never the case.

Senator BOB BROWN—So the exemption was for 'compelling reason'?

Senator Ludwig—There were two reasons: extreme urgency and compelling reason.

Senator BOB BROWN—Were either of those reasons alone enough to have warranted the exemption?

Senator Ludwig—I cited these two grounds, extreme urgency and compelling reason. But to come to the reasoning let me start with the first reason. The dictionary defines the word 'compel' as 'to force or drive, especially to a course of action' and 'to secure or bring about by force'. Regarding the Treasurer's request then, in order to satisfy myself under the compelling reason ground I had to satisfy myself that the Treasurer's reasons were so forceful as to warrant action. I can take you to the reasons for that.

Senator BOB BROWN—No, those are available to the committee, aren't they?

Senator Ludwig—Yes, both the letter to the Treasurer on the 24th and the prepared statement that I tabled on the 28th outlines those two reasons.

Senator BOB BROWN—Under this definition of compelling reason, can you tell the committee where the borderline is that would in your judgment prevent an advertising campaign from being exempted on those grounds?

Senator Ludwig—I am not sure I understand your question.

Senator BOB BROWN—Is there any advertising campaign by the government that you can cite to the committee that would potentially not be exempted on the basis of compulsion, that it has a compelling reason?

Senator Ludwig—I am not being difficult, but this is hypothetical question. Depending on the circumstances of the case you would have to look at it as a whole—you cannot separate it out in my view. In this instance, and if we use this instance, there were two grounds: urgent and compelling. The two of them were sufficient to provide that exemption. I then can go through the reasoning for that, but I—

Senator BOB BROWN—No, you do need not to.

Senator Ludwig—But I considered each on its merits.

Senator BOB BROWN—If I may call it the Hawke report—the *Independent review of government advertising arrangements*—it found that there were significant concerns with the rigour of the 2008 guidelines. Can you tell the committee why those guidelines have effectively been weakened rather than strengthened if that was the case?

Senator Ludwig—I reject the contention that they were weakened.

Senator BOB BROWN—May I read to you from the letter to you from the Auditor-General:

I am concerned that we will not see the same level of rigour and discipline applied to this sensitive area of government administration going forward under the revised arrangements.

He also says in that letter, referring to areas in which there is less specificity:

... in the case of Principle 1, which appears to allow a broader scope of determining the suitable uses of government advertising campaigns, Principle 3, which provides less guidance in interpreting whether campaign materials promote party political interests, and Principle 4 which no longer requires an explicit cost-benefit analysis.

Is the Auditor-General wrong on any of those three points?

Senator Ludwig—I respect the Auditor-General's views. I differ in my views in relation to them. It is not unusual in these circumstances for us to have a different view. The view I have come to is that they were not weakened. What we did and went through—

Senator BOB BROWN—But you are saying that the Auditor-General is wrong? You have a different view—he is wrong and you are right.

Senator Ludwig—I have my view, I respect his view and they differ.

Senator BOB BROWN—But he is wrong?

Senator Ludwig—Grown men can differ in their views on things, and we differ in our views on this.

Senator BOB BROWN—You disagree with him that the guidelines have been weakened?

Senator Ludwig—We have different views on it.

Senator BOB BROWN—Yes, and I am asking you about your view as against his. You disagree with him that the guidelines have been weakened?

Senator Ludwig—I do not believe the guidelines have been weakened.

Senator BOB BROWN—You do not—thank you. The report raised concerns about the independence of and the burden on the Auditor-General, drawing into question that independence and potential conflicts of interest. Who drew attention to such conflicts of interest or such added burden on the Auditor-General?

Senator Ludwig—You are asking me to—?

Senator BOB BROWN—The report says that attention has been drawn to these problems for the Auditor-General. Do you know who it was that drew the attention of Dr Hawke or anybody else on that review committee to that problem?

Senator Ludwig—You would have to take that up with Dr Hawke.

Senator BOB BROWN—You did not ask?

Senator Ludwig—The report was provided to me, and—

Senator BOB BROWN—You have not spoken with Dr Hawke about the report?

Senator Ludwig—He provided me with the report and I have taken the contents of those recommendations on board. But in terms of each individual matter that might have occurred within the report, you would have to talk to Dr Hawke about that report.

Senator BOB BROWN—You did not ask Dr Hawke any questions about his report?

Senator Ludwig—I was provided with the report with a range of recommendations.

Senator BOB BROWN—Yes, we know that. Did you ask Dr Hawke any questions about that report after you were provided with that?

Senator Ludwig—I would have to check my records, but I do not recall specifically asking about any of those, no.

Senator BOB BROWN—About anything at all, about the content of the report?

Senator Ludwig—I would have to check what records I have in relation to it, but I think I answered that I do not recall any, no.

Senator BOB BROWN—I put that question on notice.

Senator Ludwig—I think I have answered it, but I will check.

Senator BOB BROWN—I do not think you have and I would like you to report specifically back to the committee on that matter. On page 4, the report says:

There is a school of thought that it is not the Guidelines that are the problem, but rather the way in which the ANAO—

that is, the Auditor—

has chosen to interpret them.

Which school of thought is that?

Senator Ludwig—As I said, you may need to talk to Dr Hawke in relation to some of that. You are asking questions specifically about—

Senator BOB BROWN—You did not ask him about that?

Senator Ludwig—I do not recall asking him specifically. The government commissioned an independent review of the guidelines and we received the independent review of those guidelines. I am entitled, I think, to look at the recommendations and act on those, as any government would, and provide a response in respect of that.

Senator BOB BROWN—You are indeed, Minister, but I would have thought you were also responsible for ensuring that where the report makes recommendations it is able to reference the source of those recommendations. At page 4, it also says:

So removing the Auditor-General from the decision-making process and substituting an independent review body may be sufficient to address the concerns that have been raised.

Who raised those concerns?

Senator Ludwig—Again, as I said, you should ask Dr Hawke about those matters.

Senator BOB BROWN—You did not ask Dr Hawke about those matters?

Senator Ludwig—As I said, I received an independent review in relation to the review of the guidelines.

Senator BOB BROWN—With allegations in that report that are unsourced.

Senator Ludwig—I received an independent review and guidelines—

Senator BOB BROWN—And you did not ask what the source of those allegations was?

Senator Ludwig—I am entitled to look at the recommendations and rely on the independent review that Dr Hawke provided.

Senator BOB BROWN—The report says:

While the Auditor-General's primary role is to reach a view on whether the proposed campaign complies with the Guidelines, the processes established by the ANAO result in intervention in areas clearly outside its expertise.

What is meant by that?

Senator Ludwig—I did not conduct the review. I think you are mistaking me for Dr Hawke. I know that you are not doing that on purpose. You would have to ask those questions—

Senator BOB BROWN—But, Minister, you have essentially adopted this report, have you not?

Senator Ludwig—As I indicated, I did not conduct the review. The review was conducted by Dr Hawke. It is not unusual for government to have independent reviews and for those reviews to be presented to government and for government to act on them. While you say they are unsourced, it is still on the public record for you to read. As I understand it, these matters were also raised in the review system—if you read the report.

Senator BOB BROWN—You adopted the report.

Senator Ludwig—No, I did not adopt the report. I adopted—

Senator BOB BROWN—Then let me ask you this question—

Senator Ludwig—No, let me finish, because you accused me of adopting the report. To be precise, I adopted some of the recommendations contained within the report.

Senator BOB BROWN—A review committee of three was established, with Dr Hawke being one. Who made the selection of the committee?

Mr Grant—The selection committee was agreed between the secretaries of the Department of the Prime Minister and Cabinet and the Department of Finance and Deregulation.

Senator BOB BROWN—Was the decision for that process made within the departments that you referred to?

Mr Grant—Yes. The two secretaries agreed and the secretary of my department, finance and deregulation, formally approved the contracts.

Senator BOB BROWN—There was no ministerial recommendation that such a committee be established?

Mr Grant—I would need to check that. Perhaps I can take it on notice.

Senator BOB BROWN—Yes. Do you know how Dr Hawke was made the chair?

Mr Grant—No, I am not privy to that.

Senator BOB BROWN—Would you find out?

Mr Grant—I will take that on notice.

Senator BOB BROWN—Would you, please. Was that job left to the committee or was some other selection process undertaken?

Mr Grant—The committee did not appoint the chair.

Senator BOB BROWN—Who did?

Mr Grant—The secretary of the department, Mr Tune, appointed the chair and the members.

Senator BOB BROWN—He is not here because he is on leave. Do you know if Mr Tune sought advice in appointing the committee?

Mr Grant—I would have thought it would have been very normal for two secretaries who were thinking about who to appoint to a committee like this to have a discussion with the minister.

Senator BOB BROWN—Can you tell us whether that happened?

Mr Grant—I will have to check that. I do not know.

Senator BOB BROWN—Can the minister, who was sitting here, tell me and the committee whether such a discussion took place with you?

Senator Ludwig—A list of potential candidates for the ICC was compiled and assessed by the Secretary of the Department of the Prime Minister and Cabinet and the Secretary of the Department of Finance and Deregulation. Members were selected on the basis of their extensive experience across the Public Service, their integrity and their impeccable reputation as well as their professional standing. Dr Hawke was selected as chair because his review of the previous system provided, quite frankly, an invaluable perspective on the task of examining campaign advertising proposals against the principles and the guidelines. We originally agreed to the establishment of the Independent Communications Committee following consideration of the Hawke review. The Secretary of the Department of the Prime

Minister and Cabinet and the Secretary of the Department of Finance and Deregulation provided advice on possible candidates for the ICC, taking into account the various qualities that I outlined. On 29 March 2010 I agreed that the Secretary of Department of Finance and Administration would make the appointments of Dr Allan Hawke as chair and Ms Helen Williams and Ms Barbara Belcher as members of the committee—

Senator ABETZ—So you chose?

Senator Ludwig—and announced it on 31 March 2010.

Senator BOB BROWN—Was the Prime Minister consulted about those appointments?

Senator Ludwig—Not that I recall.

Senator BOB BROWN—Would you check that?

Senator Ludwig—Yes.

Senator BOB BROWN—According to a television report by Mark Riley last night—I am sure you have the figures there—Dr Hawke took 18 days and was paid \$60,000 to recommend a new panel to oversee government ads which he now heads, working four days a month for \$175,000 a year. Is that correct?

Mr Grant—That is really not correct. Dr Hawke is paid a sitting fee for each ICC meeting, and the sitting fee usually also incorporates reading time, because the independent committee receives a large amount of papers. So, no, it is not correct.

Senator BOB BROWN—Much like a local councillor does?

Mr Grant—I am not sure how local councillors are paid. The contract with Dr Hawke either is or will be published on AusTender in the very near future.

Senator BOB BROWN—I want to go back to the original cost-benefit analysis. Why has the government determined that that is no longer a necessary part of the analysis of advertising campaigns?

Mr Grant—The cost-benefit analysis element was one of the most difficult and I think most misunderstood elements of the previous guidelines. We tried to work with the Audit Office and with some experts to come up with a model approach to cost-benefit analysis that would actually enable agencies to provide a cost-benefit analysis that met the requirements. It was almost impossible to do. Cost-effectiveness is still part of what is required here under Principle 4, and cost-effectiveness was viewed as being a more sensible mechanism to actually provide advice on the benefit of a campaign. In a cost-benefit analysis for example for a social marketing campaign it is exceptionally difficult to come up with something when we are introducing the public or business or whoever to a new concept. Health is a good example where there are a number of social marketing campaigns; they range from weight through to sexually transmitted infections and through the range. The process is often that you have to first engage the public with the issue. The second stage might then be to give the public some tools to actually address the issue. In this case, with a cost-benefit analysis of trying to promote basic awareness and then a long-term program of delivering an outcome, we are finding it exceptionally difficult to do. Hence the cost-effectiveness was put in the place of cost-benefit.

Senator BOB BROWN—Have you seen my legislation introduced now to the Senate on preventing the misuse of government advertising?

Mr Grant—I have not yet—I am aware of it but I have not looked at it.

Senator BOB BROWN—If I can, Chair, I will provide the secretary with a copy of that. I wonder, Mr Grant, whether you would be good enough to provide any comment you may have back to the committee on that piece of legislation.

Mr Grant—I will take that on notice, Senator.

Senator RONALDSON—Minister, given that the blinds have now been pulled on Operation Sunlight, are there any other exemptions that have been granted by you that have not been communicated to the parliament or to the department?

Senator Ludwig—There has been no request for exemptions, and none are currently being considered by me.

Senator RONALDSON—Ms Mason, can I go back to your answer before. The brief to the minister was delivered on 14 May. When was the brief requested?

Ms Mason—Of course there was the request from the Treasurer of 10 May. As to when the brief of the 14th was requested, we are just checking that. We are checking indeed whether it was requested at all or whether we simply provided it in response to the letter. I am not sure we have an answer for you. Basically there was a letter, the letter needed to be responded to and a brief was provided.

Senator RONALDSON—In that brief you have already indicated to us to there was a draft of a ministerial statement. I take it there was also a draft of a response to the Treasurer.

Ms Mason—That is correct.

Senator RONALDSON—So the minister had the draft response to the Treasurer and the draft ministerial statement on 14 May. Minister, why on 24 May were you then required to draft a ministerial statement, as you indicated to the committee before, when you already had a draft ministerial statement?

Senator Ludwig—As I said in answer to your question, having written a letter to the Treasurer on 24 May and provided the reasons therein, I wanted to not just simply rubber-stamp the department's draft statement but read it, reflect on it and then decide on what I should say in it. After all, it is my signature at the bottom of the page.

Senator RONALDSON—Was your final statement different in any way to the draft statement provided by the department?

Senator Ludwig—Yes.

Senator RONALDSON—Will you provide the committee with copies of both?

Ms Mason—As I said earlier, it has been the practice not to provide copies—

Senator RONALDSON—I am asking the minister. Will you provide the committee with copies of both—

Senator Ludwig—I will take it on notice.

Senator RONALDSON—Why would you not provide—

Senator Ludwig—I will take it on notice and have a look at it.

Senator RONALDSON—What were the differences between the draft of the ministerial statement and your final statement?

Senator Ludwig—As I have said, I will take it on notice. But I have provided the reasons and they have been tabled. They are the reasons that have been tabled and they are my reasons.

Senator RONALDSON—You said that the draft statement was different. Will you take on notice to provide the committee with the difference between the draft ministerial statement provided by the department and your final statement?

Senator Ludwig—I am not going to provide every draft statement that I may have gone through in coming to a concluded view. I have tabled the statement and rely on the statement that I have tabled.

Senator RONALDSON—You said you would take it on notice.

Senator Ludwig—I will go and have a look, but I think my answer will be as I have just indicated. I do not want to provide you with a false impression.

Senator RONALDSON—You have told the committee that you were too busy to draft a ministerial statement. You neglected to tell the committee that you had actually received on 14 May a draft statement on which you could work your apparently different statement.

Senator Ludwig—That would be the usual process, would it not?

Senator RONALDSON—Why would you not have indicated to the committee that you had received—

Senator Ludwig—If you ask a question—

Senator RONALDSON—So this is Operation Sunlight at work! We actually have to assume that you are hiding information from the committee and ask questions accordingly. Is that what you are telling us?

Senator JACINTA COLLINS—Chair, on a point of order: I do not think we need Senator Ronaldson to tell committee members what basis their assumptions should be made on.

CHAIR—On the point of order, I remind committee members of the process. Estimates is a question and answer process, which I am sure we are all well aware of. Senator Ronaldson, do you have a question?

Senator RONALDSON—I do.

Senator Ludwig—Let me answer the earlier question first. It is question and answer; it is not show-and-tell. You are entitled to ask a question and I will, to the best of my ability, answer that question. If you want it to be show-and-tell then I will bring all the material that I want to show and tell you about, but that is not what estimates is for.

Senator RONALDSON—I would love to have a bit of show-and-tell, and I am happy to wait round here while your staff gets a copy—

CHAIR—Is there a question?

Senator RONALDSON—Yes, there is.

Senator Ludwig—I am happy at the next estimates to then bring the material I would like to discuss—

Senator RONALDSON—Your staff are listening—

CHAIR—Minister and Senator Ronaldson! Senator Ronaldson, have you got a question?

Senator RONALDSON—Absolutely.

CHAIR—Could you put your question.

Senator RONALDSON—I am trying to. Your staff are listening. I am sure the committee would be happy to stay here while they bring a copy of the draft ministerial statement—we know what your final statement is—that was provided by the department. I am sure they can toddle up the stairs and provide that before 6.30. They can use the lift.

Senator Ludwig—I have answered that question.

Senator RONALDSON—Can I ask another question, Madam Chair. Minister, was the letter you signed to the Treasurer similar to or identical to the draft letter provided by the department?

Senator Ludwig—It was amended.

Senator RONALDSON—What were the amendments, Mr Grant?

Senator ABETZ—He put his signature on it!

Senator RONALDSON—Dated it.

Senator ABETZ—And the date.

Senator Ludwig—That may be what you did when you were a minister, Senator Abetz. It is not what I do.

Senator RONALDSON—What were the differences, Mr Grant?

Mr Grant—I do not have the amendments with me.

Senator RONALDSON—You have got a copy of the draft letter. Can you provide that to the committee so we can compare it with the minister's letter?

Senator Ludwig—As I have said earlier, that is not what we are going to go through, providing you with iterative copies of correspondence. You have got the letter. I tabled it for the requirements of transparency and accountability. You have got the associated documents that went with that. You have got the tabled statement. It is far in excess of what you have done in your government, if we go through that.

Senator RONALDSON—You are the minister who buried this thing until after Senate estimates. You are the minister who refused to acknowledge that you received a brief in relation to this matter on 14 May and you are lecturing me about what we did or did not do. You are not serious! This was a fix.

Senator CAMERON—Madam Chair, on a point of order—

Senator RONALDSON—The fix was on from 10 May. It was delivered.

CHAIR—Senator Ronaldson!

Senator RONALDSON—It is only now—

CHAIR—Senator Ronaldson, there is a point of order before the chair. I ask you to respect the chair.

Senator RONALDSON—I apologise.

Senator CAMERON—Madam Chair, my point of order is that this process, as I understand it, is about asking questions, and answers being given.

Senator RONALDSON—It would make a pleasant change!

Senator CAMERON—Senator Ronaldson is not asking questions. Senator Ronaldson is engaging in quite a belligerent approach to the witness. He is continually trying to harass the witnesses. He is not engaging in questions but argumentative approaches.

CHAIR—On the point of order, there is a very simple process of estimates. I again remind senators that it is a process of putting questions to witnesses and allowing them to respond. It is not a process to debate issues; it is a question and answer process. We have limited time this evening. Senator Ronaldson, you have the call, but I remind you that there are other senators I intend to go to. The minister has the call to respond to your question.

Senator Ludwig—I just want to make it clear that I reject your assertions. Firstly, the question and answer period had not been finalised. There was an ample opportunity for you to put additional questions at estimates to the issue at hand that I tabled on 28 May. In addition to that I had agreed to the additional estimates, which is now, and brought myself here so that you could ask additional questions in relation to it. So I reject the contention entirely. Otherwise we would take an opportunity about what your government did when in estimates it said to its officials and to its public servants not to answer questions in relation to AWB, to refuse to respond to questions in relation to AWB. That is what your record in government is all about.

Senator Abetz interjecting—

CHAIR—Senator Abetz, can I remind you of the process. It is question and answer. I have reminded the committee of the process an ample number of times. The minister was responding. You may not like his response, but your continual interjections are not helpful.

Senator ABETZ—That is not an answer.

CHAIR—The minister has the opportunity to respond. Have you finished, Minister?

Senator Ludwig—I have. I was waiting for the next question.

Senator RONALDSON—Minister, would it not have been a lot easier if you had actually been upfront with the committee about two weeks ago in relation to what had happened with this exemption? You have forced the committee to come back and you have forced the committee to chase rabbits down burrows from one end of this issue to the other, and we finally know exactly how duplicitous the evidence given in relation to this matter has been.

Senator Ludwig—You do not. I reject that completely.

Senator RONALDSON—I do not care.

Senator Ludwig—There is nothing of the sort. I have outlined the circumstances. It is unfortunate that you have not been listening to the evidence, quite frankly.

Senator RONALDSON—I have been listening, and how you could have embarrassed your departmental officials in this way is beyond me.

CHAIR—Senator Ronaldson, do you have any further questions?

Senator Ludwig—Is there a question in relation to all of that, Senator Ronaldson, or are you just happy to make unsubstantiated and unfactual statements?

CHAIR—Senators, can I draw your attention once again to the process here. It is unhelpful to have continual interjections both from my point of view, trying to chair this, and for Hansard. Senator Ronaldson, do you have any further questions before I go to your colleague?

Senator RONALDSON—Minister, are there some questions? You bet you—and I think there will be a lot of people listening who will be asking lots of questions.

CHAIR—Would you have any?

Senator RONALDSON—Yes, thank you. Minister, can you confirm that the four-day delay in tabling this was to redraft a ministerial statement that you had been given on 14 May? Can I just make sure that that is your evidence.

Senator Ludwig—The letter was signed on 24 May to the Treasurer, and in the period from the 24th to the tabling on the 28th, as you recall, we were in estimates. It was a very busy time, and I took the opportunity of making sure that the tabling statement was prepared accurately on the information that I provided to the Treasurer and subsequently tabled on the 28th.

Senator RONALDSON—When was that estimates week, by the way? When did it commence? Was it the 25th for you?

Senator Ludwig—It was the week.

Senator RONALDSON—And you got the brief on 14 May.

Senator Ludwig—As I indicated, there was a range of work undertaken that week.

Senator RONALDSON—Yes. Thank you for indulgence, Madam Chair. I am very grateful.

CHAIR—Senator Kroger has the call. I remind committee members that at 6 pm I am going to Senator Cameron.

Senator KROGER—Thank you, Chair. I want to follow up with Mr Grant and clarify some things he raised earlier on. In terms of the selection of the committee members and the chair of the ICC, who in the department put together the list of potential candidates for both the chair's position and the committee positions?

Mr Grant—I do not actually know the answer. What I can say is that the potential list of candidates came out of both the department of finance and also the Department of the Prime Minister and Cabinet.

Senator KROGER—How was that coordinated? There must have been some process that brought these together that identified who potential candidates were and so on. How were they identified?

Mr Grant—The best indication I can give is: the review took place, one of the recommendations was the establishment of the independent committee, albeit in a slightly different form, and potential membership was discussed at very senior levels in the public service.

Senator KROGER—The selection process would have to be a pretty critical component, given the establishment of the new independent commission, and so the integrity of those officeholders would be a matter of some significance, I would have thought. To imbue those officeholders now with the appropriate level of support and gravitas, if you like, in fulfilling those positions, I would presume that an appropriate selection process took place rather than one where people were perhaps suggested on an ongoing basis, names went into a hat and somehow they were determined.

Mr Grant—I am sure they did not just go into a hat—

Senator KROGER—That is why I am asking you what the framework for selection is.

Mr Grant—My understanding of the process is that a series of potential people were identified. I would assume there was some discussion with those people. Because the ICC falls under the finance department, we prepared a brief which proposed the membership of the ICC as it is now.

Senator KROGER—So you recommended who the chair should be and who the committee members should be?

Mr Grant—The brief provided those recommendations, yes.

Senator KROGER—To the minister?

Mr Grant—I think the brief to the minister was one of ensuring, I suppose, that he was aware of what was being proposed and, if he wanted to have a comment, he could have a comment. But the appointment was actually undertaken by the secretary of my department.

Senator KROGER—I am presuming, and you can correct me if I am wrong, that no appointment would be made without the support of the minister. Minister, what would your response be?

Senator Ludwig—I was not part of the selection process.

Senator ABETZ—But who made the decision?

Senator Ludwig—The department provided me with a list, and I agreed to the department's list.

Senator KROGER—Who actually signed off on the appointment of these committee members, including the chair?

Mr Grant—The secretary of my department signed off on the appointment of these members.

Senator KROGER—Would he do that in isolation with the advice from his departmental officers, or does he refer the selection advice to the minister and seek the minister's rubber stamp, if you like, on his decision?

Mr Grant—I think as we have previously indicated the minister was consulted, I suspect on the three who were being proposed for appointment, and then following that consultation those members were appointed.

Senator Ludwig—My recollection was that the secretary provided the names to me, upon which I agreed to the appointment of the three members. So I did not do the selection as such.

Senator KROGER—Mr Grant, how many names were in the mix of those who were considered for the position of head of the ICC?

Mr Grant—I do not know that. I was advised of the three members who were being proposed for appointment.

Senator KROGER—Could you please take that on notice and provide us with the number of people that were considered for that position?

Senator ABETZ—The number in the mix or the number in the fix?

Senator KROGER—The number in the mix, but I would also be interested to know what the numbers were for the other two committee positions, whether there were others in the mix in considering that.

Mr Grant—I will take it on notice because I do not know.

Senator KROGER—Thank you very much. With the appointment of Dr Allan Hawke, when he was commissioned to conduct the review, on what basis was that commission given and what support was he offered in asking him to undertake that job?

Mr Grant—You will have to ask the Department of the Prime Minister and Cabinet that because they actually took the lead in the review and provided the secretariat support. I might add that I had one junior officer who was in that secretariat support but very much providing legs and hands, not policy advice.

Senator KROGER—Okay. I will come back to that.

Senator JACINTA COLLINS—Mr Grant, you understand that we are revisiting estimates here. Could you perhaps instead, to benefit the committee, take it on notice and talk to PM&C to see if you can adequately deal with Senator Kroger's question?

Mr Grant—I can do that. I will take it on notice.

Senator CAMERON—Minister, I would like to try and get this debate and discussion into some context. On that basis I want to take you through some of the issues in the Australian National Audit Office report No. 24 2008-09, *The administration of contracting arrangements in relation to government advertising to November 2007*. Are you aware of that report?

Senator Ludwig—Yes. I am aware of that report.

Senator CAMERON—The report opens on the basis that advertising is a legitimate element of government communication and information strategies. I suppose that is a given from the government's point of view?

Senator Ludwig—It is important to ensure, for a range of issues, that the government can communicate its policies and communicate on issues which surround public health matters and social issues. I am sure you have seen many advertisements from the government through the budgetary process to provide that information to the public.

Senator CAMERON—The report also goes on to indicate that, in the period 1996 through to 2007-08, advertising costs rose in real terms from \$116 million in 1995-96 to \$289 million in 2007-08, an increase of 150 per cent under the Howard government.

Senator Ludwig—I think it is fair to say that we made a pre-election commitment to reduce campaign advertising expenditure by about \$100 million annually. On 31 March 2010, the government released the *Campaign advertising by Australian government departments and agencies: March 2010 half year report, 1 July to 31 December 2009*. The half year report showed that in 2008 the government's campaign advertising expenditure, which was \$86.6 million, was significantly less than the previous government's expenditure in 2007, which was \$254 million, equating to an overall reduction of \$167.4 million or 66 per cent. The expenditure for the 2009 calendar year was \$115.3 million, which shows that expenditure continues to be significantly less than what the previous 2007 figure showed, which was \$254 million.

Senator CAMERON—The spend is one issue, but the administrative framework that underpins that spend is also important. The National Audit Office drew attention in this report that prior to the November 2007 federal election the government's information activities were coordinated by the Special Minister of State. Is that your understanding?

Senator Ludwig—Yes.

Senator CAMERON—And the minister chaired what was called the Ministerial Committee on Government Communications. Are you aware of that body?

Senator Ludwig—Yes. I am familiar with the title and the name.

Senator CAMERON—The Auditor-General says that body:

... took key decisions relating to major and sensitive information campaigns (including advertising campaigns) undertaken by Australian Government departments and agencies.¹¹ Support for the MCGC was provided by the Government Communications Unit (GCU), located in the Department of the Prime Minister and Cabinet (PM&C).

Is that an accurate review of what took place under the Howard government?

Senator Ludwig—Yes, from my recollection and from what was reported. Of course, I was not in the Howard government. I think the salient points are that before the last election we promised to cut the expenditure on government advertising, which we did significantly, and introduce new and higher accountability and transparency standards, which we have. We have a strong record in doing just that. We have introduced tough guidelines which banned political advertising, removed the ministers oversight of the framework, increased the reporting requirements and significantly reduced the cost.

All of those three things the previous government did not address. They did not have a guideline that banned political advertising; they did not constrain their expenditure. In the 2007 year they spent \$254 million on government advertising. They did not have a

framework, which this government has, which provides for guidelines on that expenditure and explicitly bans political advertising. That is what this government has done. It has also ensured that it would be transparent and accountable, and that is why we released the report. We have released the statements of reasons. We then said that we would also undertake a review, which we did, and the review suggested changes—I accepted those recommendations as well—to simplify the framework and to ensure that the framework continues to be open, transparent and accountable.

Senator CAMERON—The reason that was undertaken was that there was quite a bit of criticism from the National Audit Office in relation to this MCGC, which was chaired by the Special Minister of State. I think Senator Abetz at one stage chaired that MCGC.

Senator Ludwig—The real issue here is that the Liberals continue to have no policy on government advertising. I have not heard one to date. For over a decade the Liberals had no checks and balances, and no guidelines that banned political advertising. The Auditor-General, even this morning, stated that the government has made significant progress on improving the delivery of government advertising. That is what the Auditor-General said today.

Senator KROGER—He also said—

Senator ABETZ—And—

CHAIR—I call the committee to order! Interjections are not helpful. The minister had the call to respond. You may not like the response but interjecting is unparliamentary. Minister, have you concluded you answer?

Senator Ludwig—Thank you.

Senator CAMERON—Under this system that was criticised by the National Audit Office, the former government spent, on what it described as workplace relations reform, \$49.2 million in 2005 and on workplace relations reform in 2007 a further \$64.9 million. This was all done without any guidelines or overviews. Is that your understanding?

Senator Ludwig—They spent about \$100 million on Work Choices, which was taxpayers' money, on 98,000 mouse pads, 77,000 pens and 100,000 plastic folders—34,650 of those mouse pads are still in storage. In 2007 Mr Howard was Australia's biggest advertiser. The mouse pads were not even biodegradable, as I said, so they continue to be stored and we continue to rack up the cost for their storage. The MCGC, which was the previous government's way of clearing advertising—they called it a ministerial committee—comprised the Special Minister of State and five other political members with ad hoc ministers who were attached. It was extensively criticised. There was the ANAO audit report on 30 June 1995, the ANAO audit report in October 1998, the Joint Committee of Public Accounts and Audit report back in September 2000, the Senate Finance and Public Administration Reference Committee in December 2005 and the ANAO audit report of 5 March 2009.

This government has acted in this area, unlike the previous one with all of those other ANAO reports which pointed to a requirement to change—which you didn't. But if you go back to look at what the ANAO said, they agreed on—and the Auditor-General himself recommended this—a small independent committee to deal with this, and that is where we are

today with revised guidelines that ensure they are effective, open, transparent and accountable. That is what you miss.

Senator KROGER—But—

CHAIR—Senator Kroger! Can I remind members that—

Senator RONALDSON—And—

CHAIR—Senator Ronaldson, I am speaking, if you don't mind. Parliamentary standing orders apply in estimates, as you well know, and I would appreciate it if people would not want to continue to interject and waste time. I will remind the committee members that Senator Cameron had the call and he put a question to the minister, who is responding, and the time allocated for questions is eaten up by the interjectors. Minister, please continue your answer.

Senator Ludwig—I have finished the answer, thank you, Chair.

Senator CAMERON—The ANAO report, and I really find this quite amazing, said under the Howard government:

The overall decision making framework for advertising campaigns, which was largely settled in the 1980s, was not well aligned with the requirements of the current financial framework.

Can someone explain what that criticism was about?

Mr Grant—I am sorry; I cannot. You would have to ask the ANAO. It is a fairly dated report now.

Senator CAMERON—November 2007.

Mr Grant—I am sorry. I just cannot answer it.

Senator CAMERON—Could you take that on notice for me? It is not the question of when this report—

Mr Grant—I will ask the ANAO.

Senator CAMERON—I want to put this to you. It is not the question of when the report was delivered. It is the fundamentals and the issues that are raised in this that are important.

Mr Grant—I understand.

Senator CAMERON—Do you agree?

Ms Mason—Senator, I suspect—

Senator CAMERON—Sorry; do you agree with that?

Ms Mason—I suspect the comment is to do with the previous arrangements predating the introduction of the Financial Management and Accountability Act. I suspect it is related to that, but perhaps we should go away and check.

Senator CAMERON—The report also goes on to say that 'uncertainty existed in regard to the relative responsibilities and authority of participants in the review and decision making processes'. Is that your understanding of the problems that your department faced under the previous government?

Mr Grant—I am not aware of dealings by Finance with campaign advertising under the previous government. I was not there.

Senator CAMERON—The report says:

The governance framework for campaign advertising created challenges for departments ...

You are not aware of any of these challenges? You do not know what that is about?

Mr Grant—Maybe I can put it into context. I have actually only been involved in campaign advertising since December 2007, I think, when only one element of the old Government Communications Unit was transferred to Finance. That was the element that dealt with the administration of contracts, for both campaign and non-campaign. So I actually do not have the background, I am sorry.

Senator CAMERON—So nobody from the department can help me on these issues?

Ms Mason—Not really. The department, I think, did have some involvement with the previous arrangements, probably through asset sales and things like that, probably with the Telstra 3 sale but we would not have here the people who would be able to make informed comment in response to your question.

Senator Ludwig—The only comment I could add is that of course we provide not only the information that the ICC might make a decision in relation to the guideline but we also, in the exemption process, provide the transparency of both tabling it and putting it about what the decision was and the correspondence. In addition, there is an additional thing, if we talk about Operation Sunlight more broadly, which I think Senator Ronaldson might have alluded to earlier. We have put the accountability and transparency in every aspect of government advertising, because we have ensured that every six months Minister Tanner and I report expenditure on advertising broken down by individual campaign. Every time a campaign begins the ICC must publish its compliance report on the Finance website.

That stands in significant contrast to the previous government's record in this area. This government has done a significant amount of work to ensure that there is open and transparent accountability in place not only in respect of the guidelines but also in the expenditure on government advertising. The ICC's advice goes on the website and each agency's secretary's certification goes on the agency's website as well when a campaign is approved by the secretary. This again is a significant improvement on the accountability mechanisms that the previous government employed.

Senator CAMERON—Minister, the Department of Education, Employment and Workplace Relations in their response to this ANAO report welcomed the ANAO's findings that the department faced significant challenges in, effectively, management, procurement and contracting associated with government advertising campaigns. There are a number of other issues that they raised where they were basically left with no role in relation to government advertising. Is that one of the reasons that the current government took steps to bring in some checks and balances and more accountability into advertising, given this ANAO report underlines clearly the lack of accountability and the lack of proper procedure under the Howard government?

Senator Ludwig—As I have indicated, that is what this government has done. It has not only made the guidelines and introduced them but also ensured that the accountability framework around those guidelines was there by providing both expenditure available once every six months. It has also made sure that the ICCs decisions are published online, that the secretary's certifications are there as well on their websites. Of course, in estimates it is available for the committee as well as we have made available today.

Senator KROGER—I want to go back very briefly to administrative staff. You mentioned that there was a junior officer in PM&C that had been assigned.

Mr Grant—That is correct.

Senator KROGER—Was that person a diary keeper, who made appointments—

Mr Grant—No, Senator. I think that person basically helped out as required. It could have been making appointments. It could have been actually taking facts and putting them into the report. It was very much an assistant's role.

Senator KROGER—Nuts and bolts stuff. Given that most of the support would have been from the department of finance, it would be reasonable to presume that Dr Hawke received administrative support to make appointments and to liaise. There are many conversations it takes to make one appointment and so on.

Ms Mason—Let me just be clear. The administrative support for Dr Hawke's review was provided by the Department of the Prime Minister and Cabinet. There was one person as part of that support secretariat provided by the Department of Finance and Deregulation and, as Mr Grant said earlier, that was a relatively junior person who provided administrative support as part of that secretariat.

Senator KROGER—So do you think that he had support given to organise appointments with secretaries of departments and other people he consulted in ascertaining what ended up going into his recommendations of that report?

Ms Mason—I really do not know, Senator, but we can take that on notice and make inquiries.

Senator KROGER—If you could take that on notice that would be good. I would have thought, whichever department, there would have been a record of appointments that had been made for him in terms of his consultations. I would be interested in you taking that on notice to get us some advice in relation to that. Minister, when the review was finalised, what was the process in terms of your consideration of the review? On what basis did you make an assessment as to what recommendations to adopt in the review because I saw that a number of the recommendations were not adopted by the government? What was the process in considering the recommendations made by Dr Hawke?

Senator Ludwig—Do you mean the process? I considered the recommendations. If you go to the \$250,000 one, Dr Hawke had made a recommendation of a significantly higher amount and the view that I came to in respect of that is that, for the purposes of openness and transparency, it should remain at \$250,000. I think that was the significant one in the second area. The report was from the secretaries and the secretaries briefed me on those

recommendations. It is a report of the secretaries, just dealing with a couple of issues that you raised.

Senator KROGER—If I understand what the process was, the final report was submitted to the secretaries, and they then made recommendations to you on which recommendations to adopt or not? And on the basis of that advice, you then made your determinations—is that right?

Senator Ludwig—Sorry, it was the report of the secretaries. It went to the secretaries first. What was the next part of your question?

Senator KROGER—So it was a report that went to the secretaries. They then reviewed the recommendations made.

Senator Ludwig—You would have to ask them what they did.

Senator KROGER—Minister, I am asking you because I presume that at the end of the day you finally signed off on this and, as you have said, in relation to a \$250,000 disclosure you made that change.

Senator Ludwig—But you asked me what the department were doing in terms of assessing it. I obviously cannot answer what they did. You certainly are welcome to direct that part of the question to the department to give you a view about that.

Senator KROGER—Minister, are you aware that Dr Allan Hawke said in his evidence this morning that many of the recommendations that he put in the review were observations that were made on the basis of consultations with secretaries and so on? I do not want to quote him incorrectly. He made the comment, ‘I did get it wrong. Sometimes I did get it wrong.’ Are you aware of those comments he made this morning?

Senator Ludwig—I have seen some of the transcripts of this morning. I cannot say that I recall all of it.

Senator KROGER—He was reflecting on the observation that he should have discussed his findings that reflected on the Auditor-General with the Auditor-General rather than not go back to him and give him an opportunity to address the analysis that Dr Hawke had made. He should have given the Auditor-General an opportunity to respond to the assertions that he had made in the report.

Senator Ludwig—Ultimately, I did not conduct the review. It was conducted by Dr Hawke and, of course, it was not for me to tell him how to undertake his independent review because it was independent from me. Ultimately, I have no reason to question the recommendations that were provided by Dr Hawke in his independent review to me.

Senator KROGER—Finally, did you have any discussions directly yourself with Dr Hawke about the report?

Senator Ludwig—He did consult with me. In fact, during the course of his review Dr Hawke consulted with the Auditor-General, Senator Faulkner and me, the chair of the Joint Committee of Public Accounts and Audits, Ms Sharon Grierson, 16 departmental secretaries and, I think, a small number of other relevant agency heads. That is my understanding.

Senator KROGER—Was that during the conduct of the review or at the end of the review?

Senator Ludwig—During the conduct of the review.

Senator ABETZ—Can you take on notice for me how many changes to the draft tabling statement were made that you were provided with by the department prior to its actual tabling?

Senator Ludwig—I will put the caveat on that I indicated earlier as to whether or not—

Senator ABETZ—I do not want the detail. All I want to know is the number of changes, so that does not go to the detail.

I refer you to your letter to the Treasurer of 24 May 2010, which goes for nine paragraphs, and I refer you to your statement, tabled in the parliament, which is only seven paragraphs and which bears, I have got to say, a very remarkable similarity to the letter you wrote to the Treasurer. Can you point out any material difference to the reasons and rationale you provided to the Treasurer on 24 May that differs—other than it is shorter and more concise—from the statement of 28 May?

Senator Ludwig—Can I say at the outset that I provided a letter to the Treasurer on 24 May—

Senator ABETZ—We know that.

Senator Ludwig—And I provided a statement to the parliament on 28 May.

Senator ABETZ—We know that.

Senator CAMERON—Point of order.

CHAIR—Your point of order?

Senator CAMERON—The minister is trying to respond and each time he responds Senator Abetz is interjecting. It is not proper that he does that.

CHAIR—Can I just remind members of the committee of the process: interjections are unhelpful. Senator Abetz had the call, and put a question to the minister. I am sure he is eager to hear the answer. I remind people that the clock is ticking.

Senator Ludwig—If I can be succinct then; in my view there was no material difference between the reasons. They are consistent between the letter and the statement of reasons that I provided in parliament.

Senator ABETZ—Can I suggest to you that it is virtually verbatim, other than it is shorter than the letter, and the excuse that you gave to this committee earlier tonight was that you did not table this statement for four days because you had to turn your mind to the reasons and rationale for this statement? Every single one of the reasons in this statement is contained in the letter four days earlier, but more expansively. So what was the real reason that you did not table this statement on 24 May?

Senator CAMERON—Chair, a point of order: Senator Abetz is not asking a question, he is being argumentative and putting propositions that cannot have an answer.

CHAIR—There is no point of order. Senator Abetz, have you concluded your question?

Senator ABETZ—Yes, absolutely.

Senator Ludwig—As I indicated earlier, from 24 May to the day I tabled the statement I did want to reflect on both the letter that I had written and then form the tabling statement. Senator Abetz, if you undertook what you are suggesting, that you would simply write a letter back and push out a tabling statement in a very short space of time without taking all of the matters into consideration and providing a proper statement to parliament, then I would be surprised—I really would be. You can have the confected outrage that you have now demonstrated but, quite frankly, I have explained that at the same time there were estimates going on and a range of other duties that I had to attend to during that period. It is not unsurprising to find that the letter was written on 24 May and sent to the Treasurer, and that I took a couple of days to provide a tabling statement.

Senator ABETZ—Can you tell us—and take it on notice—of any material difference between your statement and the reasons given to the Treasurer, because the decision had been made on 24 May, had it not? You provided the Treasurer with your decision—the decision had been made, you could not go back on that—and, therefore, you were obliged to give a statement to the parliament which contained absolutely verbatim the reasoning that you gave to the Treasurer.

CHAIR—Is this a question?

Senator ABETZ—Why the four-day delay in providing a truncated version to the parliament of that which you gave the Treasurer?

Senator Ludwig—I thought I had gone through—

Senator ABETZ—Because you were trying to squib.

Senator Ludwig—I thought I had gone through that with you. You may not take your parliamentary duties particularly seriously—

Senator ABETZ—Take it on notice—

Senator Ludwig—I do not need to take it on notice. I am providing you with a response. You may not take your parliamentary duties seriously. In providing the response to the Treasurer—

Senator ABETZ—I take them very seriously—

Senator Ludwig—Let me answer—I let you make your confected outrage. I provided a letter to the Treasurer on 24 May and I take my parliamentary—

Senator ABETZ—Your excuse—

CHAIR—Senator Abetz!

Senator Ludwig—I take my parliamentary duties very seriously unlike, it appears, you do.

Senator ABETZ—You should do what Mr Grant did—

Senator Ludwig—What you cannot now accept is your continual intervention—

CHAIR—Minister!

Senator ABETZ—He is winding down the clock—we all know that, Chair.

CHAIR—Senator Abetz, are you reflecting on the Chair? It is already past 6.30 pm and you are reflecting on the Chair and saying that there is some attempt to wind down the clock. I allowed you to have a final question at 6.30 pm—

Senator ABETZ—Unless you have had a sex change, Chair, I said he is trying to wind down the clock.

CHAIR—Senator Abetz; if you don't mind, I am speaking.

Senator ABETZ—You are making an allegation.

CHAIR—At 6.30 pm I gave you the final question. You put that question to the minister and the minister was responding. I ask the minister to conclude his answer so we can wind up the estimates.

Senator Ludwig—Thank you. I expect you to listen like I listened to your confected outrage. As I said, I take my parliamentary duties very seriously. I provided the response to the Treasurer—

Senator ABETZ—You did not.

Senator CAMERON—You should be ashamed. The Godwin Grech affair—remember that?

CHAIR—Senator Cameron and Senator Abetz, the minister has the call.

Senator Ludwig—Again, you try to say that—

Senator ABETZ—Very shameful—

Senator Ludwig—I reject—

CHAIR—It is past 6.30 pm. I would like to take the opportunity to remind senators that questions on notice must be to the secretary by 22 June and that the report will be tabled on 22 June in the Senate. I would also like to thank members of the committee. I would appreciate it when I am speaking if people would not talk over the top of me.

I take the opportunity to thank the minister, Ms Mason and the officials from the department for attending this evening. I also thank the secretariat and put on the public record our appreciation to Hansard staff. I declare this session of estimates concluded.

Committee adjourned at 6.33 pm