



COMMONWEALTH OF AUSTRALIA

Official Committee Hansard

SENATE

FINANCE AND PUBLIC ADMINISTRATION LEGISLATION
COMMITTEE

ESTIMATES

(Additional Estimates)

MONDAY, 21 FEBRUARY 2011

CANBERRA

BY AUTHORITY OF THE SENATE

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SENATE FINANCE AND PUBLIC ADMINISTRATION**LEGISLATION COMMITTEE****Monday, 21 February 2011**

Members: Senator Polley (Chair), Senator Fifield (Deputy Chair) and Senators Faulkner, Kroger, Siewert and Stephens

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

Senators in attendance: Senators Abetz, Back, Bernardi, Boyce, Coonan, Cormann, Faulkner, Fierravanti-Wells, Fifield, Forshaw, Heffernan, Humphries, Hutchins, Kroger, Ludlam, Moore, Parry, Payne, Polley, Ronaldson, Ryan, Stephens and Trood

Committee met at 8.59 am

PARLIAMENTARY DEPARTMENTS**In Attendance**

Senator Hogg, President of the Senate

Department of the Senate

Dr Rosemary Laing, Clerk of the Senate
Mr Richard Pye, Deputy Clerk of the Senate
Mr Chris Reid, Clerk Assistant (Committees)
Ms Bronwyn Notzon, Clerk Assistant (Procedure)
Ms Maureen Weeks, Clerk Assistant (Table Office)
Mr Brien Hallett, Usher of the Black Rod
Mr Joe d'Angelo, Chief Financial Officer
Mr Simon Harvey, Director Parliamentary Education Office

Department of Parliamentary Services**Departmental overview and major corporate issues**

Mr Alan Thompson, Secretary
Mr David Kenny, Deputy Secretary
Ms Roxanne Missingham, Parliamentary Librarian
Ms Liz Bryant, Assistant Secretary, Projects Branch (formerly the Product and Service Development Branch)
Mr John Edwards, Senior Project Officer, Projects Branch
Ms Judy Konig, Chief Finance Officer

Output 1—Parliamentary Library services

Dr Dianne Heriot, Assistant Secretary, Research Branch
Ms Judy Hutchinson, Assistant Secretary, Information Access Branch

Output 2—Building and occupant services

Ms Bronwyn Graham, Assistant Secretary, Building Services Branch

Output 3—Infrastructure services

Ms Freda Hanley, Assistant Secretary, Infrastructure Services Branch

Output 4—Parliamentary records services

Mr Paul Oglethorpe, Acting Assistant Secretary, Content Management Branch

CHAIR (Senator Polley)—I declare open this meeting of the Senate Finance and Public Administration Legislation Committee. The Senate has referred to the committee the particulars of proposed additional estimates expenditure for 2010-11 for the parliamentary departments and the portfolios of Prime Minister and Cabinet, and Finance and Deregulation. The committee may also examine the annual reports of the departments and agencies appearing before it. The committee has fixed Friday 15 April 2011 as the date by which answers to questions on notice are to be returned. I request that questions be provided to the secretariat by the end of this week.

Under standing order 26, the committee must take all evidence in public session, including 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 into *Hansard*.

The extract read as follows—

Order of the Senate—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).
 - (d) requires the Procedure Committee to review the operation of this order and report to the Senate by 20 August 2009.

(Agreed to 13 May 2009.)

(Extract, Journals of the Senate, 13 May 2009, p.1941)

[9.01 am]

Department of the Senate

CHAIR—I thank the department for again providing the committee with updated information on Senate committees. Mr President, do you wish to make an opening statement?

The PRESIDENT—No.

Senator CORMANN—Clerk, I have a series of questions about the status of orders of the Senate. I will start off with trying to assess whether freedom of information requests are somehow more compelling than orders of the Senate. I ask because in the *Financial Review* last week there was an article about the mining tax that talked about \$60 billion less in revenue as a result of changes in the mining tax that had been negotiated by the government. There were two committees of the Senate—the then Senate Select Committee on Fuel and Energy and the Senate Select Committee on Scrutiny of New Taxes—that sought information specifically about the breakdown between mining tax revenue on coal and iron ore, which were never provided to the committee by the government. No explanation was ever provided to us as to why it was not in the public interest for that information to be provided. Yet, in response to an FOI request by a media outlet that information was provided spontaneously. I am just interested in your comment about how appropriate it is for the government to ignore reasonable and legitimate requests for information from the Senate, yet when there is an FOI request by a media outlet somehow that does not seem to be a problem?

Dr Laing—That sounds like a very disappointing situation. The fact is that the FOI regime is a statutory regime for anybody to seek access to information held by government. It began in 1982. It was seen as one of the big reforms of the time. The power of the houses to order the production of documents goes back centuries and it is very disappointing if government departments see that power as now being almost secondary to the FOI Act. The two things cannot really be compared, but the power of the houses exists over and above the FOI Act. Public servants should be aware of this and it is very disappointing if they are not.

Measuring the provision of information in particular to the Senate in terms of the FOI Act, many years ago a government leader in the Senate suggested that the FOI Act exemption provisions would perhaps perform a benchmark for assessing public interest immunity claims. The Senate very firmly rejected that, and it was referred to the Procedure Committee. The Procedure Committee said that the exemption grounds in the FOI Act had nothing to do with the power of the Senate to require the production of information and that such claims should not be advanced in the future. So there is a very clear distinction between FOI and the underlying and overarching power of the houses. I think we just have to try and educate people.

Senator CORMANN—But we do not seem to have that much power, though, because the government gets away with ignoring orders—ignoring them totally—that are passed by the Senate. The government does not even provide an explanation as to why the information is not provided in response to an order of the Senate, whereas with FOI requests there appears to be some process to achieve resolution if governments are not prepared to release that information. What power does the Senate ultimately have if governments can just thumb their noses at us?

Dr Laing—The Senate has a broad range of powers. Yes, there is a statutory framework in the FOI Act that provides for internal review and then external review. We now have an Information Commissioner to oversee that whole process. As far as the Senate's powers are concerned, ultimately it has the power to imprison and fine for contempt. It also has the power to impose a whole range of procedural penalties. You would know that in these circumstances the solutions are political ones rather than in terms of exercising actual powers—and they always have been. By that I mean that the houses of parliament have in these circumstances tended to refrain from using their full powers, and the solutions have been political ones. Sometimes procedural penalties or procedural mechanisms can encourage governments to comply. For example, the Senate has in the past imposed numerous procedures to encourage government compliance and has often been successful. Those procedures range from simple things like requiring ministers to provide explanations for lack of provision of documents, delaying the consideration of relevant legislation, requiring question time to go on for longer—although, I am not sure how that is actually a penalty; but that is an editorial aside—and all sorts of things like that.

Senator CORMANN—So when you say ‘solutions are political’—

Dr Laing—Sorry, if I could just say one more thing. It is up to a majority of the Senate to take that step and impose the penalty.

Senator CORMANN—When you say ‘the solutions are political’, if the Treasurer continues to ignore the Senate and continues to refuse to provide information in response to requests, we have just got to name and shame. Is that what you are suggesting?

Dr Laing—The solution is in the hands of a majority of the Senate.

Senator CORMANN—You mentioned the Information Commission. The Senate on a number of occasions has sought to take advantage of what was supposed to be a new arrangement to arbitrate disputes between the houses of parliament and the government about the release of information. This was part of a deal that the minority government entered into with the Greens and some Independents. We have sought to get the Information Commissioner to get himself involved in this. He has refused, saying that he has not got the power to do so. Do you share his view?

Dr Laing—Could I make one distinction first. The Senate on its own does not have the power to require the Information Commissioner to arbitrate. What it has the power to do is require him to produce a document. It has the power to require a document to be created for the purpose of satisfying a Senate order—and there are many, many examples. I think you tabled a list, Senator Cormann, where the Senate required statutory authorities to produce a document which was the result of some inquiry or analysis. That, to me, seems settled practice. I am quite surprised that the Information Commissioner has taken the line that he has, which is one of very strict statutory interpretation. His statute does not encompass this specific function; therefore, he claims that he is not empowered to produce the document. My argument is that the power to require the production of the document is an overarching and underlying power that in some senses makes the statute irrelevant.

Senator CORMANN—The Senate has required the Information Commissioner to produce a document in relation to some of the information we were after. It is quite clear that the Senate has the power to do so and that the Information Commissioner should comply. There is ample precedent for that.

Dr Laing—That is so.

Senator CORMANN—A pretty bad trend seems to have developed in recent months, Clerk, because the Productivity Commission has also come back to us about a report asked for by the Senate on the subject of superannuation funds under modern awards. The Information Commissioner has expressed a view that these sorts of reports can only be commissioned by the Assistant Treasurer. That would not seem to be right either, then.

Dr Laing—I have not seen any detailed reasons from the Productivity Commissioner—

Senator CORMANN—There was a very short letter.

Dr Laing—Yes, and they have not expanded on that. It seems to me that the Productivity Commissioner is looking at the task only in terms of his enabling statute. That statute sets up a process for the commission to carry out inquiries and undertake research—it carries out its enquiries at the instigation of a minister. I think this is another case where there is some tunnel vision on the statute and a lack of appreciation of the wider power of the houses. Again, I think the Senate was asking the Productivity Commissioner to produce a document. Within

that task, obviously, some research would have been involved. Again, there are many examples where statutory authorities have done this sort of work in the past.

Senator CORMANN—Yes, I have a long list of examples from the period of the Hawke and Keating governments and from the period of the Howard government where statutory agencies complied with these sorts of requests. This phenomenon of statutory agencies declining to comply seems to be a recent one. What can the Senate do to educate some of these agencies about what they are obliged to do as agencies set up by the parliament?

Dr Laing—Perhaps it is time for a reference to go back to the Privileges Committee on this matter. Statutory authorities themselves are a relatively new phenomenon. It was in the second half of the twentieth century that we started getting a lot more statutory authorities. The Senate had a long struggle throughout the seventies and eighties to, if you like, exert its authority over statutory authorities and at the back of the standing orders volume there is a whole string of resolutions which say things like, ‘there is no area of public expenditure which is beyond the power of the Senate to inquire into’ and ‘statutory authorities are as accountable as everybody else.’ There was a long battle with the ABC in the 1980s and a number of resolutions came about as a result of that. So there is a body of Senate practice and Senate resolutions on this.

Back in the nineties, the Privileges Committee required all heads of executive departments to provide a document to the Senate indicating what training their senior officials had had in matters of parliamentary law and practice. At the time the Public Service Commission ran courses which looked at this issue in particular. The Senate department did and still does run courses for senior officials—the course is called Parliament, Privilege and Accountability. We are still running those courses and maybe it is time for the whole issue to be looked at again—to see what can be done to raise the knowledge of senior officials about the practices of parliament. I think there has been a huge generational change in the Public Service and some of the old-fashioned mandarins who did know the role of parliament—who could spell it—have been retired and have been replaced by people who, while obviously fantastic at what they do, have had less emphasis on that accountability to parliament.

Senator CORMANN—There seems to have been an attitudinal change as well as a generational change, Clerk. If the government were true to its word, that this was going to be a new era of openness and transparency, we would all be much better off. I will leave it there.

Senator FAULKNER—Clerk, I want to ask you some questions about the tabling of petitions, because I believe in some of the recent press coverage I have seen about this there may be some misunderstanding about the conventions in relation to this matter. I wonder if you, as Clerk, would outline to the committee what your understanding is of the conventions that apply when senators table petitions—that is, any petition, whether or not they happen to agree with its content?

Dr Laing—As you know, petitions circulate in the community. Many members of parliament have, or certainly used to have, petitions in their offices that people sign. But, by whatever means, petitions are formulated and sent to a member or senator to present to the parliament. It is one of those ancient rights, I guess, that goes back before representative democracy. The Senate has standing orders regarding the presentation of petitions and they set

out some benchmarks about the form and content of the petitions. There is no judgment made about the substance of the content and, provided a petition conforms with those formatting rules—in other words, it has to be addressed to the Senate and it must require an action that is within the competence of the Commonwealth—the senator to whom the petition has been sent simply certifies the number of signatories on the face of the document and drops it in the petitions box and it is presented. There is no notion that by doing that the senator is in any way signing up to the content of the petition. What the senator is doing in presenting that opinion, which is out there in the community—it may be held by as few as one person—is acting as a conduit between the community and the Senate. A petition with one signature on it is as valid as a petition with 100,000, provided it conforms with those basic rules in the standing order. The senator is acting as a conduit between the community and the Senate in presenting the petition and not associating themselves with the content.

Senator FAULKNER—Thank you for that. I think that is a very good encapsulation of how this process has worked. Would you describe the terminology process? Is it fair to say that that process is a longstanding convention of the Senate?

Dr Laing—In terms of presenting a petition that you may not agree with?

Senator FAULKNER—Yes.

Dr Laing—Yes, certainly it is. There have been a lot of petitions presented over the years and in my experience, as a person working in the Table Office 20 years ago, you would get many orphan petitions. Petitions would be dropped in the petitions box without a signature from a senator, stating how many signatures there were. We would go around to the whips offices in those days and say, ‘We’ve got some orphan petitions,’ and the whips would say, ‘Leave them with us. We’ll fix it.’

Senator FAULKNER—What happens now in that circumstance?

Dr Laing—Similar things. I believe that still happens. We probably get fewer orphan petitions these days because the rules are better known. We have more online resources, for example, talking about how to go about presenting these things and containing the proforma. But if a senator asks any of us as officers to look after a petition because they do not want to present it, we would find a home for it.

Senator FAULKNER—Are you able to tell us, Dr Laing, how long you understand this convention has been in place?

Dr Laing—Forever. For as long as there has been a Senate.

Senator FAULKNER—There has been some change, hasn’t there, in the way the presentation of petitions is dealt with before the chamber?

Dr Laing—Yes, there has.

Senator FAULKNER—Would you be able to briefly outline that? There have been some changes certainly in the last 20 years.

Dr Laing—The main changes have happened since the seventies. They were really brought about because of pressure on Senate time. Until the late seventies senators used to present petitions orally and individually. Senators would stand up and say, ‘I have a petition here.’

Then they would read the whole terms of the petition and say how many signatures there were. One day, in the mid-seventies, I think 60 petitions were presented and it took rather a lot of time. So the matter was then referred to the then Standing Orders Committee and continued to be referred to the Standing Orders Committee over the next few years to see whether it could come up with ways of shortcircuiting the presentation process. That has gradually been streamlined. Twenty years ago, the role of the Clerk was to read out a brief description of each petition, with the number of signatories. Now it has been even further streamlined since the late nineties where the Clerk simply says, ‘Petitions have been presented by honourable senators. With the concurrence of the Senate the terms of the petitions will be incorporated in *Hansard*.’ A list describing the petitions is circulated in the chamber.

Senator FAULKNER—Are you aware of any petitions that have remained—to use your terminology, which I think is appropriate—‘orphan petitions’ which end up never having been presented? Are you aware of any instances at all, regardless of content?

Dr Laing—No, I am not aware of any. We always find a home for orphans.

Senator FAULKNER—That is good. You can only provide a Clerk’s view on this but, if you wish to, you may reflect on whether you think the convention, the approach—call it what you will—works well?

Dr Laing—Yes, I believe so. I think there has been a great falling off in the number of petitions presented to the Senate. I do not want to speculate on the cause for that, but people have more access to politicians through email and through other means of communication. They do not need to rely so much on the old-fashioned devices. But a petition is a barometer of community opinion about issues. There will be issues from time to time that do generate petitions.

Senator FAULKNER—It can lead to a situation—it certainly has in my own case—where I have presented petitions in accordance with those processes or procedures that you have just outlined to the committee, the content of which I frankly do not agree with. That is not a particularly unusual circumstance, is it?

Dr Laing—Not at all. That really is the convention at work

Senator FAULKNER—It even leads, doesn’t it, at times to where you can have a senator presenting petitions, effectively, at the same time which promote very different sides of any debate? To use the accepted understanding of the debate, pro-life and pro-choice petitions are a good example in my own experience. Are you aware of that?

Dr Laing—Yes, indeed, that is the case. That illustrates the convention beautifully—how you are not signing up to the content; you are simply acting as a conduit between that community opinion and the Senate.

Senator FAULKNER—I think your explanation of the convention is useful, but do you think it is a convention that perhaps is either not well understood or easily misunderstood?

Dr Laing—I think that events last week, with the press coverage of a certain petition, indicate that the conventions are less well understood than perhaps they used to be.

Senator FAULKNER—Do you have any suggestions, as far as the Department of the Senate is concerned, perhaps in some of the educative material it produces it may better

explain that this is a longstanding convention of the Senate and how the convention works. Do you think that is worth while?

Dr Laing—We can certainly have a look at what we publish. I think we could say that, since we have been publishing online resources about things like petitions, conformity with the standing orders has improved. You get far fewer petitions that are not in conformity being lodged. We can have a look at that. But I do note that in the *Canberra Times* coverage last week, I think by day 2 when the penny had dropped, the articles were blithely quoting our internet materials and saying things like:

Only Senators may present petitions, so a person wishing to petition the Senate must forward the petition ...

et cetera, and:

... there is nothing in the rules of the Senate to compel a Senator to present a petition, most Senators take the view that they should seek to present any petition forwarded to them, even if the views represented in the petition do not reflect the views of the Senator presenting it

I am quoting from our material, but I could be quoting from the *Canberra Times* article. So the very kerfuffle, I guess, provided an opportunity to raise awareness in the community. There were many letters to the editor, many of which got the point. We can have a look and see if we can make it clearer.

Senator FAULKNER—On the use of the word ‘compel’: there is nothing that compels a senator to do that—there is nothing that compels a senator to do a lot of things at the end of the day—but you are not aware of any situation historically where a senator has not acted in conformity with that longstanding convention?

Dr Laing—None that I am aware of, no.

Senator RONALDSON—The unquestioned lodgement is part of the convention?

Dr Laing—Yes.

Senator RONALDSON—It is now quite easy for someone to access the wording of a petition, is it not? Compared to the situation historically, when people may well have had to go to a member or senator to get the wording, the wording is now easily accessed?

Dr Laing—That is right. The proforma petition is available online, in a number of places on our website.

Senator KROGER—I want to follow up the brief report that you put out recently on the number of references to committees and where we are at in the 43rd Parliament. I note that you have said that the number of references in the 42nd Parliament increased by about one-third—32.5 per cent, or something like that, with 75 more references—on the previous year. Is that right?

Dr Laing—Yes. The last parliament was a bit of a record in terms of the number of references.

Senator KROGER—You note that there are 42 references for this parliamentary year to date. How does that compare to last year at the same point in time?

Dr Laing—I will take that on notice and give you a comparison of the references to the point we are in this parliament with the first year of the last parliament?

Senator KROGER—Yes, where we are in the 43rd. Given your experience, is there a sense that we have not perhaps had as many references at this point in time as we had in the 42nd Parliament, when there were 309 in total?

Dr Laing—Based on a gut feeling rather than a scientific analysis, I would agree with you that we are a bit below.

Senator KROGER—Given the ebbs and flows of work requirements, how do you manage staffing?

Dr Laing—We have a core staff in the Committee Office and although those staff are notionally assigned to a secretariat they are nonetheless very mobile. If one secretariat has a lot of references we can engage staff in other secretariats to help out on those references. Quite a lot of that goes on. We also have access to additional temporary staff; quite a few long-serving, experienced committee staff who have retired are available on an on-call basis to come back in for, say, a few months and help out. That is a very valuable resource that we have to supplement our core staffing, because they not only bring back with them the expertise in how to go about a committee inquiry but also undertake a fairly subtle training role as well, saying: ‘No, no, this is how you do it. All of you young things, this is how we do it.’ They are a very valuable resource from that point of view.

We are also involved in a number of programs that do provide us with additional resources. We participate in the graduate program, for example, whereby young graduates who have joined the Public Service can do a rotation with the houses and they tend to work in our committee office. We also have another program called Working in the Senate Experience, or WISE, whereby we advertise for expressions of interest for full-time public servants at a particular level to come and work with us for a year. So with all of those things we have a mobile and flexible workforce with the ability to respond to the peaks and troughs.

Senator FIFIELD—Dr Laing, how are the sales of the annotated standing orders travelling?

Dr Laing—It is not a best seller. It was never intended to be a best seller. The actual number of sales I will get for you on notice. It is a modest amount. I think that we are on the way to covering our printing costs. Although it looks like a very nice book, it was actually a very modest production.

Senator FIFIELD—I have no doubt. It is a cracker of a book. I just did not want it to go unappreciated today.

Dr Laing—Thank you, Senator.

Senator MOORE—Madam Chair and Mr President, this is the appropriate moment to put something on the record in this particular estimates given the fact that we have talked about the staffing of committees. I want to put on the record that Cleaver Elliott has left employment in your area, Madam Clerk, and note our respect for him. He trained all of us for a long time on coming to Senate estimates and I want to put on the record at this estimates the fact that he will be missed and we respect the service that he provided to our area.

Dr Laing—Thank you. He is currently on long service leave pending retirement. You will be pleased to hear that he is doing a few assignments with developing parliaments—he has been in Tonga recently and he went off to Vietnam this weekend—and he is carrying out good work.

CHAIR—As there are no further questions, we will move on to the Department of Parliamentary Services. Thank you very much, Dr Laing, and the officers of your department.

[9.34 am]

Department of Parliamentary Services

CHAIR—I welcome Mr Alan Thompson and officers of the Department of Parliamentary Services. Mr Thompson, do you wish to make an opening statement?

Mr Thompson—Thank you, Madam Chair, I will. Since the October 2010 hearings, the Department of the Parliamentary Services has been very busy serving the needs of the parliament. We had the last sitting weeks of 2010, the various committees that were running right through the Christmas period and, of course, the first sitting week of 2011 very recently.

In parallel with that, we have had a large range of improvement works underway. One of the most interesting relates to the end of the drought. We are very aware of the grief that has caused to a lot of people in Queensland and Victoria, but it has given us the opportunity to replant a lot of the lawns around here, which were in a desperately sad state. A lot of them have now been replanted with couch grass, especially those viewing strips running down from Parliament Drive, the areas around the ministerial wing and the northern edges of Parliament House. That couch grass will be a lot more drought resistant into the future. Similarly, we have been able to reactivate a lot of the water features, given that the water restrictions have now largely come off in Canberra.

A raft of capital works projects have been completed, and I will mention three. We have just completed a new mailroom, down by the loading dock, and that is a much safer workplace for our staff and will be a lot more effective in the vetting of mail. We have just done an upgrade of what is called security point 3, which is where you come out of the marble foyer into the private areas. The largest of these projects just completed is the new broadcast cameras and robotics, which you can see examples of in this room. The old cameras and robotics were at the end of their life, mostly well over 10 years and becoming unreliable. It is wonderful to have the new ones in place.

Senator FIFIELD—Do we look better?

Mr Thompson—It is in the eye of beholder, Senator. We also have quite a lot of project work continuing. For example, car park lighting is being replaced, largely because of very unsafe fittings which were 20 years old and needed desperately to be replaced. A new website is well underway, which Roxanne Missingham has oversight of. We have a large project to replace the so-called parliamentary computing network. You may have noticed people with cables in the corridors, and that is all part of that project. Most of the hardware that we are using is 10 or 11 years old and, in computing terms, that is very old.

The final project I will mention is a very small trial we are doing internally to test the use of iPads rather than paperwork. A number of middle and senior officers are using them now.

Roxanne has become part of the trial. We do not know what the future is but it does seem to us very likely over the next coming while that both staff and, especially, politicians will start to use this sort of equipment, and we think it is worth testing how it can be connected into the network and how easy it is to run a business that way rather than with the extra paper. We hope to get to an endpoint in the next few months, but we think it is a very interesting little trial.

The final thing I want to mention is that we have been busy over the last few weeks and months writing contributions to the committee inquiry into the proposed Parliamentary Budget Office, chaired by Senator Faulkner. Work with that committee is continuing, and I think it is a very important set of deliberations for the parliament. I will leave that on the table. We are very happy to answer any questions the committee may have.

Senator CORMANN—I have a few very quick questions. In relation to the Parliamentary Budget Office—I am conscious of the inquiry, which I think is supposed to report by the end of March—what sort of preparatory work has been done internally, if any, to get yourself geared up to run the Parliamentary Budget Office?

Mr Thompson—At the outset I need to say that I do not think it is necessarily a foregone conclusion that it will be. It will certainly be a Parliamentary Budget Office to serve the needs of the parliament, but the institutional arrangements for where it might sit organisationally, if you like, are very much a call for the committee. I do not think it is for us to speak of.

Senator CORMANN—Clearly the agreement between the government and the various Independents envisaged that it would be housed within the Parliamentary Library.

Mr Thompson—That was the agreement, but I think you would note that the terms of reference of the committee were not as specific. We are choosing to respect the terms of reference of the committee.

Senator CORMANN—So the terms of reference were not as specific as the agreement between the government and the Independents.

Senator FAULKNER—It was not an agreement between the government and the Independents; it was an agreement between the government, the opposition and the Greens. But, nevertheless, Mr Thompson's point to you is right about the terms of reference for the Joint Select Committee on the Parliamentary Budget Office. I am just correcting your incomplete description.

Senator CORMANN—Senator Faulkner, I am reading here from the agreement between the government and Mr Oakeshott and Mr Windsor. I know that the government is forgetting some of these parts of the agreement.

Senator FAULKNER—Yes, signed also by the opposition.

Senator CORMANN—It says the Parliamentary Budget Office will be established in the Parliamentary Library—

Senator FAULKNER—You are quite right about the element that you are highlighting—absolutely correct. But you might also care to reflect on the fact that that was also signed by the federal opposition. That is all I am saying. There is no suggestion that what you are suggesting is not part of the agreement.

Senator CORMANN—Which must make it a very good agreement. At this point in time, though, you are saying that it could well be that the Parliamentary Budget Office will not be located within the Parliamentary Library. Is that so?

Mr Thompson—I do not want to canvass that unduly. The committee has already had some hearings. I have provided a submission to the first round of hearings, as did Roxanne Missingham in her role as Parliamentary Librarian. I recently provided a supplementary submission and there are further hearings, I think, in about a week.

Senator CORMANN—I have a very high regard for the Parliamentary Library; I think they do outstanding jobs for us as members of parliament. Certainly I have been on the receiving end of some very high-quality work from the library and I am very grateful for it. But I was surprised to read that officers of the Treasury seemed to be of the view that it would not be possible for the library or the Parliamentary Budget Office to cost election commitments without being involved in the daily management of government finances. Have you got a view on that?

Mr Thompson—Again, I seek some guidance from Senator Faulkner because I do not think we want to ventilate all of the issues to do with the PBO here.

Senator RONALDSON—Madam Chair, on a point of order, this is a reasonably free-flowing discussion but it is most unusual for a senator appearing in this committee, not in an official capacity, to be answering a range of questions like this. Senator Hogg is the appropriate representative. I do not necessarily want to say to you that there should not be a debate, but we are really, I think, getting to the outer reaches of what is appropriate in this estimates committee of the Senate.

Senator FAULKNER—On the point of order, if it assists, my view on all these sorts of things is that nothing should be off limits with questions—

Senator RONALDSON—That was not your view when you were a minister.

CHAIR—Senator Ronaldson, if you could just listen to the point of order, please.

Senator FAULKNER—If you had just waited until I completed my sentence, you probably would not have made that interjection. In relation to the administration and functioning of DPS, nothing should be off limits. I would only reflect on one thing: as Mr Thompson has said, there has been a supplementary submission from DPS to the Joint Select Committee on the Parliamentary Budget Office. At this stage the committee has not determined that it be released publicly. So I would make that point; I hope that Senator Ronaldson and others might acknowledge its good sense. Generally, of course, these things are matters of public debate. My concern earlier was just to make sure that, if we going to do it, we may as well do it in a way that is absolutely accurate—hence my correcting Senator Cormann's questions in relation to signatories to the document.

CHAIR—Mr Thompson, did you complete your answer in response?

Mr Thompson—There is one point I would make about the Treasury and Finance submission. I too have a very high regard for the work and the products produced by the Parliamentary Library, and I think they do as well. I think the central point they were making was they do run into what they call a peak workload in and around their role—both the

Treasury and Finance—in that charter of budget honesty pre-election period. They quoted large staff numbers that are involved in this costing process just before each election. They were primarily raising a logistical question about how that could be accomplished by a separate Parliamentary Budget Office. I think that was the gist of what they were saying.

Senator CORMANN—Obviously these are matters of public interest. There has been some debate in the context of the last election about election costings and the credibility of costings out of Treasury. Of course there is a view that parliament is in charge of its own destiny and that there would be some opportunity for this whole process to be more independent of executive government. So this is an important issue which all parties in the parliament have signed on to. In that context, you are not in a position now to give us any indication as to by when a Parliamentary Budget Office would be likely to be up and running? I understood the committee chaired by Senator Faulkner—and I am reading here from the agreement—was there to look at structural resourcing and protocols for such an office but that the decision to have one located in the Parliamentary Library was already taken. Do I take it from you that we are taking a step back from that now?

Mr Thompson—Not at all. The agreements were struck and then both chambers took the decision to establish this joint select committee with terms of reference. That committee is to report by 31 March. My assumption is that committee will recommend to parliament some timing for whatever might pass thereafter.

Senator CORMANN—There are other parliaments around the world, like the US congress and so on, where they do have parliamentary budget offices or equivalents in operation. So, if they can do it, surely we would be in a position to be able to do it here in Australia, I would have thought.

Mr Thompson—I do not believe there is any question about our logistic capacity to have one of these entities.

Senator CORMANN—The capacity to do costings is not something that only executive government bureaucracies can do. That would be a fair observation.

Mr Thompson—Absolutely not.

Senator FIFIELD—Mr Kenny, I think that, at one of the hearings of the committee looking at the establishment of the Parliamentary Budget Office, evidence was given that Parliament House is basically at capacity in terms of staff accommodation and that, if a Parliamentary Budget Office were to be established, the possible sites could include the ministerial staff car park or the Senate-side football field. That was reported in the *Canberra Times*. I do not necessarily accept that as an accurate reflection of the evidence presented at the committee, but could you just comment as to whether the House is full and whether the DPS is canvassing options like footy fields and car parks.

Mr Kenny—The article in the *Canberra Times* was not accurate and there was a letter signed by Alan and Roxanne shortly afterwards correcting it and pointing that fact out. Yes, the building is essentially at capacity. For example, when the Parliament House briefing room was constructed, which displaced a small number—a bit under 20—of DPS staff for the period of construction, we had to house those people offsite whilst we created some more space for them, which is now being developed behind the staff dining room. Obviously I state

that to say that if there had been some spare offices then we would not have had to inconvenience those people by making them go offsite down the hill a little bit.

In terms of history, I understand there have been quite a large number of accommodation reviews done of this place since it was built. In fact, I understand the first one was undertaken before the building was occupied. One of those that I am aware of did canvass a range of options such as building extra spacing and the ministerial wing underground car park. I think it canvassed all sorts of other possibilities; I cannot recall whether the Senate football field was one of them. That work was some time ago and I do not think you could call it ‘currently being considered’.

Senator FIFIELD—So the aesthetic and design integrity of the building is not something that you seek to compromise in looking at additional staff space.

Mr Kenny—Absolutely not.

Senator FIFIELD—That is good. What about that sort of rock cathedral in the bottom of the building? Is that a space that could be used?

Mr Kenny—That again is one of the spots which frequently comes into consideration because it is a large void and it obviously is within the building.

Senator FIFIELD—A void in the heart of Parliament House.

Mr Kenny—Yes. Again a bit of history. What is now the Parliament House briefing room was first considered quite some years ago, I think it might have been 2006 or around that period of time, and constructing a facility in the cathedral was one of the things that was considered and preliminary costings were prepared. Subsequently it came up again with the new one and in fact Alan Thompson had some thoughts about how the space might be used which were different to the options that had been canvassed in the original considerations.

Mr Thompson—Can I add to that by saying that it is an interesting part of the design of this building that there are three large voids under the grass ramps. By far the biggest one is the cathedral space, which is over towards Canberra Avenue. It happens that we are using the second-largest of them in building the office spaces behind the staff dining room now, and that will be partly to bring people back from being off-site and partly, and this is very important, to bring a lot of our office staff out of basement accommodation. It is a bit like being in a submarine down there and we think we can do better. We are going to make use of the space just behind the staff dining room. The third one still worth mentioning is behind the recreation centre, the swimming pool area. There is another void there and in due course when and if this institution expands that could also be used at some stage in the future. But I think the current work we have behind the staff dining room is partly to allow the staff to come back up the hill from the Attorney-General’s Department and partly to get some 40 of our staff out of these basement offices with no daylight.

Senator FAULKNER—I have a couple of questions. I quickly add that there is no self-interest in this because I have never played billiards in my life, nor do I intend to start at this age. Didn’t the area behind the staff dining room have a big billiards table in it?

Mr Thompson—When this building was built we think it had three billiard areas: one on the Senate side, one on the House of Reps side, both on level 2, and the one down behind the

staff dining room. Over the years it would be fair to say billiards has become less and less popular. There still is the one operating and used very occasionally on the House of Reps side. Even the one on the Senate side I think has now become a place for storage of furniture. People are simply not playing the game anymore.

Senator FAULKNER—I am sure that is right. As I say, I have never played the game. But did these places have billiards tables?

Mr Thompson—The one behind the staff dining room did have two full-size billiard tables.

Senator FAULKNER—What are they worth?

Senator RONALDSON—Not much these days.

Mr Thompson—Not much, yes.

Senator FAULKNER—How much is not much?

Mr Thompson—I cannot recall the disposal price. It was quite modest.

Senator FAULKNER—So you have sold them.

Mr Thompson—Yes. We still have in our possession the one on the House of Reps side.

Senator FAULKNER—So how many billiards tables have you flogged off?

Mr Thompson—I think we sold the two of them.

Mr Kenny—We sold three tables in total, two full-sized billiard tables and one small pool table. The price for each of them was \$2,000 or a bit over.

Senator FAULKNER—What did they cost when we bought them?

Mr Kenny—I do not know the answer to that but the book value of the billiard tables at the time of disposal was \$1,500.

Senator Faulkner—Is there one billiard table left in this building?

Mr Thompson—There are still two spaces available but only one of them has a billiard table in it simply because it is used so—

Senator Faulkner—Not that I know much about billiards, but I gather it would be hard to play billiards if there were not a billiard table.

Mr Thompson—Yes.

Senator Faulkner—Would that be right?

Mr Thompson—My recollection of the Senate space is that the table is still in the back of the room but the front of the room is now full of furniture because nobody is using it; it is just used for storage.

Senator FAULKNER—So there is one operating billiard table left and one non-operating billiard table. Is that right?

Mr Kenny—Senator, you are testing my memory, but I think there is one operating billiard facility and it may have two billiard tables in it.

Senator Faulkner—Behind the staff dining room was some sort of staff billiards room. Is that right?

Mr Thompson—Yes.

Senator Faulkner—And it is now going to be accommodation, or it is in the process of being made accommodation for work space. Is that right?

Mr Thompson—That is right, yes.

Senator Faulkner—You might take this on notice for me. I would be very interested to know—that is not right; it is not true to say ‘I would be very interested to know’. You might let us know the original cost of the billiard tables.

Senator FIFIELD—In constant dollar terms?

Senator Faulkner—No. We can make our own judgments. This is a very clever committee, Senator. If none of the rest of us can do it, I know that you would be able to help. Following up on those questions about space pressures—

Senator FIFIELD—Chair, I think we are on a library bracket.

CHAIR—We have diverted. There was one further question to be tabled. Senator Ronaldson, have you got something on billiard tables?

Senator RONALDSON—No.

CHAIR—Can we go back to the program and the Library. We will have Senator Ronaldson and then Senator Stephens on the Library and then we will move on to other programs.

Senator Faulkner—Can I flag that I would like to come back to some of the parking pressures in the building.

Senator RONALDSON—If people have PBA questions, I am happy for them to be finished and then I will go on to my other questions.

CHAIR—Senator Ryan.

Senator RYAN—Thank you, Chair. Mr Thompson, I want to go to your submission on the Parliamentary Budget Office. In it you say that it will be desirable that the PBO should not unduly duplicate the role of the Productivity Commission, the Treasury and the Department of Finance and Deregulation in the area referring to the underlying assumptions and modelling of government agencies. Briefly, given the time pressures, what do mean by that? To a number of us—and I have some experience with the Canadian PBO—that is exactly why we want it. We do want duplication of what is otherwise being handled under executive control. We actually want some of these assumptions to be duplicated but not under executive control.

Mr Thompson—On the one hand, I am very aware of budget pressures right across government and wanting to use the taxpayer dollar efficiently. If you take the Productivity Commission, it is a very large operation. There is just no way that I would conceive of a parliamentary budget office being on anything like that scale. It is a matter of trying to find the right role for it, without duplicating a whole raft of things that, say, the Productivity Commission does. Similarly, Treasury and Finance have large staff numbers involved with the

budget process. How do you design a parliamentary budget office to do what is needed by parliamentarians, without totally duplicating all the work of the Treasury and Finance departments? The other sense that I have is that there is actually quite a high level of credibility accorded to our Productivity Commission and Treasury figures and the like. I think this PBO could be a very useful support to the parliament but it would not be created in, say, the climate of the US Congressional Budget Office, which was created in an era when the congress over there simply did not believe the figures they were being fed by the then administration.

Senator RYAN—Mr Thompson, I suppose the point I am trying to make is that it would concern me if DPS did not understand one of the prime drivers for those of us who have wanted a PBO of some variety for a number of years. We are not going to get a CBO, but that is a whole different constitutional arrangement. You have competing sets of budget numbers coming from the Office of Management and Budget and the CBO, and God knows how you figure out which one is real. One of the drivers of this is to have an alternative source of numbers, which is going to involve a substantial amount of duplication, because all of the other agencies you mentioned are executive agencies. The objective of this is to give the parliament, with maybe not the same level of resources, something to match capacities so that parliamentarians are not simply bewildered by books of portfolio budgets statements of which they have no capacity to test the assumptions.

Mr Thompson—I fully understand that. If you read other parts of that initial submission I provided, I went to some lengths to talk about the merit of this new entity being part of the parliamentary service rather than being part of executive government because of the wish to have something that was clearly separate from executive government.

Senator RYAN—Part of it needs to challenge the assumptions and not just augment the work. It is not something additional to add to the volume of stuff coming across our desk; it is about having competing sources about what we are getting already.

Mr Thompson—I well understand your point, but I think you would understand from those other parts of my submission that I genuinely believe that this new entity would be best if it was part of the parliamentary service for that very reason.

[10.01 am]

CHAIR—Senator Stephens, you have questions on outcome 1—Parliamentary Library services?

Senator STEPHENS—Ms Missingham, I wanted to make two points to you today as an avid iPad user. Firstly, I would like to congratulate you on the way in which you have reorganised the electronic presentation of what is happening in the library. I think that it is very useful to get the e-bulletins in the form that we are getting them. It is very amenable and very accessible information. Regarding requests for research, I know that in previous estimates hearings we have heard about the pressures on the staff in dealing with some of those requests. I just wondered if you could bring the committee up to date with your current staffing levels for research, the current demand and if there has been a change, given what you have done electronically?

Ms Missingham—The demand for our resources online is continuing to increase. We have a very strong program to try to make resources available in a way that is easy to use. So I am very pleased that things like flag post and ‘What’s new’ on sitting days are being much more effective. Overall, we are planning this year to have 76 research staff, which is 1.1 down on last year’s staff. Part of the planning that we are doing this year—and we do have an external staffing review that will kick-off shortly—is to look at how to deliver services best in the changing environment.

We find that there is still a decline in the number of individual client requests, but the use of resources online—particularly our packaged information in things like the Anzac Day kit and flag post—is increasing significantly. We find that there is significant use of those after eight o’clock at night on sitting days when members, senators and their staff are still working very hard. Part of our challenge is how we deliver material that best meets people’s needs. We are using some less time on client requests and some more on publications. How do we get the balance right so that the resources are best meeting your needs?

Senator RONALDSON—Ms Missingham, I agree with you that the ‘What’s new’ section is certainly working very well. It is widely reported that you are one of those who are actively pursuing the PBO going into the Parliamentary Library. Are you being correctly reported there or not?

Ms Missingham—Over the past year I have written a number of papers for the Joint Standing Committee on the Parliamentary Library to help them understand some of the different options in models for a parliamentary budget office. There are a number of different options. Some sit inside libraries; some sit outside libraries, like the Congressional Budget Office. I think they all perform different roles for their parliaments. I look to the recommendations of the joint select committee for the model that is best for us.

Senator RONALDSON—But you are keen to get it in there, aren’t you?

Ms Missingham—My view is parliament absolutely needs a Parliamentary Budget Office. We have had a lot of feedback from clients that they want services above and beyond those which the library has been providing. I think it is very important that a Parliamentary Budget Office, with an appropriate mandate—

Senator RONALDSON—But you are very keen to have it there, aren’t you?

Ms Missingham—I am very keen for the parliament to have an excellent Parliamentary Budget Office.

Senator RONALDSON—I would presume that part of having an excellent Parliamentary Budget Office, particularly if you were to have it under your bailiwick, would be having appropriate levels of skills in that office?

Ms Missingham—Yes, indeed.

Senator RONALDSON—I will just take you to current skill levels. I take it that head of the Law and Bills Digest Section—and I will come back to that soon—would require a lawyer in that position?

Ms Missingham—Yes.

Senator RONALDSON—What about the Statistics and Mapping Section?

Ms Missingham—We have a statistician who is in charge of that area. We have a lot of subject specialists in the library and the director level positions are all people with relevant subject skills.

Senator RONALDSON—With relevant qualifications?

Ms Missingham—With relevant qualifications

Senator RONALDSON—What about the head of the Economics Section? Has that person got an economics degree?

Ms Missingham—Yes, he does, and he is also an accountant.

Senator RONALDSON—So he definitely has an economics degree?

Ms Missingham—He has a master's degree.

Senator RONALDSON—On 24 May last year you said to me that the department prides itself on adopting the merit principle in terms of appointments.

Ms Missingham—Yes.

Senator RONALDSON—Mr Thompson, I presume that is still your view?

Mr Thompson—Yes, absolutely.

Senator RONALDSON—Ms Missingham, I just want to take you to the DFRDB *Bills Digest*. I would think that this is probably the least surprising question that you will have today and I presume that you have got a large brief on the matter. I do have a number of questions. I presume that as head of the library you would be acutely aware of the new paradigm in this place, with a minority government and a number of private members' bills coming from the opposition and the minor parties that would never have seen the light of day but are doing so now. As head of the library, when you saw this new paradigm, what actions did you take to ensure that the library was responding appropriately?

Ms Missingham—In terms of *Bills Digests* we had a very serious series of considerations on what our priorities should be. The leader of the *Bills Digest* service of the library talked to staff throughout the library and prepared a paper on prioritisation of *Bills Digests* to ensure that we would spend our resources wisely and have greater emphasis on private members' bills.

Senator RONALDSON—Presumably you instructed your staff—I do not want to lead you—that the need for impartial advice, particularly in relation to the preparation of *Bills Digests*, was paramount.

Ms Missingham—It is fundamental.

Senator RONALDSON—Do you think that the *Bills Digest* prepared for this particular bill was complete and impartial advice to the parliament?

Ms Missingham—The role of a *Bills Digest* is to be supplementary to the bill itself and to the explanatory memorandum. This was a *Bills Digest* that did have some grammatical errors in it—absolutely. We left an apostrophe off an act and we had a wrong 's'—absolutely. And there were some areas where we could have been more fulsome in terms of the content that

was in there. We added some material through January that makes it more fulsome, including some information on auxiliary benefits and looking at a whole range of other issues. In reviewing—

Senator RONALDSON—It was inadequate to the extent that there was not even commentary on the red and the blue books. You have acknowledged that in your letter to me, and I thank you.

Ms Missingham—I have, indeed.

Senator RONALDSON—I still take some issue and I think you have been overly protective. That was a comment, not a question. Anyway, it was a pretty frank response to my letter and I thank you for that. There were some very significant oversights, including the lack of reference to the red and the blue books.

Ms Missingham—We had not had a situation where red and blue books had been released the way that they were last year. We did not have a process where we had had discussions in the library about reviewing red and blue books for *Bills Digests* and all other publications. We needed to have that and we now have it accepted as part of the process that we do. One of the challenges for us with the *Bills Digest* is to produce them in a very timely way, which often means that they are not enormously detailed the way our other library publications are. We now have a regular process looking at red and blue books.

Senator RONALDSON—The author of this digest had another publication titled ‘Military superannuation: myths and reality’. Is that right?

Ms Missingham—Yes.

Senator RONALDSON—Had you read that?

Ms Missingham—I read that after it was published. It came out a couple of years ago.

Senator RONALDSON—So you would be aware that the author was somewhat biased against the notion that military superannuants should be treated differently to civilian superannuants.

Ms Missingham—I do not think I would say that the author was biased; I think I would say that for the publications the library puts out we generally try to summarise all the arguments for and all of the arguments against and to put the history together in a way, precisely, that is not biased. That is one of the reasons we have quite a complex process, including second and third readers, which is very important for all of our publications, including *Bills Digests*. The *Bill Digest* that you are talking about has arguments for and against and has a whole range of technical issues. It is a very technical area. Where we put information together, one of the things that we do in the library is to use people with expertise for publications. So we would tend to have a number of staff involved in a bill who were knowledgeable about an area so the logical thing is for us to use someone who has developed expertise in this area.

Senator RONALDSON—But you were concerned about some parts of this. I refer to your letter. It says:

Seventh, your letter commented on the key measures section, specifically the commentary on proposed new section 98BB of the Defence Force Retirement and Death Benefits Act 1973. I agree that the

wording of this particular section could have been better expressed. That being the case, I have asked the author to make appropriate amendments to it.

What are the internal protocols for the preparation of *Bills Digests*?

Ms Missingham—The internal process that we have for *Bills Digests* is that the *Bills Digest* coordinator allocates an author to the *Bills Digest*. Often several authors are allocated. They do the preliminary work. They discuss that with relevant other staff in the library. We then have a process of readers who read through to make sure that the *Bills Digest* is as accurate and covers issues as comprehensively as it possibly can. Then it goes through an approval process, which includes the Director of the Law and Bills Digest section.

Senator RONALDSON—How many staff were consulted in the preparation of this digest?

Ms Missingham—I cannot give you the exact number but I know of at least four who were involved in quite a lot of the detail of the analysis of the *Bills Digest* itself?

Senator RONALDSON—Who made the ultimate decision to publish when it was published?

Ms Missingham—The sign-off for publication of *Bills Digests* is with the Director of Law and Bills Digest.

Senator RONALDSON—Are you confident that this passed all the relevant checks before it was published?

Ms Missingham—I have certainly asked, to make sure, that it went through the full library process, and I have been advised that it did.

Senator RONALDSON—When did you ask that?

Ms Missingham—I asked that in early January.

Senator RONALDSON—Were there a range of views expressed in relation to the content of this *Digest* prior to initial publication?

Ms Missingham—I think quite a lot of editing had occurred, with people adding a number of areas to make the *Bills Digest* more fulsome. Contribution had been made to the wording of a number of paragraphs within the *Bills Digest* itself.

Senator RONALDSON—Had other *Bills Digests* been prepared under the new paradigm—since the election of the minority Gillard government?

Ms Missingham—We have certainly done a number of *Bills Digests* this financial year, consistent with our regular *Bills Digest* process. We have always done a number of private members' bills as well.

Senator RONALDSON—Do you think this publication should have been authorised when it was, particularly given the contents of the letter that you sent to me—including the failure to reference the opinions of all political parties?

Ms Missingham—If you are asking, ‘Could it have been a better *Bills Digest*?’ or ‘Should it have been a better *Bills Digest* before it was authorised for publication?’ then yes, I think it should have been a better *Bills Digest* before it went out. In light of the feedback—and I

should say that I encourage feedback from everyone on all of our publications—we have looked at our processes and looked at the writing. In terms of considering red and blue books, which we had not been doing, we have implemented better practices and procedures.

Senator RONALDSON—What changes have been made to the publications process?

Ms Missingham—The publications process itself, in terms of having an author or contributing authors, second readers, the bills coordinator and the director of *Bills Digest*, has not changed—those roles have not changed—but the quality of what we expect and what people are now reading for has, I think, increased.

Senator RONALDSON—I assume you would accept that if senators and members are of the view that they need to double-check these matters—it is all very well asking and accepting and being pleased about feedback, but the integrity of the Parliamentary Library very much rises and falls on the impartiality of the materials produced, does it not?

Ms Missingham—It does. I reread the *Bills Digest* again yesterday, which you will not be at all surprised to hear. In terms of impartiality—and that is trying to cover off arguments for and arguments against and the issues in the field—I think the *Bills Digest* we are talking about is consistent with other *Bills Digests* in aiming to cover off all of the relevant arguments. I think we had a number of issues here, some of which—like the grammatical ones and the extent to which we described other material or quoted from the Matthews reports—are important ones that we are aware of and make sure that we address, but I do not think they go to the nature of the *Digest* itself being biased.

Senator RONALDSON—Is the author still in that section?

Ms Missingham—Yes.

Senator RONALDSON—Is the author staying in that section?

Ms Missingham—He is retiring.

Senator RONALDSON—Is he still there at the moment?

Ms Missingham—As far as I know, yes. I think he is retiring next week.

Senator RONALDSON—So he is still working in the section?

Ms Missingham—Yes.

Senator RONALDSON—After that what happens?

Ms Missingham—He goes on a yacht and has a lovely time, and we will fill the position. We have a process of reviewing positions when they are vacant to ensure that the work still needs to be done, and we have done that. The Parliamentary Library executive has approved the advertising of the position. We will then recruit another officer for the Economics Section.

Senator RONALDSON—In your letter you indicated that you shared my concern about the loss of a specialist researcher with specific expertise in veterans' affairs policy and legislation.

Ms Missingham—We have another officer in the library who has expertise in these sorts of payments and other payments.

Senator RONALDSON—Who is that?

Ms Missingham—That is Peter Yeend in the Social Policy Section. He comes in on contract when we need work done.

Senator RONALDSON—From recollection, I think Mr Yeend used to work in this area, did he not?

Ms Missingham—He did, and he retired. While we have filled various positions, sometimes it is very handy to bring back someone with expertise for periods.

Senator RONALDSON—So Mr Yeend will be holding the fort until an appointment is made?

Ms Missingham—Other staff in the Economics Section will pick up the work that is being done while the position goes through the process of being filled. I think it is probably true to say that, as a result of the legislation coming before parliament, a number of different people will be analysing and writing on the issue. We have built up the expertise in a number of different teams.

Senator RONALDSON—Was Mr Yeend brought back to specifically look at this area?

Ms Missingham—No, he was brought back to provide services during the sitting period. He covers off a number of different issues, as do all the staff in the library.

Senator RONALDSON—You mentioned in your letter to me and you mentioned again this morning that there is a review taking place. Can you detail to the committee the nature and extent of that review—when it is going to report, who is on the committee and what the process is?

Ms Missingham—There are two different reviews taking place. There is a strategic library review, which we kicked off in August last year. That review includes library staff members, outside experts and members of the chamber departments. That report should be available in draft in about a week. It is about setting a strategic direction for the library.

The second review is one which implements a recommendation of the Agreement for a Better Parliament. The relevant section in that agreement was 16.2, which said:

The Speaker will arrange for an external review of staffing levels within the Department of the House of Representatives Committee Office and the Parliamentary Library.

We are currently in the process of finalising the contract with the same contractor as is being used for the House of Representatives committee review. There are three terms of reference covering staffing. That review will kick off, hopefully, in the next week and will include a range of mechanisms. We hope to have a report within about a month and a half after that.

Senator RONALDSON—Who is doing the review?

Ms Missingham—HBA Consulting.

Senator RONALDSON—Are you happy to provide their terms of reference to the committee?

Ms Missingham—Yes, I am.

Senator RONALDSON—What is the cost of the HBA consultancy?

Ms Missingham—It will be \$18,900.

Senator RONALDSON—Was that open tender?

Ms Missingham—We went through a select tender process. We asked for a quote because the Department of Parliamentary Services has a pre-existing contract with them and also because they are doing the committee review.

Senator RONALDSON—You got other quotes, I take it?

Ms Missingham—Yes.

Senator RONALDSON—All of this is going to be done within existing resource constraints. I take it from that that you are looking for this review to reallocate staff, potentially, from one area to another area?

Ms Missingham—We are also looking for information on, if you like, what potential there might be. As with the committee office, we are looking at questions such as whether we are meeting the need, whether demand is changing and how we should use our resources. Whether there is a need for additional resources is another question that we have asked them to consider. They will go through a serious process of consulting and then report.

Senator RONALDSON—In your letter you said that this review must be done within existing resource constraints, so I presume the allocation of staffing and the resourcing level are separate matters to the question of what you might be able to do if there is magically some increase in resources? They are your words—that the review must be undertaken within existing resource constraints.

Ms Missingham—The payment for the review is being done within the existing resource constraints. So we are paying for the review from within our existing resources. We have not sought additional funds for the conduct of a review. The review itself will look at our services, will look at our staffing and will look at issues like succession planning and the development of needed skill. We will look to their report to talk about what they believe the staffing model should be and what the staffing issues are.

Senator RONALDSON—I will just quote from the letter:

A review of staffing needs will be undertaken shortly that I hope will assist in ensuring that we are able to retain, recruit and develop staff expertise to meet the needs of senators and members, noting that this must be done within existing resource constraints.

So you are saying that—

Ms Missingham—The delivery of our services is done within the budget that we have. In a future budget, when the budget is allocated for 2011, we will have to live within the budget that is allocated then.

Mr Thompson—I saw the way that Roxanne was preparing those letters. That is only about the conduct of the review. Thereafter, whatever the review findings are I think needs to form the basis of some important deliberations by the parliament. And if the view is that the library is underresourced then there are obviously flow-on consequences for that in the scale of the library functions. It might be that that is considered at the same time that the future of this Parliamentary Budget Office is considered, but that is really a call for the parliament.

Senator RONALDSON—Mr Thompson, I am sure I could reread that 80 times and I think I would still come up with the same conclusion. If you are telling me that is not right, then that is fine. Moving to the position of law and bills digest coordinator, I understand that this position was advertised last year. Is that right?

Ms Missingham—I think that you are referring to the director of the Law and Bills Digest Section.

Senator RONALDSON—Yes.

Ms Missingham—The officer has gone on six months leave and the position was advertised.

Senator RONALDSON—What is the process for filling staff vacancies above that executive level 1? What do you normally do?

Ms Missingham—The same process applies to executive level, as in EL1, the director position, and all staff within the sections: if it is a six-month and longer vacancy the position is advertised; if it is less than a six-month vacancy it does not necessarily need to be advertised.

Senator RONALDSON—So six months or greater?

Ms Missingham—Six months is the trigger for requiring advertisement. It was a six-month or longer job. We went through an advertisement process. We then went through an interview process. We offered it to someone who was going to come and the person then changed their mind. It is now a less than six months position. So, having done the advertising, we have someone acting in the position and we have identified someone who can come in, bring additional expertise and act in that director position, and we are currently negotiating.

Senator RONALDSON—How many candidates were there for the position after it was advertised?

Ms Missingham—I think there were five. I would have to confirm that.

Senator RONALDSON—How many proceeded to interview?

Ms Missingham—We interviewed everyone who applied.

Senator RONALDSON—Were all those five—I thought it was six but it might be five—merit selected?

Ms Missingham—We met through a merit selection process.

Senator RONALDSON—And someone was offered the position?

Ms Missingham—Someone was offered the position.

Senator RONALDSON—Did they accept the position?

Ms Missingham—They did accept the position.

Senator RONALDSON—And then you are saying they withdrew—when?

Ms Missingham—Probably Thursday a fortnight ago. I think two weeks ago, maybe three—very recently.

Senator RONALDSON—How long before they were due to take the job up?

Ms Missingham—Two working days.

Senator RONALDSON—What was the reason for that?

Ms Missingham—The person decided that they would rather stay where they were and did not wish to come to the position, and their old position was not going to be able to be backfilled. There were a whole lot of different issues.

Senator RONALDSON—Were there? When was the person who is in that role at the moment appointed?

Ms Missingham—The person who is acting in the role has been acting full time in the role from the 7th and was job sharing with someone through December and January.

Senator RONALDSON—How long was the job sharing done for?

Ms Missingham—I think it was done for six to eight weeks. I cannot tell you the exact weeks.

Senator RONALDSON—Where was the person who is now coming in sourced from? Did they come from another department? Where have they come from?

Ms Missingham—We are currently negotiating for the person to come, and it is from outside the parliament.

Senator RONALDSON—Where did this person rank in the merit selection process?

Ms Missingham—This is a new applicant using a new process. We have gone into a new process now.

Senator RONALDSON—Did you make any offer to the second placed person that was merit selected?

Ms Missingham—The merit selection process did not end up with a second ranked person.

Senator RONALDSON—It didn't?

Ms Missingham—No.

Senator RONALDSON—You are absolutely sure about that?

Ms Missingham—I was on the panel.

Senator RONALDSON—There was no ranking of number two?

Ms Missingham—No.

Senator RONALDSON—This person is coming from where? From another department?

Ms Missingham—We hope that they will come from another department. It has not been concluded yet.

Senator RONALDSON—What department is that?

Ms Missingham—The Attorney-General's Department. They have lots of lawyers. We have recruited from the Attorney-General's Department in the past.

Senator RONALDSON—So what? Presumably, the person who was offered the job also had a law degree because that was part of the job description, wasn't it?

Ms Missingham—I am just saying that it is a natural recruitment field for us for the Law and Bills Digest Section.

Senator RONALDSON—How long will this position now be for?

Ms Missingham—Until 30 June.

Senator RONALDSON—What happens after that?

Ms Missingham—The officer who is on leave either comes back or resigns.

Senator RONALDSON—At that stage what will the process be?

Ms Missingham—Because it will be a permanent position we will advertise it as a permanent position—ongoing is what it is called in the public sector these days.

Senator RONALDSON—We talked about the director of the Economics Section before, is that person acting or are they permanent?

Ms Missingham—The arrangement that we have put in place is an acting arrangement. The reason it is an acting arrangement is that we are awaiting the deadline—31 March—for the production of the report of the Joint Select Committee on the Parliamentary Budget Office. We thought it would be appropriate to wait until the recommendation of that report is cleared before we proceeded to decide exactly what structure the Economics Section needed.

Proceedings suspended from 10.32 am to 10.52 am

CHAIR—Welcome back everyone. We are now moving on to program 2—Building and Occupant Services.

Senator FIFIELD—Does art fall under occupant services? Is it occupant services more than infrastructure services?

Mr Thompson—We are happy to deal with it under occupant services.

Senator FIFIELD—Thank you. I have just noticed that DPS has spent a total of \$142,000 on art since 24 June 2010.

Mr Thompson—It would be in that vicinity, yes.

Senator FIFIELD—Including \$55,000 for a two-month contract with an arts consultancy service. Is that correct?

Mr Thompson—We certainly use an art adviser to assist us with acquisitions, yes.

Senator FIFIELD—There is a contract CN324469, which is \$55,000 for arts consultancy services. Would that be advice related to the acquisitions?

Mr Thompson—Yes, we use Merryn Gates to go out and look for works that are appropriate to our collection. But whether the figures are correct, I could not vouch for that.

Mr Kenny—Senator, you said a two-month contract?

Senator FIFIELD—Sorry, not two months—I stand corrected. The contract was for a couple of weeks. No, it was about two months. It was 20 July 2010 to 2 September 2010.

Mr Kenny—I think the person you are actually talking about is actually on a three-year contract. I believe it has just been extended.

Senator FIFIELD—I am just going on the AusTender website—the details that they have.

Mr Kenny—Okay.

The Senator FIFIELD—Which is \$55,000 for arts consultancy services from 20 July 2010 to 2 September 2010.

Mr Thompson—I am not aware of any expenditure over that short period. We have a longer term appointment which Merryn Gates fulfils, but it is certainly not a figure like that over two or three months.

Mr Kenny—It is sort of an amount per year.

Senator FIFIELD—Could you take that on notice.

Mr Kenny—Yes.

Senator FIFIELD—It seemed a large amount for that short period.

Mr Thompson—We agree.

Senator FIFIELD—Perhaps the tender contract period entered into AusTender is not accurate.

Mr Kenny—From time to time we do bring in external people to help with the conservation and restoration.

Senator FIFIELD—Could you advise what the purpose of that consultancy is and if those details are correct. As to the money for purchase: \$35,000, \$17,600 and \$35,000 again—is that part of the annual budgeted acquisitions program of DPS for artwork?

Mr Thompson—We have an annual budget which, for 2010-11, is \$200,000. As of now, we have spent around \$137,000 of that. That comprises a little under \$100,000 on some major works which have been approved by the Art Advisory Committee, and a larger number of small works—53 of them, approved by me—for a sum total of \$37,500. We would expect, by 30 June, to have spent most of the rest. I might add that all of these works are by Australian artists and our aim is to meet the needs of senators and members primarily in terms of their needs for their suites.

Senator FIFIELD—Thank you. Could you provide a list of those purchases according to those contracts?

Mr Thompson—Yes.

Senator FIFIELD—Thank you. Again, I will ask this here though it may be Infrastructure Services Branch or it may be building and occupant services. As to the briefing room, which I think Mr Kenny referred to earlier, down on the ground floor, also known as the ‘war room’ or ‘situation room’ colloquially: is that project now complete?

Mr Thompson—Effectively it is. It is fully operational. I understand there are the normal, minor bits of fine tuning being undertaken. We no longer have much of a role with it. We facilitated its construction; the funding was provided by the Attorney-General’s Department. Now that it has been commissioned and is being used by executive government, we really do not have much to do with its day by day operations.

Senator FIFIELD—Who manages it on a day by day basis? Is it Department of the Prime Minister and Cabinet or Attorney-General's?

Mr Thompson—The daily access is facilitated by PM&C through the cabinet office. The technology in there is, if you like, looked after by the Attorney-General's Department and has linkages back to various other facilities beyond this building.

Senator FIFIELD—Who is responsible for the maintenance of the war room, the briefing room? Has it been: 'Key's handed across; it is now entirely PM&C's or Attorney-General's responsibility'?

Mr Thompson—In very large measure, yes, it is their responsibility. Were it to be something to do with, if you like, the furniture, the fittings or the carpet, our staff would go in and attend to those matters, but, in terms of the much more technical aspects—which is all of the IT—those are the responsibility of the Attorney-General's Department.

Senator FIFIELD—And the funding was made available through the Attorney-General's portfolio?

Mr Thompson—Yes, there was a budget provision, I think some two years ago, which provided the funding for the whole operation. We facilitated the demolition work—well, initially we moved our staff out! They have been down in the Attorney-General's Department library space for quite some time. Then we organised for the internal demolition. And thereafter the Attorney-General's Department appointed both design contractors and construction contractors and, again, we facilitated the construction but the overall project management was theirs, including the paying of the bills.

Senator FIFIELD—So project management and budget management was all theirs?

Mr Thompson—Yes, that was their responsibility.

Mr Kenny—With construction projects such as this, there is a 12-month defects liability period so that, even though the project is essentially complete, there is still that window where further work might need to be done.

Senator FIFIELD—Has DPS received any requests for art work for the briefing room?

Mr Thompson—Not to my knowledge. We have Kylie Scroope, whose normal job is the director of art services. Kylie may have some knowledge and she is in the room. Kylie confirms that no, not that she is aware of.

Senator FIFIELD—Although DPS was not the lead agency in the construction of the briefing room, was DPS involved in the fit-out of the room, such as banks of televisions and other IT equipment, or was that solely Attorney-General's, or Defence or whoever else?

Mr Thompson—With the committee's indulgence, I will ask John Edwards to join us at the table. John is one of our senior project managers and he can outline for the committee a lot more of the detail. In broad terms, we looked after facilitating the access to the site, organising the demolition and facilitating all of the necessary connections to the building services—heating, ventilation, electricity and so on—but we were not involved in the detailed IT.

Mr Edwards—I was the superintendent of the project. I looked after the day-to-day activities onsite from DPS' point of view. All of the funding came from Attorney-General's and those costs that were associated with DPS activities were fully reimbursed from Attorney-General's. The facility went operational on 3 October; we are now in the defects liability period—essentially a warranty period—and that will continue until October this year. There have been a few minor teething problems, which we have sorted out.

Senator FIFIELD—Was there an opening ceremony or anything of that nature, or did it just go live and online.

Mr Edwards—It was relatively informal. Those who were involved with the project management of the project were invited by the Prime Minister and the national security committee of cabinet to be there for the initial part of the first meeting. The Prime Minister thanked those involved and we moved out.

Senator FIFIELD—This might be outside your area and you can direct me if I should pursue this with Attorney-General's, but is the briefing room permanently staffed?

Mr Edwards—I am not sure of the details. The actual staffing of the facility is a responsibility of Prime Minister and Cabinet. The facility as an asset is about to be handed over to DPS with an appropriate amount of ongoing maintenance funds.

Senator FIFIELD—Okay. I will ask further questions on this to Attorney-General's and PM&C.

CHAIR—Anyone else on program 2?

Senator PARRY—I also have some matters in relation to security services. I ask that these be taken on notice rather than delay the committee now. What are the number of pass holders, currently, and can that be broken down into areas such as access to car parks as well as doors. The other issue on that, which was raised at previous estimates, is there were going to be some points within the building that would not be manned by security staff but would have electronic swipe access. Can we have an update on that please?

Mr Thompson—On the first point, yes, we can provide you with that tabulation of pass holders with various levels of access. On the notion of electronic passes, that is still a work in progress. I will ask David to give you an update.

Senator PARRY—I am just clarifying that there are no points of that nature in the building at present.

Mr Thompson—There are in one sense. For example, late in the day if staff members wish to come and go from the Library then they use their pass to go to and fro. Similarly a lot of the access doors in the basement you require a pass to go through even now.

Mr Kenny—As Alan says, that technology is quite substantially installed or deployed throughout the building but we have not yet moved to change any of the current arrangements where we have manual access, that is, there is a guard validating an identity. We have not moved to automate that yet.

Senator PARRY—You have not moved. It is in the pipeline, it just has not happened.

Mr Kenny—There is not a project started or being funded yet.

Senator PARRY—Is it mooted that one will be funded?

Mr Kenny—It is certainly being considered. Internally we are thinking about how it might work.

Senator PARRY—So it looks highly likely that we will move down this path but it is just a matter of when. Would that be a fair assessment?

Mr Thompson—That is right, yes.

Senator RYAN—Given that this has been discussed before and I think we have discussed before how this is not the case in, say, the Victorian state parliament, contrary to previous assertions—I am not aware of all other parliaments—what persons would finally approve such an arrangement and is there any oversight by a parliamentary committee before it comes into force?

Mr Thompson—We would envisage developing this—for various reasons we have not progressed it yet. Once we develop it into a more detailed proposal we would submit that to the presiding officers and then it would be their call as to whether they wish to involve one of the parliamentary committees. The Joint House Committee might be the appropriate one to seek some advice from.

Senator PARRY—There would be a consultative process?

Senator RYAN—Because it is fair to say that there is a fair degree of resistance to this amongst a number of senators and members. I have never had to and I would not want to have to stand up and say in the chamber, ‘I missed a division,’ but how is it going to sound when someone has missed a division because the pass has fallen off their belt and they have been locked out of a door?

The PRESIDENT—There will be appropriate consultation. We have nothing specific before us at this stage. Therefore it is hard to speculate what might be put before us and how that might interfere with the processes of this place. But you can take it that there would be a consultative process.

Senator RYAN—It has been considered for many years, I understand. I have only been here for 2½ and this is the third time I have heard it come up. If an answer is that we are not going down this path, at what point does this stop getting put up? I get the sense that it is put up every few years, knocked on the head and then comes back again. At what point does this stop being proposed?

Mr Thompson—We were looking at it from two viewpoints. Firstly, it would actually help a lot with access in non-sitting periods because there are quite a lot of doors in the non-sitting periods that are actually just locked. So for parliamentarians or staff to move along various corridors you go down a level, through a door and then back up a level in non-sitting periods. Having a system in place where all people in the building carried a pass that you could swipe yourself through those doors would help everybody.

Senator FIFIELD—There is a difference between that being an option that someone can avail themselves of and it being mandatory.

Senator RYAN—I think it is fair to say that members and senators are not fans of this proposal. It does not happen elsewhere. My point is that, given that members and senators seem to consistently not be fans of this proposal, is it just going to be proposed every two years?

Mr Kenny—Again just splitting hairs, perhaps, but as far as I am aware we have never developed a proposal and taken it to the presiding officers for agreement—

Senator RYAN—It has been flagged for consideration.

Mr Kenny—It has been flagged but I am sure it has never been developed into a detailed proposal on which you could ask the question, ‘What does this mean and what about if,’ those sorts of questions. That work has not been done yet. So to be suggesting that it has been knocked on the head and it keeps coming back from the dead, that is not what has happened.

Senator RYAN—It has been flagged for consideration, and members and senators at least for this committee in my short 2½-year period here have expressed their view on numerous occasions as I know they have elsewhere when it has been flagged, if not formally proposed.

Senator PARRY—Mr Thompson was going to say there was a second point. The first point was the access convenience, to use your terminology.

Mr Thompson—The other thing is that it is no secret that our budget is constrained. As we have pointed out before, at some stage we need to make various savings and this might well be one of the contributors.

Senator PARRY—I know this has been raised at previous estimates, but we have discussed reducing the number of access points into the building—for example, combining the two scanners and security points at the Senate entrance and the House of Representatives entrance and converting that into one entrance. Is that an option?

Mr Thompson—I do not think it would be about changing it during normal sitting periods; it is about the spread of hours at those entrances and having swipe access at other times.

Senator PARRY—Is there any statistical data in relation to the number of public servants, members and senators who enter each point?

Mr Thompson—We have aggregate data about the numbers passing through the various entrances. How that breaks up between pass-holders and parliamentarians, I am not so sure.

Senator PARRY—One would assume 150 MPs—leaving out the ministerial entrance number—would enter the House of Representatives entrance and 76 senators would enter the Senate entrance. Would pass-holders double that number for the House of Representatives or would it be about even for both the House of Representatives and the Senate? Can that be provided on notice, including the number for the ministerial entrance?

Mr Thompson—Yes, we can do that.

Senator PARRY—Could I now move to some other security issues. I witnessed the process of entry into the building for the opening of parliament. The Governor-General, the High Court justices and a considerable entourage all came into the building without going through any security—or a large majority of them did. They just entered through the main

Senate entrance. Why does that happen? Why can't members and senators enter the building under that same arrangement?

Mr Thompson—I will ask Bronwyn Graham to come to the table to discuss the detail of that day.

Ms Graham—Could you repeat the question please?

Senator PARRY—In relation to the opening of parliament, I know it is a ceremonial day but a large contingent of individuals accompanied the Governor-General and the High Court judges and they entered through the Senate entrance without any formal security checks—nothing checked through. I want to know why that occurs and why senators and members require security checks. For example, the President of the Senate has to come through and be scanned every day, yet High Court judges, the Governor-General and staff do not get scanned.

Ms Graham—We have a policy arrangement whereby certain people are exempt from screening in certain situations. I understand that for the opening of parliament the Governor-General is exempt from screening. The intention of that policy is that only the Governor-General is exempt and the entourage would not be. I would need to take on notice the detail of that.

Senator PARRY—Could you confirm that. From my observation that was not the case.

Senator FIFIELD—The justices of the High Court?

Ms Graham—The justices would be included in that as well.

Senator FIFIELD—What would you include them in?

Ms Graham—Being exempt from screening for those ceremonial events.

Senator PARRY—What is the rationale there? Why should High Court judges, very respected individuals, be exempt when the President of the Senate, another very respected individual, is not? Surely a trusted individual such as the President of the Senate, who enters the building on a frequent basis, would be a lower security risk than some unfamiliar persons and other people accompanying justices and the Governor-General.

Mr Thompson—The starting point is that the current arrangements apply to virtually everybody entering the building on a day-by-day business apart from the Prime Minister and then, as you note, there are some special exemptions particularly around ceremonial events. But that set of decisions was taken by parliamentarians rather than by parliamentary service staff. It was about being even-handed and, to some extent, for the parliamentarians to be setting the example, if you like, for everybody to be open to what they bring into the building. Certainly there was no intention, I believe, of any disrespect to any parliamentarian—ministers, Presiding Officers, senators or members.

It is interesting to note that in various other parliaments our arrangements are not the case, and I acknowledge that. But it is also interesting to note that when I have visited some of these other parliaments the security people expressed a lot of support for our approach, not least because it gives everybody a lot more comfort of a secure internal environment. We do have far less internal dramas than some of these other parliaments, at least partly, in the view

of the security officers in these other places, because everybody is submitting to the one regime which ensures we do not have weapons or other things come into the building.

Senator PARRY—So you are suggesting that other parliaments have dramas with members of parliament?

Mr Thompson—No. I am suggesting that within their corridors and in their offices they do have problems.

Senator PARRY—But not with members of parliament?

Mr Thompson—I am not suggesting that, but they are suggesting that setting the bar high for us as a total group is a big contributor to the fact that we then have an interior, in the way we operate, which is calm and which is safe.

Senator PARRY—Would you consider that on a day such as the opening of parliament maybe security risks would be heightened? Do you have advice to that effect from the AFP or any other body that would advise on security?

Mr Thompson—My understanding of the opening of parliament is, as Bronwyn said, that the Governor-General and the High Court justices were exempt. I must say I was not—

Senator PARRY—With respect, my question was: do you consider that the opening of parliament would be a higher security risk as an event in Parliament House than ordinary days? Do you have advice to that effect?

Mr Thompson—No, I do not think we received any special advice about the day. I think we would regard almost any day when there is normal business in either chamber as being a day when we need to be well-deployed and ensuring we are providing a good secure environment.

Senator PARRY—Who is the ultimate arbiter or who makes the final decision in relation to the entry into Parliament House and the security arrangements for individuals?

Mr Thompson—Again, I will hand over to Bronwyn.

Ms Graham—The ultimate decision on policy arrangements is with the Presiding Officers. Any policy that talks about exemptions is approved by the two Presiding Officers.

Senator PARRY—The Presiding Officers, I assume, would receive advice from department officials and qualified security people?

Ms Graham—Every submission that goes to the Presiding Officers will have a background brief on all of the considerations that have been fed into the proposal.

Mr Kenny—The Security Management Board, which is established under our legislation, provides advice to the Presiding Officers on security at Parliament House. Meetings of that board are attended by a number of other government agencies, including the AFP and the Attorney-General's Department.

Senator FIFIELD—Senator Parry has canvassed with you the exemptions that apply to the Governor-General and the justices of the High Court on the day of the opening of parliament and also to the Prime Minister, as of right, day in, day out. Are there any other exemptions which apply throughout the year or on other special or ceremonial occasions?

Mr Thompson—There would be similar exemptions—for example, we had the visit of the Indonesian President last year and there were certainly a number of exemptions there. Bronwyn, are there any throughout the rest of the year?

Ms Graham—Generally when there is a visiting head of state there is a standing exemption. Other events would include the ones that you have indicated—the opening of parliament and anything ceremonial. I would also note that the two presiding officers would also be exempted under those situations where the event is ceremonial. But on a day-to-day basis—

Senator FIFIELD—They are trusted for a day a year. Apart from those sorts of occasions and visiting heads of government and heads of state, are there any individuals in any other capacity who enjoy an exemption from security screening?

Ms Graham—Off the top of my head, no, there is not. I would like to double-check. Certainly the issue of exemptions comes up on a regular basis within the security section and our standard response is that all people and goods entering the building undergo a screening unless exempted.

Senator FIFIELD—If you could take on notice whether there are any other individuals who are exempted at any other times.

Mr Thompson—Just coming back to one of the questions of Senator Parry, I would like to note that in some other parliaments what appears to have happened is that exemptions in place for the parliamentarians over time seem to have grown into a larger number of people having exemptions. So over time this narrow definition of only congressmen and senators, in the case of the apitol, seems to have grown into rather a larger number who now have exemptions. I must say that people over there were very positive about the rules that our parliamentarians have imposed on themselves, because it takes away the risk of including—

Senator FIFIELD—Including members of the United States Senate?

Mr Thompson—I am not saying them; it was the people who keep them safe. The people who keep them safe were very positive.

Senator RONALDSON—I do not think that is what Senator Parry was talking about.

Mr Thompson—No, I am simply making that observation.

Senator FAULKNER—Is there a policy for the building in relation to photographs or portraits of office holders being on the wall? In other words, outside the respective offices of the President of the Senate, the Speaker, the Deputy Speaker and the Leader of the House there is a gallery of either photographs or portraits of people who have held those offices. That is correct, isn't it?

Mr Thompson—Yes.

Senator FAULKNER—My question is: who decides which office holders get a gallery and which ones do not?

Mr Thompson—I assume you are moving beyond the historical collection of all those portraits in Members Hall?

Senator FAULKNER—Yes. These are mainly exhibited in the non-public areas of the building. For example, outside the Speaker's office you can see a photograph of all former Speakers of the House of Representatives. Outside the President's office there are portraits of those who have held that office. Those are only two examples, but you could go to the Leader of the House of Representatives. I am interested in understanding who makes the cut and why they make the cut. It is not a major point but I just think it is odd that outside the Prime Minister's office in that very long corridor there is not a gallery of people who have held that office on the wall.

Mr Thompson—I will ask Kylie to respond as best she can, but I suspect some of it is to do with the two respective chamber departments.

Ms Scroope—To answer your question, there is no formal policy about hanging photographs in the building. My understanding is that, in the specific instance of the photographs outside the President's and Speaker's suites, that was approved by the President and Speaker at the time.

Senator FAULKNER—It goes without saying that they would approve their own photographs going up.

Ms Scroope—Certainly the chamber departments were involved in that decision. The other areas where there are photographs include some of the committee rooms. DPS has had no involvement—

Senator FAULKNER—But let us take for example the Leaders of the House of Representatives. They are on the wall outside Mr Albanese's office. I am not critical of this; I just find it passing strange that there are no photographs of those who have held the highest elected office in the land, that of Prime Minister, on the vacant wall outside the Prime Minister's office in a very long corridor. Why wouldn't we have the prime ministers there?

Ms Scroope—I think the answer is because nobody has ever asked for that to occur.

Senator FAULKNER—Does that mean that prime ministers are less egotistical than presiding officers?

Ms Scroope—I do not know, Senator; you would perhaps have to answer that question yourself. In the case of the photographs outside the office of the Leader of the House, that was a specific request and I believe it was also approved by the Speaker, in response to that request. Generally it has been assessed on a case by case basis upon request.

Senator FAULKNER—I was wondering whether there was a policy, but you are saying it is a case by case basis.

Ms Scroope—And usually upon request from the individual office involved—apart from committee rooms, which I cannot really respond on because they are not areas that DPS has ever been involved with.

Senator FIFIELD—Photographs of clerks of the Senate might be an option, as well.

Ms Scroope—I think there have been some efforts made in the past to constrain where photographs might or might not be hung, because the danger is that you end up having photographs of every officeholder.

Senator FAULKNER—It is not a major point but I have wondered for some time why other officeholders are there but there is no photographic gallery of prime ministers on that very long blank wall outside the Prime Minister's office in that corridor. Anyway, you have sort of answered the question—no-one is interested in having the prime ministers' photographs there. Fair enough. Earlier I flagged the issue of parking pressures in the building.

Mr Thompson—We need to acknowledge that there were some looming parking pressures in the latter part of 2010, and we were aware of pressures that were going to come onto the whole Parliamentary Triangle at that stage, largely because the Edmund Barton building down in Kings Avenue was being refurbished and was about to be repopulated. That has occurred over Christmas; we understand there are now about 2,000 people connected with the AFP in that building. The flow-on consequence of that is that they appear to arrive early for work and occupy a lot of parking space at that end of the triangle. That causes people from the finance department and other departments to start parking closer to here. As of the last two to three weeks, all of the car parks such as the East Block car park, the West Block car park and right up Federation Mall have become full of people who work in the Triangle and want to park. The public car park here is still working reasonably effectively as a visitor car park, because the Presiding Officers took a decision that the hours restriction would be enforced. That is allowing visitors to arrive here and at least experience the building. Our main car parks—the Senate side, the Reps side and the razorblade car park—are very full.

Senator FAULKNER—What is the policy for who gets into the staff car parks—is it first in best dressed?

Mr Thompson—The policy has been that those pass holders who get here first get first preference.

Senator FAULKNER—So it is first in best dressed?

Mr Thompson—Yes.

Senator FAULKNER—Previously, I believe, staff who could not find a spot in the Reps or Senate car parks used the public underground car park—it was used as an overflow.

Mr Thompson—For a number of years, including last year, yes, the public car park was being used and also especially the West Block car park, which always had had 100 or 150 spaces.

Senator FAULKNER—So you, Mr President, decided to stop that practice of staff using those car parks as an overflow—it is effectively prevented because of the time limit?

Senator Hogg—Effectively because members of the public who want to visit this place were being denied access to it because there were no car parks available. So all we did was apply a time limit of three hours, which is fairly generous to visitors to this place but also makes it available to those people who may be coming here on business. They continue to use that facility as well.

Senator FAULKNER—If you stay longer than three hours you run the risk of fine?

Mr Thompson—Yes.

Senator FAULKNER—How much is the fine?

Mr Thompson—I cannot tell you the precise figure.

Senator FAULKNER—That means you have not had to pay it, Mr Thompson?

Mr Thompson—No. It is the normal ACT Parking Operations arrangement which applies throughout the rest Canberra. On some days last year we had a situation where at 9.30 in the morning there was no space in the public car park for visitors, and we found that not to be satisfactory.

Senator FAULKNER—Do you know what this has meant in terms of the revenue raised by the ACT parking authorities?

Mr Thompson—It was well signposted but my understanding is that there was an initial blip. Because most people understand that it is being enforced, it has settled down and it is now very modest. There is now an understanding that if you park there beyond three hours you will be booked.

Senator FAULKNER—Can you tell us what the initial blip was, or do you need to take that on notice?

Mr Thompson—No, we would have to take that on notice.

Senator FAULKNER—I would appreciate that, and I would appreciate having the current figures if you can provide them to us. You have explained the pressures, and I understand that, but where are the staff of Parliament House who were previously parking in the public car park, effectively under the building, parking now? Are they parking a long way away from the building?

Mr Thompson—Some of them, I believe, will be parking a long way away, yes. This has happened very quickly. I might say that last year we actively gave encouragement to the NCA to look at expanding parking. We could see the Edmund Barton Building being very populated and we gave the NCA and the so-called intergovernmental committee on parking some encouragement to expand the amount of parking.

Senator FIFIELD—The intergovernmental committee on parking?

Mr Thompson—Something like that. There is some committee between the ACT government and the National Capital Authority which has been wrestling with this parking thing.

In **Senator FAULKNER**—And it has the lovely acronym ‘ICOP’!

Mr Thompson—Yes. This is not something we initiated. We are now moving as quickly as we can to find some solutions because we are not comfortable with this situation at all.

In **Senator FAULKNER**—Are you getting a lot of complaints from staff?

Mr Thompson—Yes.

Senator FAULKNER—How many is a lot?

Mr Thompson—I have been having a whole series of staff meetings, not to do with this but to do with other matters, and a regular theme at those meetings is the people who have an afternoon shift and arrive at work around midday and find parking very difficult.

Senator FAULKNER—It is obviously affecting shiftworkers more than others because they are coming later in the day and the car parks are full.

Mr Thompson—It primarily affects people who are starting between 10 in the morning and two in the afternoon. Thereafter, people tend to leave the other car parks.

Senator FAULKNER—Do this means there is a lot more traffic in these car parks? Is there a mechanism for saying the car park is full? Is there a ‘car park full’ sign outside?

Mr Thompson—We have not had that mechanism.

Senator FAULKNER—So people just drive around looking for a spot?

Mr Thompson—People have been driving around.

Senator FAULKNER—Is that a problem?

Mr Thompson—It is not desirable and we acknowledge that.

Senator FAULKNER—It sounds like it is not a very satisfactory situation.

Mr Thompson—No.

Senator FAULKNER—So you have got no plans to fix it?

Mr Thompson—We are now quickly moving to find some options for how we can deal with this problem. Given that we are not witnessing any new car parks being created elsewhere, we have realised will have to find some solutions for the way parking at Parliament House is managed.

Senator FAULKNER—Are you finding that there is plenty of room in the public car park? I appreciate that it is now being policed, so that if you are there longer than three hours you are going to get fined, but is there plenty of room in that car park that is not being utilised?

Mr Thompson—The figures I saw were that, in the last two weeks, at any one time we may have 40 spaces spare. The problem is that 40 will not address these 2,000 extra people working in the triangle.

Senator FAULKNER—But it might help 40 people if you put aside 40 spaces for shift workers, for example. You are talking about people who are starting a shift at two o’clock. Has anyone thought of it creatively like that?

Mr Thompson—They are the sorts of things we are looking at right now.

Senator FAULKNER—That means that no-one has thought of anything like that.

Mr Thompson—There is a whole range of things—

Senator FAULKNER—Has anyone thought of as simple an idea as that?

Mr Thompson—No.

Senator FAULKNER—This is something that I flag with you for the next estimates hearing. We might come back and get a bit of a progress report on this and what creativity DPS and others have been able to come up with. I suppose one of the difficulties is that you have to work with other agencies as well on this. So I flag that with you.

Let me return now to the issue I raised earlier. I want to get some clarity on the sale of the billiards tables. Is it true that there are three places in Parliament House where there were billiards, snooker or pool tables?

Mr Thompson—Yes.

Senator FAULKNER—The House of Representatives side, the Senate side and the staff dining area?

Mr Thompson—That is right.

Senator FAULKNER—Do you know how many tables there were on the House of Representatives side?

Mr Thompson—My understanding is that there was one in that space, but I would stand to be corrected.

Mr Kenny—On the House of Representatives side, are we talking about when the building opened or more recently?

Senator FAULKNER—What is the current status? I was trying to find what the original status was and what the situation is now.

Senator RONALDSON—Have you got your media grab yet?

Senator FAULKNER—I think we will just ignore that; I do not understand that comment.

CHAIR—I remind committee members that there is a question before the chair and that Mr Kenny is trying to respond. It is unhelpful to have interjections.

Mr Kenny—We will take on notice that question about what was there originally. There are currently two on the House of Representatives side.

Senator FAULKNER—So it is not one but two. We just got told that it was one.

Mr Kenny—We will have to take on notice how many were there when the building opened.

Senator FAULKNER—Okay, but there are two there now?

Mr Kenny—There are two now.

Senator FAULKNER—How many on the Senate side now?

Mr Kenny—There are none.

Senator FAULKNER—And how many were there five years ago?

Mr Kenny—I do not know. We would have to take the question on notice.

Senator FAULKNER—How many are there in the staff dining area?

Mr Thompson—There are none now. There had been two billiards tables and one pool table.

Senator FAULKNER—I would appreciate your taking on notice to detail how this situation has evolved since the building opened. How many of these tables came from Old Parliament House? This is what interests me.

Mr Thompson—Our understanding is that the billiards tables that were in the staff dining room were acquired by the Parliament House Construction Authority. However, there are two other tables which I am advised were donated from here down to Old Parliament House some years ago. With your indulgence, I will ask Judy Konig, our chief finance officer, to join us at the table. Judy has some limited further information about those tables.

Ms Konig—In 1996, the old Joint House Department gifted two tables to Old Parliament House.

Senator FAULKNER—Do you know where they are?

Ms Konig—I do not know where they are in Old Parliament House.

Senator FAULKNER—They may be in storage at Old Parliament House?

Ms Konig—They could be.

Senator FAULKNER—How do you take account of the heritage value of these items before they are flogged off?

Ms Konig—We have a policy that requires a heritage assessment of any items that the department is getting rid of or that have been declared surplus. In this case, these were assessed as having no heritage value.

Senator FAULKNER—Who by?

Ms Konig—The disposal officer.

Senator FAULKNER—I see, because you have to comply with the EPBC Act, do you not?

Ms Konig—Yes, we do, and we also have the requirement to get the best outcome for the Commonwealth when we dispose of any goods.

Senator FAULKNER—Do the clerks—maybe the joint house—have some sort of protocol in relation to items that have come from Old Parliament House?

Ms Konig—There is no evidence that these came from Old Parliament House.

Senator FAULKNER—I did not ask whether there was evidence. I am saying it is true, isn't it, that there is a protocol—at least that the clerks of both chamber departments are responsible for—in relation to items that came from Old Parliament House?

Ms Konig—I am not sure.

Senator FAULKNER—As far as you are aware, only three of these things have been sold. Is that right?

Ms Konig—Two have been sold.

Senator FAULKNER—We were told it was three earlier.

Ms Konig—Two billiard tables and one pool table.

Senator FAULKNER—That is three: two plus one. They have been valued at \$1,500 each. Is that right?

Ms Konig—We put a reserve of \$2,500 on the billiard table and \$2,000 on the pool table.

Senator FAULKNER—Mr Kenny told me it was \$1,500.

Mr Kenny—That was the net book value at the time they had been listed for disposal.

Senator FAULKNER—The billiard tables were valued at \$2½ thousand.

Ms Konig—That is the reserve we put on it.

Senator FAULKNER—That is the reserve you put on it.

Ms Konig—Yes, when we took it to auction.

Senator FAULKNER—What was the pool table valued at?

Ms Konig—We put a reserve on that of \$2,000.

Senator FAULKNER—What did you get for it?

Ms Konig—We got \$2,000 for the pool table. We got \$2,500 for one of the billiard tables and \$2,488 for the other.

Senator FAULKNER—So it did not meet the reserve.

Ms Konig—It did not meet the reserve.

Senator FAULKNER—But you still sold it.

Ms Konig—We still sold it.

Senator FAULKNER—You are assuring me these did not come from Old Parliament House.

Ms Konig—That is my knowledge, yes.

Senator FAULKNER—You are very confident about the heritage assessment that was made.

Ms Konig—Yes.

Senator FAULKNER—Could you provide copies of the heritage assessment and the valuation of these to the committee, please?

Ms Konig—I can.

Senator FAULKNER—I would also be interested to hear about the status of the other billiard or pool tables and what their heritage values might be. In other words, which of these may have come from Old Parliament House and what is the historical background of their acquisition or transfer to new Parliament House? I would appreciate that information, if it could all be made available.

Ms Konig—Certainly.

Senator FIFIELD—I know that, over the years, there have been some issues with having a contractor provide services to the staff cafeteria on a basis which covers its costs. Could you advise the committee on how the current contract is going? Are the costs being covered? Is there a subsidy from DPS to keep that particular service going?

Mr Thompson—I will ask Bronwyn Graham to join me at the table as well. As senators will probably recall, we had a change of contractor for the staff dining room and the Queen's Terrace Cafe on 1 July last year. That contract is now being run by IHG, the InterContinental

Hotels Group, which is also the contractor for the larger operations in the Great Hall, the Mural Hall and the like. IHG has been running the operation now for about eight months. I think general feedback in terms of quality of food and timeliness has been satisfactory, although they have been on a learning curve. It does need to be acknowledged that there is still a cost reimbursement to them for running that facility and that relates to the difference between the revenues they generate at the counter compared with the total costs. It is measured on an annual basis and is likely to be around \$600,000.

Ms Graham—A little bit more.

Senator FIFIELD—How much more Ms Graham?

Ms Graham—Every month is different. The learning curve is improving the financial performance, so as we get towards the end of the year our projections are coming down. We estimate the contract is performing about 10 per cent better than it performed in the previous year. I anticipate that we will have some further improvement on that in the coming months because of some initiatives we are bringing forward with the contractor.

Senator FIFIELD—The cost reimbursement, I think is the phrase Mr Thompson used: how much more than \$600,000 is that?

Ms Graham—Sorry, would you repeat the question?

Senator FIFIELD—I think the phrase Mr Thompson used was cost reimbursement, which he said was, I think, around \$600,000 and you said was a little bit more.

Ms Graham—I understand the figure to be in the order of \$700,000 to \$800,000, but that, as I indicated, is as we stand today with no changes. We have implemented some changes and have some further initiatives being brought forward. They will improve that projection and bring it down. That is our anticipation.

Senator FIFIELD—But at the moment it is looking at being \$700,000 to \$800,000 cost reimbursement.

Ms Graham—Yes.

Senator FIFIELD—You would know far better than me, but I think that people would look at that facility—the number of people in the building and the lack of options for food because you cannot walk somewhere—and it would strike many of them as surprising that there would be a figure of the size of \$700,000 to \$800,000 cost reimbursement for that operation.

Ms Graham—The first two months of the contract performance were impacted by the election period, which was quite protracted—it was longer than we had anticipated. So the first two months of the contract—in fact three months, because we did not sit until October—did have an impact on the performance. The difference between sitting and non-sitting is quite marked, and the protracted election is obviously an anomaly that was specific to this year only.

Senator FIFIELD—What is the plan for the future? Is it just that there will be a cost reimbursement of that magnitude?

Mr Thompson—We certainly aim to bring it down, but I will reflect on a reality that confronted the parliament some three years ago, when we were out to tender. We had robust tendering for the larger contract, but for the Queens Terrace Cafe and staff dining room tender, effectively there were no credible tenders lodged. We ended up having to approach a local company to take on the business—at that stage it was another company. From the viewpoint of the catering industry, as they have expressed it to me, this is a business that goes from feast to famine, as it were. It is very busy in sitting periods and very un-busy in non-sitting periods—I am sorry for the pun. It is a very cyclic business with 20 weeks of the year when it is flat out and the other 30 weeks when it is not. It means that the company involved has to recruit a large number of casual and sessional staff. It cannot run itself on a uniform basis. If you went into the staff dining rooms in the various offices nearby, you would see they plan to run pretty well at the same level for about 48 weeks of the year. It is not the case here, and that adds quite a level of extra cost. The other cost issue here is all the logistics of bringing food into the building, because it needs to be vetted through the security arrangements. So it was not attractive three years ago. We now have a contract in place with IHG and our aim now is to progressively reduce the level of reimbursement. We are doubtful we will ever get down to a zero reimbursement.

Senator FIFIELD—Next estimates we will get an update on how that figure is going.

Senator PARRY—I know I have raised this in a different forum, in particular in the House Committee: has there been an independent analysis on whether or not it would be more cost effective to run the entire catering and dining services inhouse?

Mr Thompson—We did some work on that, and I think we reported back to the House Committee early last year.

Senator PARRY—I am putting it into a more public arena, just to ask the question so it is on record.

Mr Thompson—I do not have the details of that with me right now, but we did an analysis. I think it was done by a company called Grey Advantage. We would have to take that on notice.

Senator PARRY—Okay. Thank you.

Senator RONALDSON—Chair, can I ask Ms Missingham—

CHAIR—Are you intending on going back to the library?

Senator RONALDSON—Yes.

CHAIR—We have dealt with the library things and we are way behind on the program.

Senator RONALDSON—It was just a clarification of an answer that was given.

CHAIR—Senator Ronaldson.

Senator RONALDSON—Ms Missingham, the Acting Director of the Economics Section has been in that position for how long?

Ms Missingham—Two weeks. Something of that order.

Senator RONALDSON—What were the qualifications of the previous director? Do you know?

Ms Missingham—I do not have the previous director's qualifications on me. I think I would have to take that on notice.

Senator RONALDSON—Do you know whether that person had an economics degree?

Ms Missingham—He had a number of degrees. I think I would have to get back to you.

Senator RONALDSON—Okay. Thank you, Madam Chair.

[11.51 am]

CHAIR—If there is nothing further in program 2, we will move on to program 3.1, Building Infrastructure Services.

Senator KROGER—Mr Thompson, can you tell me something about the proposed solar panel program for Parliament House?

Mr Thompson—We have been very conscious that our energy bills have been going up and up, and we have begun to look at other ways of providing energy to this building. The two most promising approaches, we believe, are, firstly, to move potentially to a so-called trigeneration model of generating a lot of electricity in house. That model is already in place for a number of large institutions—businesses such as airports, casinos and hospitals. That is all very proven technology. The other component that we believe could have a future is about using solar power. Just so we can come up the learning curve about how we could utilise solar power for this building, we have initiated a modest trial, and it is in two components. One is about using solar hot water, primarily for our gardeners' sheds, and the other is about solar electric power. For that, we would envisage distributing a small array of solar electric panels on a couple of the roofs on the Senate wing and the others down in the landscape area.

Senator KROGER—So this has started?

Mr Thompson—We have called tenders for it and it has had a small amount of media coverage. The actual physical establishment of the panels—no, we are not at that stage yet.

Senator KROGER—What is the time frame for the program? From what you just said, I presume you are just trialling the effectiveness of it in a small way. Is that what your intent is?

Mr Thompson—I will ask Ms Bryant to join me at the table. She is the head of our projects group. My memory is that it is 42 kilowatts.

Ms Bryant—As Alan has mentioned, we are trialling solar panels. We are currently out to tender. We are in tender evaluation for the trial. We are not actually testing the technology. We understand that it is proven technology. We are testing the integration into what we consider a very complex building management system here in Parliament House. So the opportunity is to conduct a modest sized trial on what we consider a suitable testbed, I guess, so we can assess the challenges and the opportunities of integrating this into our building management system.

Senator KROGER—If you are accepting that this trigeneration technology is a proven way in which you can reduce your energy costs, what are the measurements that you will be using to assess whether it is going to be successful or effective?

Ms Bryant—The trigeneration or the solar panels trial?

Senator KROGER—The actual trial itself.

Ms Bryant—The trial itself will enable us to look at the connectivity, I guess, into our building management system, looking at the reporting and monitoring that might come out of that system—even just running the pipe work et cetera and then connecting it to our extensive building management system.

Senator KROGER—What are the costs involved in setting up the trial?

Ms Bryant—We are currently in tender evaluations, but I suggest to you that it is several hundred thousand dollars at this stage. As Alan has said, it is a 42-kilowatts array of photovoltaic cells that we will put on to the roofs. It is a temporary arrangement so on the Senate roof they will be on stands rather than permanently connected to the roof, recognising that it is a trial at this stage.

Senator KROGER—So the trial itself will cost \$300,000?

Ms Bryant—A number of hundred thousand dollars.

Mr Thompson—We are very reluctant to quote a figure right now because we are in the middle of tendering. You could understand our concern there.

Senator KROGER—What is the closing date for the tenders?

Ms Bryant—It is in tender evaluation at the moment. I would expect it would be out of tender evaluation by the end of this week. I understand there were up to 15 responses. We are going through that evaluation process at the moment.

Senator KROGER—Given that you clearly have an expectation of cost reductions, what is the norm that you hope to be saving with this program over time?

Ms Bryant—The 42 kilowatts that we have identified for our trial we anticipate electricity savings of \$9,500 a year and 53.2 tonnes of CO₂ per year. To put it into context: the electricity would be enough to light the Senate chamber for a year basically. That is the electricity that we will generate from the trial itself.

Senator KROGER—I appreciate with having the tenders not in that you do not want to go down the track of flagging potential costs, but if you are looking at a few hundred thousand dollars and the savings from that are \$9,500 per annum—

Ms Bryant—That is correct, yes, on the trial.

Senator KROGER—And this is a trial program that you would consider to be extended for other parts of Parliament House?

Mr Thompson—We are trying to take a long view of the trajectory of electricity prices, which seem to be trending somewhat above the CPI costs. We are trying to understand how we could use alternative technologies—trigen, solar, wind power or whatever—simply to keep our energy costs down. We currently pay well over \$3 million a year for electricity and that is going up quite rapidly. We are looking at ways we can mitigate that and hopefully also reduce greenhouse gases. As I said in my opening remarks, we think the most proven

approach will be a significant investment in trigeneration technology, but we think it is also useful to look at these alternatives.

Senator KROGER—I find it interesting that we are advancing this sort of project at a time when there is significant concern about having to implement a flood levy. We are looking at a trial program with possible savings of \$9,500 a year and you suggest it is on the back of the projected trajectory of energy costs. By golly, energy costs would have to increase astronomically to get some return on your investment there!

Mr Thompson—Yes. This is just small scale. We have been looking at quite significant increases in our contract costs for energy. We are attempting to find more cost-effective ways of powering this building and more environmentally friendly ways.

Senator KROGER—Given we have had a number of green programs cancelled in the last 12 months—and a couple have come back onto the table—it has not been raised with you that this should be one of the programs that are cancelled or at the very least deferred in the short term?

Mr Thompson—That has not been raised with us. We want to be very, very good corporate citizens, but we are trying to juggle a number of things here. Our peak energy costs are going up 13½ per cent this year. That is very significant. We are looking around as best we can to find ways of mitigating that sort of rapid increase.

Senator KROGER—I applaud, Mr Thompson, the effort to mitigate increasing energy costs, and I am sure everybody would. I just think that the average punter, if they looked at this would have a big question mark over why we were spending so much with so little in return in the short term, given the circumstances across the board.

Ms Bryant—I guess it is important to note that this is one of our environmental initiatives. It is part of a raft of energy efficiency projects that we are undertaking at the moment. As Alan mentioned in his opening address, we are replacing the underground car park lighting because they are at end of asset life and there are some safety issues there. There is an up to 40 per cent saving in energy efficiency as a result of the change from mercury vapour to fluorescent lamps. In all of our projects we try and engage in at the moment we are always looking for environmental benefits in asset replacement as we go through our program of work.

The Senator KROGER—I just hope that in looking for environmental benefits we are actually doing a proper cost-benefit analysis and making sure that it is actually costing us less as well, not actually costing us more in the pursuit of environmental gains.

Mr Thompson—I would never, ever want us to go into one of these new technologies without being able to, if you like, prove one way or the other that it was ultimately going to be cost-effective. This was always just intended as a relatively modest trial, given the size of this large building, to see whether solar can be a viable part of our energy mix in the future. At this stage I do not think we know.

Senator KROGER—Thanks, Mr Thompson; thanks, Ms Bryant.

CHAIR—Having finished with building infrastructure services, I call on Senator Ryan for questions on IT infrastructure services.

Senator RYAN—As I said before, Mr Thompson—and I put it on the record—I appreciate your department's work to fix the air-conditioning on the Senate side of the building, which has made conditions for staff a fair bit easier, particularly in. It took awhile, so thank you.

I would like to, Mr Kenny, explore some of the issues regarding IT, which we have discussed offline at great length. There was a Blackberry upgrade that occurred last December, which occurred without warning to members and senators, which caused a few problems. Subsequent to that, you said that was an oversight and that upgrades would not happen without there being full communication and notice to members' offices.

In January there was a security upgrade. An email was sent out that said there was a security upgrade coming, but in that email it did not in any way outline that you would actually have to logoff and logon at some point during that day. A number of us were working on documents that were on our electorate office servers. I was trying to save documents. The only way I could actually save documents, because it would not give me access to any of these drives, was through logging off and logging on. I rang 2020 and I was informed that, again, this has been an oversight. Members and senators were not informed. I know that this is not the easiest system to run, but substantial documents could very easily have been lost. This was not overnight; this was during the working day. The detail of what members and senators and staff needed to do to ensure the integrity of the system and maintain their own work was not communicated in the email. It was just simply a standard, ‘There is a security upgrade coming’.

Mr Kenny—Are you referring to when we reset the passwords?

Senator RYAN—I could be. To be honest, I deleted the email and then I knew I had to logoff and logon—in January.

Mr Kenny—That sounds like it may be what you are talking about. I am not aware of us having done any security upgrades that otherwise would have affected what you are talking about.

Senator RYAN—Let us assume it was the password change.

Mr Kenny—Let us assume that is what it was and I will talk briefly about that. It was scheduled at very short notice because we had some security issues. It was considered necessary to react to the security concerns that we had on the network at that time. The way it was done—and this was a surprise to me as well—had an unexpected or unintended consequence for people who were using the network remotely, such as people who were not in their electorate office or not in their Parliament House office. Those people had to find an electorate office where they could actually physically plug their computer in to the network and then make the change. That was regrettable, because we did not know that that is what would happen. Now we know and, if we ever have to do it again—and I would hope that we do not—then we would have a more robust methodology. We would find a way of doing it so that people did not have to physically attend. There were some people, particularly senators and members from Queensland—including the President—because it occurred right when the flooding situation in Queensland was at its most disruptive, for whom it made life harder than we would have liked. That is regrettable, but the technical advice did not indicate that it would be a problem.

Senator RYAN—Was that advice provided in house or from an external contractor or provider?

Mr Kenny—It was our internal IT people.

Senator RYAN—It is not the first time that there have been inadvertent impacts about which DPS has been unaware arising out of an upgrade of some variety to the software or to the network itself. In our last estimates I remember that we had a discussion about, again, an unintended consequence—I cannot remember the exact details of that similar situation. Something was done to the network and there was an impact upon users which the advice—I think from an external contractor at that point—had not—

Mr Kenny—I think, from memory, that that may have been an issue arising from an upgraded security product, one that had flow-on consequences. I agree that we have more incidents like that than is acceptable or than we would like. There are a number of reasons, but probably the best one is that the network that we have, and the range of applications and software installed on it, is more complex than it should be. That makes it very difficult to test and it makes it very difficult to replicate in the test environment what is going to happen in the production environment. It is a problem that has developed over time, starting well before my time. We have actions in place now to make the network simpler. That will make it easier to test and therefore make it easier to be assured that any changes we make have no unintended consequences.

Senator RYAN—Do you measure the reliability of this network against comparable size networks as part of your performance measures? Do you have a benchmarking system comparing it to, say, Prime Minister and Cabinet or Treasury or another dispersed network that is—

Mr Kenny—We have the data, but we have not recently done any comparisons.

Senator RYAN—How does this network measure up in reliability for users, whether they are in electorate offices or in this building?

Mr Kenny—The network is complex—it covers this building plus it is connected to all the electorate offices plus there is remote access plus there are a number of different agencies involved—noting that still there are currently four different departments who each have a hand in providing the aggregate set of IT services that senators and members receive. There are also a number of contractors, so there are at least six organisations that contribute to the overall service and therefore potentially contribute to overall disconnects in the service. Given that complexity, I think the network is pretty good.

Senator RYAN—That sounds like a lot of qualification. I have been here for 2½ years now, Mr Kenny. I have worked in a global organisation which had a lot of the problems you just outlined—more users, global in nature, multiple departments. To be frank, whether it is a BlackBerry, the office or in this building, I have to call IT more here than I ever have before. It would appear to be effectively on a monthly basis that I and my colleagues are having substantial system access problems. I cannot print a speech when I am running late to the chamber. I do not want to have to stand up to Mr President and say, ‘Sorry, they will get back to me by the end of the day.’ I appreciate the staff are working, but there seems to be a

systemic problem here which is either a lack of money, a lack of skills or some basic thing about the architecture. No-one seems to want to admit there is something wrong with it.

Mr Kenny—I would acknowledge that the system is more complex than it needs to be and therefore it is harder to support, harder to test changes and harder to predict what will happen in a particular set of circumstances. We are looking at making it simpler, which will make it more reliable.

Senator RYAN—Do you think it is up to scratch? I understand all of the qualifications. What I am asking now is: do you think that this system is up to scratch for what its users should expect of it? That is different to saying that there are all these issues that make it hard to manage. I can only agree with you and say your staff do a fantastic job. But is the system up to scratch for what is a legitimate expectation in 2011 Australia?

Mr Kenny—I think I have said that we have identified some improvements, so by implication we see things that need to be better.

Senator RYAN—This is one of the frustrations, Mr Kenny, that there does not seem to be a willingness to talk about this frankly. So what improvements are we looking at?

Mr Kenny—Sorry, I am being as frank as I possibly can.

Senator RYAN—It is either up to scratch or it is not. Firstly, if we go to the improvements that are being done, in shorthand, what are they? Secondly, what would the users, being staff in the building and in electorate offices, expect to see as a result of those in the next six to 12 months?

Mr Kenny—Hopefully, you will not see anything other than zero problems. As I have said, there have been a number of issues that I attribute to not being able to predict the consequence of a planned change. That comes back to being able to test your environment and that means being able to totally replicate in the test environment what is happening in the real environment.

Senator RYAN—I am not just talking about changes though. I am talking about basic reliability as well, where there are outages, where things do not work the way they did the day before when you turn up at the office. The reliability of this network is not flash. Is that a fair summation of what you would think one of the challenges of managing the network is?

Mr Kenny—No, I do not accept that. I do acknowledge that in the last 12 months we have had four or five major incidents that caused system down time. From memory, each of them—all but one—was triggered by an external event. We are looking at making our network more robust so that the ability of external events to cause those outages are basically minimised. If I were sitting here thinking that the system is defective in some way or reliability is a problem in some way then we would be doing something about it. We do keep significant statistics on reliability, faults and failures so we know what the form—

Senator RYAN—Do they show an increased level of frustration in the last year or two?

Mr Kenny—I would have to say that, of the four or five incidents that I have referred to in the last 12 months, the earliest occurred in February last year. Each of those had a significant and unfortunate impact on usability or, let us call it, the overall user experience.

Senator RYAN—So you keep statistics. When you call 2020 for assistance, unless they can give you advice about how to do something in Microsoft Word or Excel, they often—not always—say, ‘We’ll get someone to call you back.’ Do you keep statistics on the number of times people make a call and it is not something that can be addressed remotely or verbally over the telephone immediately?

Mr Kenny—We keep statistics on calls and, where a number of people are calling about the same thing, that then gets characterised as not just a one-off. We characterise problems and incidents.

Senator RYAN—I suppose what I am asking, though, is about one of the frustrations that staff have reported to me. When a call is made there is always a degree of urgency. IT people are unlucky in the sense that people rarely call to say, ‘Thank you—everything’s working fine.’ I appreciate that. But one of the frustrations is when they say, ‘We’ll call you back,’ and they are unable to give any sense of time line. Their business marker, I understand, is by the end of the day. That is about the best they can give. Would it be worth collecting statistics—

Mr Kenny—We keep statistics, but I can tell you that we are addressing that. There are two things. First, we want to get more proactive in terms of dealing with customer requests, and by that I mean, rather than just answering the question as put, trying to provide more advice in the context of the request. We also need to get more responsive in terms of telling you when a response or a solution will be provided to you and then confirming that that has happened so that the person logging the call gets much more information about progress and then eventual resolution. Now that is an area where I think we can improve.

Senator RYAN—I am not sure this is run by DPS. I am happy to put it on notice if it should have been asked of the Department of the Senate. I want to ask about the office switch-off that happens over Christmas and New Year and in the winter break, when in the Senate—and I assume it happens in the House—we want to go and switch off all our fridges, printers and computers. Because you pay the bills, Mr Thompson, I was wondering: do you have a sense of how much that saves? Is that a quantified energy-saving measure? Or is it just something that is being done for—well, I will not assign motive.

CHAIR—Senator Ryan, can I just clarify, as I have some follow-up questions in relation to the computer service.

Senator RYAN—I am asking this for IT reasons.

Mr Thompson—No, we do not have a quantified—

Senator RYAN—One of the experiences of senators is that sometimes when you come back in you have to ring 2020 and have your printer drivers reinstalled, or you have to reprogram your radio and everything. It has happened to me on multiple occasions. The power switch-off has actually increased the burden of work on IT. Perhaps it is software upgrades that happened during that period of absence. It means that a lot of us tend to have to call 2020 the first time we come back to the office after a long break. You have not noticed anything along those lines?

Mr Kenny—I think that normally after a period of, let’s say, corporate holiday or absence, more people are calling 2020 in the first week back than in a normal week.

Senator RYAN—I suppose one of the things you might want to take up with the House department is that one of the things that drive that, in my experience, is this switch-off program that happens. Printers just do not work. They do not reconnect. Drivers sometimes need to be reinstalled when things are turned off for months at a time.

Mr Kenny—We are happy to look at that, because that should not happen. Switching off to save power is great, but switching off that breaks networks and requires intervention to make things work again is not.

Senator RYAN—I am more concerned about the workload for what appear to be overworked staff. If I could turn to the iPad issue you mentioned earlier—

CHAIR—Before you move on to iPads, can I just ask some questions in relation to the integration of our computer systems. We have raised it at previous estimates. There was going to be an integration between our electorate offices and the parliamentary offices. Can you give us an update as to where that is at and perhaps, to help the committee, what the benefits are going to be to senators and members?

Mr Thompson—I will ask David to handle that. He has been dealing with the department of finance on these matters.

Mr Kenny—There has been some progress, which is excellent. As you may be aware, the decision to change the way it is done involves the Department of Finance and Deregulation and us—plus also the two chamber departments. But essentially it is us and Finance. We were advised in November last year that the Special Minister of State agreed to the transfer of all the electorate office IT functions from the Department of Finance and Deregulation to DPS. The formal agreement of transfer, we were advised, had not previously been taken, so with that decision we are now working with Finance people to agree on what the dollars will be, what the functions will be and how we will interact with those roles that will stay within Finance. We will then get the DPS CFO and the Department of Finance and Deregulation's CFO to agree to those numbers and the transfer will happen at the end of this financial year. The Finance people are working very positively and enthusiastically with us to that end. There are a handful of staff in the Department of Finance and Deregulation whose positions will move. Those people have been told that the change is happening. Obviously some of them may seek to redeploy within Finance; others may quite happily move across. It is now all rolling along.

CHAIR—What will that action mean? Will that help alleviate some of the technical issues and concerns that Senator Ryan has had?

Mr Kenny—Yes. It means that where previously you dealt with the Department of Finance and Deregulation for your electorate office setup and with DPS and the Department of the Senate in Parliament House it will now largely in effect be all DPS.

CHAIR—Will the rollout of the replacement computers remain on the same schedule we currently have from Finance or will that change with the integration?

Mr Kenny—Obviously it will be managed by our staff rather than by Finance staff. I am not aware that there has been any suggestion that it should change, but obviously if it was felt

that there was an improvement available or less risk available by changing the schedule in some way then we would look at that.

CHAIR—Will that include our computers and printers? You would take responsibility for—

Mr Kenny—Without being across the detail, I would say that you would treat each electorate office as a job lot because you physically have to go there. You would not want to go around the country once doing computers and then do it all again with printers.

CHAIR—What about photocopiers? Now you have the option of linking them to your computer to use as a printer. Will that come under your domain as well?

Mr Kenny—The meeting that we had with Finance people last week suggested that that is still a question mark. This is a very old issue within organisations and across bureaucracies—IT people have managed the printers but normally the office services people have managed the photocopiers. As those two technologies have merged, the question of how we merge that responsibility is still under discussion.

CHAIR—But it has been a very long, drawn out process. In my memory, it has been more than 18 months.

Mr Kenny—That would be about right.

CHAIR—That is a long time lag, I would suggest, to integrate what was promised to be a solution for some of the issues that Senator Ryan has raised today but which I know we have raised previously at other estimates. Will we as senators and members get a letter in the near future explaining the changes and the effect date?

Mr Kenny—Yes. The approval processes require agreement about the dollars and the functions that come with those dollars. The presiding officers on our side of it and the Department of Finance and Deregulation have to agree. Then we can start working on implementation details such as what we say to people about what is happening when, how things will be different and what will be changed.

CHAIR—Finally, before I go back to Senator Ryan: in relation to access to the internet, will you take responsibility to provide that to senators and members as an option through our residence or will that remain with the department of finance?

Mr Kenny—I cannot answer you. The intention—

CHAIR—Can you take that on notice?

Mr Kenny—Yes, and possibly you could ask the Finance people as well when they are here tomorrow. The intention is that all electorate office IT functions will move across to DPS, including decisions about entitlements. I do not know whether access to the internet from home would be covered in that bunch of entitlements or whether that is in a separate package. We will have the discussion, but if you are after a specific answer then the easiest thing might be to ask them tomorrow.

CHAIR—In relation to our BlackBerrys, which I find much better than the previous PDAs, which I acknowledged in previous estimates, I thought there was some discussion about making an effort to change the requirement for us to have to put in our password—our

code—to have access, and the time frame for that. It seems like every 10 minutes when we have to put in our code again. Has there been any advance on that being able to be resolved?

Mr Kenny—Again, you will have to ask the Finance people. That is what they manage.

Senator PARRY—An issue that I have raised at the Presiding Officers Information Technology Advisory Group—to no effect, and I want to now raise it here and place it on the public record—is that with the BlackBerrys there is a flashing blue, strobe light. If you are a ‘normal’ person in society you are allowed to turn it off; you can disable it with your phone. Senators and members cannot because the Defence Signals Directorate will not allow us to do that, or we cannot because of their advice. The reason we have to have that on is to advise us that Bluetooth is active. The light is exceptionally dangerous at night. I want to place on the record, as I have at POITAG, that the strobe effect of this light impairs driving, especially out of city environs. I do a number of kilometres after hours in the dark and it has a terrible effect. It impairs driving, especially now—and I know Senator Ryan has had an experience—when the phones are mounted higher up on cradles in motor vehicles. So I would ask that that facility can be disabled, as normal users of BlackBerrys can and as people who have secure communications can as well, because I think it is going to cause an accident for a senator or member if this cannot be rectified.

Mr Kenny—Again, that is a discussion for the Finance people at this stage.

Senator PARRY—Yes, but I understand, though—and this was clarified at POITAG—that it is your department that actually turns it on or turns it off or enables that function to be activated by senators and members; it is not Finance. We have had this out before. Finance gives you the instruction as to what can and cannot happen, and it is your section that turns it on or off.

Mr Kenny—Frankly, Senator, if it is up to us we can do it. I am not going to say that we definitely can because I do not know what the consequences are, but I can say I have no interest at all in having more blue lights on in the world rather than not. If it is us then we will look at it.

Senator PARRY—And as a matter of urgency, because we do not want to come back to the next estimates and find that a senator or member has had an accident because of a stupid little requirement.

Mr Kenny—If it is us we can look at it. We will respond directly.

Senator PARRY—Thank you.

Senator RYAN—I notice you have an iPad in front of you there, Ms Missingham. Is that connected to the wireless network?

Ms Missingham—It is.

Senator RYAN—It is! I assume that iPad has been provided by DPS.

Ms Missingham—Yes, as part of a DPS trial.

Senator RYAN—Does it have any special security system software on it or is it just accessing one of the less secure networks that we have in this place?

Ms Missingham—It has security in terms of my having a log-in to it, but in the network it uses the network security to protect network assets.

Senator RYAN—Quite a lot of members and senators, and even staff, have their own private iPads. I do, and there are a couple around the table. Given that we have wireless networks we now use these on, and I understand there are multiple wireless networks with different degrees of security in this building, when might members and senators expect to be allowed to use iPads that they have paid for privately on the parliamentary wireless network?

Mr Kenny—I will respond in two parts. The purpose of the trial, of which Roxanne has been a great personal beneficiary, is for us to learn what the issues are in connecting and, generally, how they are used, what they can be good for and therefore how we can connect them to the network. That is what that is for. If it were a private device—that is, you have bought it yourself—I do not have a problem with that, but it comes back to what software is loaded on it. If it is going to connect to our network, we want a degree of veto over what software gets loaded on it.

Senator RYAN—We are not at all asking for DPS or the Department of Finance to buy us iPads. Many people are happy to provide them themselves. It would strike me as odd though if staff were provided with them and members and senators who buy them themselves were not able access one of the many, as I understand it, wireless networks in the place.

Mr Kenny—What I am saying is: if we are going to allow it to connect to our secure network, then we would want quite a lot say over what software could be loaded onto it. That is a general statement.

Senator RYAN—Is there anything exceptional in the list of software you would have concerns with?

Mr Kenny—It is more the list of software that is out there.

Senator FIFIELD—It is infinite.

Senator RYAN—Yes, exactly, particularly with tablet prices.

Mr Kenny—Yes. So if you are going to connect to the private network then we need to be vetting very thoroughly what can be loaded on the machine that connects to the private network.

Senator RYAN—Do you want a positive list whereby ‘only the following can be on an iPad’, or do you want a negative list where you have a series of vetos?

Mr Kenny—We want a positive list because, as Senator Fifield says, a negative list would be potentially very long. We would probably also want to have total control over your ability to load things. The fact that we have got a list—

Senator RYAN—How does that work when I use it at home on my wireless network or I wander around the airports?

Mr Kenny—We are doing a trial to find out more about how it all works, and therefore we may be able to start to answer those questions.

Senator RYAN—I understand that by connecting to the network we are talking about email access—the works. Is there consideration being given to a halfway house whereby

people may have access to the wireless network but not access to the PCN—that is, I can still only access Gmail and the web, effectively, rather than access email like I would on my laptop here now? I would imagine that requires a different set of security settings.

Mr Kenny—That does. Quite frankly, I do not know, technically, what is possible and how it would work.

Senator RYAN—You could give me the password now, Senator Stephens could whack it into her iPad and she could then not access the PCN, not access her APH email account or the intranet but access just the APH website, newspapers and her Gmail account, if she has one.

Ms Missingham—That is the way the National Library, for example, has been offering it for the last six or seven years.

Senator RYAN—Is consideration being given to that? Because even with a Telstra SIM card, let's face it, this building is not the best for mobile access in its bowels.

Mr Kenny—If you are accessing, say, the APH website, it makes sense to do it internally, because then there is less cost.

Senator RYAN—Is consideration being given to that as an option—what you might call the National Archives model, Ms Missingham?

Ms Missingham—We are doing the iPad trial. We have a small evaluation meeting this week, but the intention is that we will evaluate all aspects of the iPad, including connectivity, the success of content, if there is content we need to rework and how it might be rolled out

Mr Kenny—Now that you have raised it, we will make sure that it is addressed as part of the trial, if it was not on the list already.

Senator PARRY—And that could extend to iPhone as well, if the iPad was successful.

Ms Missingham—You would think it would apply to all of those ‘i’ devices—same principles.

Mr Kenny—When we say ‘iPad’ in terms of this trial, it is actually a slightly misleading term. We are using iPads as a device, but the intention is to look at the range of intelligent mobile computing devices that are now becoming available, because we have no doubt that members and senators and their staff will want to adopt that technology and therefore we will need to be able to support it.

Senator RYAN—When you take over all of the IT management, the one thing I would say is that when one travels for a committee hearing there is a 50 per cent strike rate of the Optus dongle working on any given day.

Senator FIFIELD—Dongle?

Senator RYAN—That is what they are actually called, Senator Fifield—dongles. A lot of us have started to travel with iPads. They turn on, they work straight away, they grab on to the nearest 3G tower, there is no need to logon and there are no PCN drop outs—which leads to fewer phone calls to 2020 seeking help. Is this going to be brought to POITAG or is it just being done in-house?

Mr Thompson—Yes, I think so. We launched this because we could see this new technology coming at us all and we felt that parliamentarians would want to get onto this very quickly. This is just our way of doing enough learning so we can then start making recommendations.

Senator RYAN—Are you looking at security options that have been used by governments—executives—at state and federal levels? There have been newspaper reports of unique apps that can only be downloaded by people with authorisation who can then access email. I know that there was a report about a Victorian government iPad that had an app that guaranteed security to at least the level they were happy with. There have been reports of the Prime Minister's red book being on her iPad. Obviously, therefore, some security measures have been dealt with by other agencies. Are you working with those to maybe not overly duplicate?

Ms Missingham—We certainly have a list of other agencies.

Mr Kenny—We will learn where appropriate from what others have done.

Senator RYAN—You said the timeline on this trial is expected to be a few months before the end of the financial year.

Mr Kenny—We started just before Christmas. So I would think that we have a chance at assessment probably by the end of next month, which will be three months in basically.

CHAIR—We will now stand adjourned for the lunch break.

Proceedings suspended from 12.37 pm to 1.43 pm

CHAIR—We will recommence proceedings. I believe there are some further questions in relation to IT.

Senator PARRY—Has any advice been given to the Special Minister of State in relation to global budgets that cover information technology that the Department of Parliamentary Services or the Department of the Senate currently administers?

Mr Kenny—Not by us, or not that I am aware of.

Senator PARRY—Has advice been sought by the Special Minister of State asking whether that would be a feasible prospect?

Mr Kenny—Not from us, not that I am aware of.

Senator PARRY—Has advice been given saying that it would not be a feasible prospect?

Mr Thompson—The starting point that I have for all of this is that I understood that what would happen is that if electorate office IT transferred to DPS then we would receive the finance department current allocation, less the so-called Gershon dividend.

Senator PARRY—That is correct.

Mr Thompson—You would recall that Peter Gershon did this IT efficiency review, so we understood that there would be something taken off for that, but the department would actually receive the allocation that the finance department is currently using.

Senator PARRY—Let me approach this from a slightly different way. Mr Kenny, you mentioned prior to the lunch break that there would be a handful—and I presume a handful

would be five, six or thereabouts—of personnel that would transfer or lose their jobs in finance that would be picked up in DPS? Is that correct?

Mr Kenny—A handful.

Senator PARRY—Can you be a little bit more specific, number wise? Is it about half a dozen?

Mr Kenny—I do not have a number in my notes, but my clear recollection from the discussions was that the number was five or six individuals who currently hold positions within the Department of Finance and Deregulation who are doing jobs relating to support of IT in electorate offices.

Senator PARRY—How many people are employed by DPS who are directly related to IT or IT support?

Mr Kenny—I would have to take that on notice.

Senator PARRY—Would it be more than 50 or less than 50?

Mr Thompson—Well over 50.

Senator PARRY—That can be taken on notice. Can we have those figures for the last three years, again on notice?

Mr Thompson—Yes.

Senator PARRY—Also, can you identify IT related matters—for example, there would be a proportion of Mr Kenny's role that would be IT related in the overall scheme of things—and any other matters that are related to IT that you directly have a linkage to, whether they are part-time or full-time equivalent figures that you can provide?

It would not just be people who are in 2020 and people who are doing some of the physical activities in relation to IT, there would be others involved in administrative arrangements concerning IT. They would be quite numerous.

Mr Kenny—Yes. We can do that. We do that sort of thing from time to time.

Senator PARRY—Is there anyone from Defence Signals Directorate permanently seconded or attached to DPS?

Mr Kenny—Permanently attached to DPS, no.

Senator PARRY—Seconded?

Mr Kenny—No. We have discussions from time to time with DSD people and they occasionally provide us with assistance.

Senator PARRY—When assistance is sought from Defence Signals Directorate, do you send out information in writing? Do you ask them to come and see you? How does it physically work and are there hold-ups in that process, as in does it delay decisions being made?

Mr Kenny—As I said, we have dealings with them from time to time. I would certainly not say it is frequent.

Senator PARRY—There is a requirement upon DPS or Finance that anything that relates to accessing the parliamentary network must be scrutinised, approved or vetted by Defence Signals Directorate; is that correct?

Mr Kenny—The Defence Signals Directorate assesses devices on behalf of government.

Senator PARRY—Devices only or the entire network security?

Mr Kenny—You can have a network security assessment done, but in many cases that is done by an approved private sector organisation. It is approved by DSD. They have a panel, which is on their website, so you go and pick one of those people and then enter into a commercial relationship.

Senator PARRY—Whose decision is it to involve DSD with things like assessing iPads, BlackBerrys and things of that nature? Who has requested that DSD become involved?

Mr Kenny—Not us.

Senator PARRY—Why are DSD involved?

Mr Kenny—From my recollections of discussions where DSD have been mentioned—I am talking about POITAG meetings—is that DSD provides an assessment on new equipment and government agencies then make decisions about how they will use that new equipment or not.

Senator PARRY—So the government agencies are not bound by DSD advice?

Mr Kenny—Government agencies are bound by what used to be called the information security manual, which is issued by Defence.

Senator PARRY—The DSD.

Mr Kenny—I do not know whether it is solely DSD or other parts. I think it is solely DSD.

Senator PARRY—What is that called? Is that the information security manual?

Mr Kenny—Yes.

Senator PARRY—The information security manual holds the details as to what you would need to do when a new device is on the market and is being assessed for suitability for senators, members and departmental staff.

Mr Kenny—I do not know if that manual is where those requirements are.

Senator PARRY—So DPS does not use the manual.

Mr Kenny—DPS does. DPS does not issue devices to senators and members.

Senator PARRY—DPS has control over how some devices, particularly the BlackBerry, are configured. Again, from my understanding at POITAG meetings Finance clearly indicated DPS handles what can be switched on and what can be switched off. My understanding from that advice is that it is based upon Defence Signals Directorate advice. It seems to be a very convoluted process and I am leading to the fact that if DPS are going to be looking after all the electorate office equipment as well, then I would imagine that DPS would be engaging Defence Signals Directorate. Is this going to be the case?

Mr Kenny—That is hypothetical.

Senator PARRY—What is not hypothetical is that you are going to be taking over. We understand that.

Mr Kenny—At the moment Finance has a role in deciding on and providing equipment to members and senators.

Senator PARRY—Is that role going to continue with Finance?

Mr Kenny—My understanding, from discussions with Finance, is that role will move across to DPS and the decision about IT entitlements will move across to the Presiding Officers.

Senator PARRY—And IT entitlements include things like laptops, iPads and phones?

Mr Kenny—Yes.

Senator PARRY—Would that run in parallel with issuing devices to senators' and members' staff and maybe departmental staff here?

Mr Kenny—I would expect so.

Senator PARRY—It would be consistent advice that you would be receiving for all those devices.

Mr Kenny—Now you are hypothetical—which is in this post-July different way of operating, assuming it all goes ahead—is: how would DPS take a decision as to the connectability or otherwise, and connectability configuration decisions?

Senator PARRY—Correct.

Mr Kenny—I do not think I can answer that straightaway because it goes to the levels of operating detail that we have not looked at yet.

Senator PARRY—I presume the ultimate arbiter or decision maker in this will be the DPS and head of agency.

Mr Kenny—Yes. I think that is the case.

Senator PARRY—It would be up to DPS to determine whether or not it needed to take external advice and, if it did take external advice, the extent to which it took notice of that external advice.

Mr Kenny—Noting that the overall security of the network would continue to be of paramount concern to DPS in taking that decision.

Senator PARRY—I come back to where I started and some of your answers today about the complexity and the problems. Some of the notes I have made were about the current system being more complex than we would like it to be and that it is harder to manage, et cetera. Given those statements and given the fact that there are a considerable number of employees directly related to information technology provided to senators and members at Parliament House, would it not be wise to do a cost analysis as to whether members and senators would be better off looking after their own IT and not having any connectivity to Parliament House—being given a global budget for IT related matters only?

Mr Kenny—I am sorry, I think I know what you are asking. To do that would require a sensible and useful cost-benefit analysis, which would require quite a lot of work that has not yet been done on alternative models. We would have to run—

Senator PARRY—I think it would be very simple because all you would need to do is work out currently that each senator and member gets X amount of equipment, X amount of support and you could easily quantify that. To me, that is a simple desktop exercise—

Mr Kenny—That is true.

Senator PARRY—You could quantify that and then work out what a reasonable servicing cost and connectivity cost would be to whatever private provider a senator or member wished to use. You could get an aggregate cost of that and then work out what the cost of providing that service to each senator or member would be compared to the total cost of running the IT section of the DPS. I would see it as a fairly simple exercise. In fact I would venture to do it if I could find the time and had access to the information that you do.

Mr Kenny—What I am sitting here trying to play through my mind is the process of what you could disaggregate and what you could not in terms of having to run the network for this building, having to run the network for the various user groups such as DPS staff, Senate staff, House of Reps staff, and members and senators and their staff. Then there are two assumptions: one, assuming that network stays as is but it is the electorate offices that are done differently—

Senator PARRY—Not necessarily—allowing senators and members to bring in their own technology, whatever technology they wanted to, but not connect to anything to do with Parliament House, so you eliminate your security concerns. There is simply a budget allocated for senators and members to access whatever IT equipment they wish to use, whatever provider they wish to use. It just will not be Parliament House, which eliminates your security issue. It eliminates a lot of the servicing of senators and members with IT concerns. To me, that would be a worthwhile exercise because on face value—and this is only face value—it would appear to me that there would be considerable savings to the Department of the Senate or the Department of Parliamentary Services. But we do not know that until a proper cost analysis is undertaken. Hence my question: do you think it would be worthwhile to do that?

Mr Kenny—We could possibly consider doing it after—

Senator PARRY—After the transfer—

Mr Kenny—because at the moment, as I said before lunch, there are more than half a dozen different organisations involved either because they are part of the parliament or the government and that is what they do or because they are contracted by part of the parliament or government. Sitting here, I do not have knowledge about what all of those costs are; for example, communications costs, training costs, services in the local electorate office costs. We will have that information and know much more about it after July.

Senator PARRY—Maybe that is an exercise for post 1 July then, to have a look at whether savings to the Commonwealth could be made and provide a greater service to senators and members as a secondary aspect of that.

Could I ask a question about POITAG? Is the presiding officers' information technology adviser going to be reconvened for this parliament and, if so, when?

Mr Kenny—It has been re-established and people have been advised. We have not scheduled the first meeting yet.

[1.58 pm]

CHAIR—If there is nothing further on IT and infrastructure we will move to program 4.1, which is parliamentary broadcasting services.

Senator RYAN—Can I just congratulate them. I use them quite extensively and I would like to say that they are remarkable. They can turn things around particularly quickly.

Senator CORMANN—The Senate economics committee hearing has been shifted from its usual location in room 2R1 to 1R1, I believe, and as a result will not be broadcast for the first half of the day on Wednesday. Is it usual that Senate estimates committees end up in a circumstance where they cannot be broadcast? Is that satisfactory from your point of view?

Mr Thompson—It would be unusual. I must say, I was not aware of that particular—

Senator CORMANN—I think it is a highly unsatisfactory circumstance. Apparently it is because the venue that is usually used for that purpose was booked by somebody else. I guess I am asking whether in such a circumstance where we are not able to use the normal venue for the Senate estimates economics hearing there is any opportunity to make alternative arrangements to ensure the proceedings are properly broadcast.

Mr Thompson—It is the environment and communications committee; is it not?

Senator CORMANN—No, it is the Senate economics committee. We were advised late last week that essentially we had been bumped out of the normal venue because there had been a pre-existing booking in that particular room.

CHAIR—Does that come under the House of Representatives?

Mr Kenny—Who decides what rooms are used is the Senate department but—

Senator CORMANN—I guess the question is in the context of broadcasting, the consequence of being forced into a different venue means that we have been told that there will not be any capacity to video broadcast proceedings of the Senate economics committee on Wednesday morning.

Mr Kenny—That could be correct. Not all the rooms—

Senator CORMANN—Has that ever happened before?

Mr Kenny—Not all the rooms have video facilities or—

Senator CORMANN—But has that ever happened before that you can recall?

Mr Kenny—Not that I can recall, but I would not necessarily expect to know.

Senator CORMANN—Is it a matter of a lack of resources for not being able to video broadcast proceedings from the venue 1R1 rather than 2R1?

Mr Kenny—We have video facilities only in some committee rooms, not all. If you end up in a committee room that does not have the cameras then you will not be able to be—

Senator CORMANN—You do not have mobile cameras for these purposes?

Mr Kenny—We do have mobile cameras that we set up for special events. I do not know whether we have ever been asked to use such a facility for—

Senator CORMANN—Can I urge you to go on notice to consider the issue that I have raised. I think it sets a highly unsatisfactory precedent that an important Senate estimates committee—they are all important of course—

Mr Kenny—Can I suggest that it is a question for the Senate department rather than us.

Senator CORMANN—I think it is a question for both of you. It is a question as to where the estimates committees are taking place. It is then a question as to where they can be broadcast from and where they cannot. I guess the question for you is the broadcasting question.

Mr Kenny—But the determinant is basically the room choice.

Senator CORMANN—I think the issue should be resolved, whoever is responsible.

Senator RONALDSON—I just wonder whether the President has a view on the matters raised by Senator Cormann, because they seem to be very serious.

The PRESIDENT—The officers at the table were quite correct. The bookings of these rooms are something that is determined between the Department of the Senate and the Department of the House of Representatives. I can ask the Department of the Senate—I was not aware of the change—but I do know that what the officer said about not all rooms being set up to allow telecast and/or broadcast; I am not sure about the broadcast, I think most of them can do audio. Some of them are not set up for visual. Their advice there is the advice that I would have to take and I think that that is right, but I will ask the Department of the Senate to get an answer for you.

Senator CORMANN—Will you try and maybe resolve the issue in your role as President of the Senate?

The PRESIDENT—I do not know what the circumstances surrounding the change are. I will make the inquiries and I will find out what the circumstances are and listen with eagerness as to why the change took place. I must say, in defence of what you are saying, it is quite right; it is unprecedented that this has happened—that is, in my memory. There may have been other occasions previously, when broadcasting facilities were not as wide and as extensive as they are now, that this occurred.

Senator CORMANN—Senate estimates are obviously pretty regular and predictable in their occurrence, so it seems highly—

The PRESIDENT—That is why I will make the inquiry and I will get the Usher of the Black Rod to get back to you directly.

Senator CORMANN—Thank you.

[2.04 pm]

CHAIR—If there is nothing further on broadcasting services, we will move on to program 4.2, Hansard services. I have a question before I go to questions from Senator Ryan. In

relation to Hansard, can you update the committee as to what sort of contracting and outsourcing is taking place, particularly when committees are meeting outside of Canberra, and what issues it raises in relation to those committees and security?

Mr Thompson—I will ask Mr Oglethorpe to join us at the table. Mr Oglethorpe has been acting as assistant secretary for what we call Content Management Branch, which picks up Hansard and broadcasting.

Mr Oglethorpe—In terms of contracting out services when committees are sitting, we try not to do that as a first choice but when resources are stretched we have to do that. We have a panel of contractors we call on at different locations around Australia. At times like this, when we have concurrent sittings of chambers and committees, we do outsource and we are outsourcing some committee work this week. That is a fairly common practice for us at the moment.

In terms of security, we do, on occasion, have to cover in-camera briefings and when we do that we have a very secure means of transmitting the sound back; it does not go across the network. We believe that our security in transmitting material back over networks and back for transcription is as good as it can be.

CHAIR—‘As good as it can be’. With regard to those people who are contracted to do Hansard for, for instance, the Joint Parliamentary Committee on Law Enforcement, can you tell me what sort of security checks they go through when you are doing an inquiry and you go in-camera? What are the security checks for the individuals as opposed to people who have worked within Hansard?

Mr Oglethorpe—If we know that a committee is going in-camera then we try to make sure that we cover that committee work ourselves. The outsourcers do not transcribe the in-camera material; we do that ourselves. We have certain requirements on panel members for engagement as external providers. We very recently entered into new contract arrangements for external providers, but on a case-by-case basis when we look at the committees which we are going to outsource, we generally do not look to outsource anything that is likely to be contentious or likely to have any security implications. Those are the sorts of things that we would take in-house—do ourselves.

CHAIR—What security checks can you outline to the committee that you take for the individuals that you contract to?

Mr Oglethorpe—I believe that in the new arrangements there is some security vetting process but can I take that on notice and get back to you on the actual level that we do?

CHAIR—If you could. In terms of the Joint Parliamentary Committee on Law Enforcement, there are many occasions when you are meeting interstate where you cannot predict that you are going to need to go in-camera, so will there be, and is there, any priority given for those sensitive committees and the type of inquiries that they are undertaking where you allocate whether or not Hansard staff are permitted to travel or whether you are using contractors?

Mr Oglethorpe—Yes, indeed. We have a weekly meeting with our broadcasting and Hansard areas, following on from the committee bookings for the following week, and we

look very closely at the references and which committees we think should be handled by Hansard and broadcasting staff. The criteria require us to send Hansard and broadcasting staff for committees with that kind of contentious or security issue. We would send Hansard and broadcasting staff where we could.

CHAIR—Has there been a decrease in the number of staff within Hansard?

Mr Oglethorpe—No. We have had a stable full-time equivalent number of staff now for at least two years. With regard to the mixture of those staff, we have more sessionals now, which gives us flexibility in being able to cover peaks and troughs. Whereas in a sitting week like this we would have 56 editors, in a non-sitting week we would have 48 because we use sessional staff in sitting weeks.

CHAIR—In relation to the allocation of staff that travel, is there an issue relating to the number of committees meeting—the reference committees and the legislation committees—and has the increase in the workload put any extra strain on Hansard?

Mr Oglethorpe—I think the short answer is yes. With the increase in the number of committees sitting we are finding it more difficult to cover, which is why we have a panel of external providers. We have had the panel for some time because we cannot predict the required workload. If X number of committees are sitting at the same time as the House of Representatives, Main Committee and Senate then we have only a finite number of editing resources, so we have to outsource on occasion, but we prepare for that and that is why we have the panel.

CHAIR—Can you take on notice and give us a breakdown of the number of references we have had to our committees over the last decade so we can see what sort of decline or increase there has been?

Mr Oglethorpe—Yes, I can do that.

CHAIR—Senator Ryan.

Senator RYAN—My question is on Hansard. I was sent a survey—as were a number of others—a while ago with respect to the future of printed *Hansard*. What is under consideration at the moment with respect to publication of *Hansard*?

Mr Oglethorpe—The survey you received related to a project called ‘Hansard as a record in the 21st century’.

Senator RYAN—They have such cool names, don’t they?

Mr Oglethorpe—Yes. The purpose of the project was basically to get some stakeholder input into the purpose that *Hansard* is being used for, its relevance and its format. We have not really looked at those sorts of questions about *Hansard* since 1901. It has been in a fairly stable format for some time. The survey has closed.

I have looked at a draft report for the survey results and some information we have put in to flesh out the survey results. The initial response would seem to show that most users would prefer to have it in an electronic format. They would prefer to have it on a mobile device; they would like a Hansard app. That is not an unexpected outcome from the survey. Equally, and interestingly, although there was a clear preference for an electronic format there was still a

requirement or a request that we have a hard copy. I think the hard copy proof was seen to be an incredibly useful product, and the bound volumes still have a fairly high level of acceptance and people were still very keen to see those. So, the initial outcome from the survey was a point to say: ‘preference is for it in electronic form’, ‘quicker’, ‘put it on a mobile device’, ‘but we still want some hard copies’.

Senator RYAN—Out of this you will be making a recommendation to—I am not sure who; is it the Publications Committee?

Mr Oglethorpe—The draft report has gone to an advisory group comprising senior members of both chambers who will look at the draft and see whether there are any—not necessarily recommendations—observations from the draft which could go up to the Presiding Officers and from there it may go to a committee.

Senator PARRY—Who are the senior members?

Senator RYAN—My whip here is half a sentence ahead of me. Who are the senior members and what are the criteria of senior members? Are we looking at length of service, tenure?

Mr Oglethorpe—No, the clerks at the tables.

Senator RYAN—Okay, so not actual members of the chambers?

Mr Oglethorpe—No.

Senator RYAN—I am sorry, I thought you said ‘members of’.

Mr Oglethorpe—No.

Senator RYAN—Does this go before a committee, a group or a consultation group to the presiding officers?

Mr Oglethorpe—Yes.

Senator RYAN—At this stage do you envisage making a recommendation that would involve the abolition of hard copy printed *Hansard* or bound volumes?

Mr Oglethorpe—The input from the survey strongly suggests that there is relevance for a hard copy. Certainly the proof hard copy is generally very well received. As I said, bound volumes are still getting a favourable response. It would seem unlikely, from the results of the survey that we carried out, that a recommendation would be made to abolish the hard copy.

Senator PARRY—We can solve that. iPads would fix that and we would not need them.

CHAIR—With the indulgence of the committee, Senator Ludlam would like to go back and deal with Program 4.1, Broadcasting Services.

Senator LUDLAM—I thank the indulgence of the committee. Can you provide us with an update of the parliament’s ability to videoconference for committee work and so on? Can you give us an update of the current capacity of the system in this building for videoconferencing for committee witnesses and so on?

Mr Oglethorpe—We currently have the standard facilities outlined in the services catalogue. Mr Kenny, is there one video suite?

Mr Kenny—I can add some advice. There are a couple of videoconferencing suites in this building. One was recently upgraded by us. It has been there for quite some time and that is in the broadcast area down on the ground floor, just off Members Hall. Also, there is a product called Telepresence, which is in-house based. It was installed by the department of finance and it connects to other Telepresence facilities that are operated and installed by the finance department in capital cities. I think they had a policy of having one available to the state government in each capital and one available in the Commonwealth offices, but they can only talk to each other. The first one I referred to can talk across the public network to anybody who has a Telepresence capability, plus we are able to support a one-to-one or point-to-point via the internet. Mr Oglethorpe can add more detail.

Senator LUDLAM—That is what I wanted to come to. Is there a reason why the two systems are not compatible? I have used the system in the CPO in Perth a couple of times and it is very good, but I understand we cannot patch it into, for example, a committee hearing. I wonder if there is any proposal to have those two systems at least able to talk to each other?

Mr Kenny—I have said this a couple of times today. You will need to ask the finance department people tomorrow. I understand that it was deliberately designed to be a closed system in that they can only talk to each other. They cannot talk to outside third party Telepresence or teleconference facilities.

Senator LUDLAM—Is that some kind of security issue?

Mr Kenny—I think so.

Senator LUDLAM—That sounds like it is going to be of fairly limited use, although it is a good system. I would like to come to what is available for committee work. I understand that you have used it a couple of times in committees here, where we can get witnesses in, but what technology is required at the other end? For example, are we able to get a witness in on Skype or what is required from the witness end? Where do they have to go?

Mr Oglethorpe—We are currently doing some testing of Skype as potential for witnesses in remote areas. At the moment the technology is basically a one-to-one, but just before Christmas I read some reports that Skype had developed a multiscreen where we can have more than one witness. We are looking at being able to do that. We have talked to the secretariats to say that this facility is something that we should be trialling, so we are looking to work in that area.

Senator LUDLAM—Do you have any idea when that might be available for use by committees?

Mr Oglethorpe—I believe it can be used now. I do not think that we have used it yet. We have done some trials, but as I said, only last week I spoke to some of the secretariats about the possibility of using it. I do not know if we have a date when we will start trialling it and start using it at a real committee, but I can certainly look into that for you.

Senator LUDLAM—I have an example that is very close to home. If there is a committee hearing that is occurring in Sydney in a couple of weeks that I cannot physically attend, what are my options for participating by video link from Perth?

Mr Oglethorpe—I can find out for you.

Senator LUDLAM—I would greatly appreciate that because I think this is something that has enormous potential. I would definitely not want to see us shut down face-to-face contact in the committee work that we do, because I think it can be quite valuable, but I also think that there is real potential for offsetting some of our travelling. In that light, I do not know whether I have missed the right spot or if I can take some advice from the chair or the President about what is the best way to find out what this building's annual air travel bill is, between the committee work, MPs and so on? Where is that question best directed?

The PRESIDENT—Finance. I am not trying to pass the buck. I think finance is the correct place.

Senator LUDLAM—That is very much appreciated and again, I thank the committee's indulgence from the chair.

CHAIR—Senator Moore.

Senator MOORE—In terms of Senator Ludlam's questions about participation in committees, we have access to take short-term witness statements, but I take it that Senator Ludlam is wanting to participate for an extended period of time.

Senator LUDLAM—Yes.

Senator MOORE—That is the kind of thing that we would be considering, because that is a significant difference.

Mr Oglethorpe—I will make sure that our broadcasting area talks to Senator Ludlam.

Senator MOORE—It is a very interesting concept, in terms of using that process for a four or five-hour period and what that would cost. We tend to think of bringing in witnesses, as opposed to bringing in senators, for full participation.

Senator LUDLAM—Having disembodied voices coming out of the ceiling is quite awkward and it does not work very well, but the brief amount of work that I have done on videoconferencing is that it is weird for about 15 minutes and then you forget that you are not in the same room with people and it is quite effective.

The PRESIDENT—Telepresence as well.

Mr Oglethorpe—Yes.

Senator LUDLAM—If there is any way that we could have the Telepresence system—which is exceptionally good—able to speak to the rest of the equipment in the parliament, then I think that would be worth visiting. I will leave it there.

Mr Thompson—We would strongly agree with you about the potential for videoconferencing, in terms of committee work, and we are trying to facilitate it, but the limited trials that I have participated in, just around the building from one place to another, have been remarkably good on the internet. The Telepresence component is fantastic, but we still have a problem with running costs. The cost per minute or per hour is very large, but I am sure that it will come down.

Senator LUDLAM—I bet it is not as much as what this building spends on aviation fuel in a year, but we will find that out. Thank you.

[2.21 pm]

CHAIR—We will now move on to Program 5, Parliament House Works Program. Is there anything that you can update the committee on in relation to proposed works around Parliament House, other than what you alluded to in your opening address?

Mr Thompson—The main things that I wanted to draw attention to are the ones that I touched on some hours ago. The mail room has been finished. We are doing various security works at the moment, which are underway. We touched on those at the last estimates hearing and I could revisit them, but I am not sure how much time senators have now.

CHAIR—Any further questions?

Senator MOORE—Mr Thompson, you alluded in your opening statement to the fact that some of the water features are coming back.

Mr Thompson—Yes.

Senator MOORE—Due to the fact that they have been off for such a long time have there been any problems or additional expense in terms of the maintenance and the transition to having them back on? I am wondering if there has been any degeneration of the plumbing processes with the period that they have been off.

Mr Thompson—Thank you for the question. You will recall at the middle of last year none of us quite understood that we were going to have the end of a drought. At that stage we had committed to a modest little project to start using recycled water out of the cooling tower, which is over near Canberra Avenue. That project continued through the second half of 2010 with some really good work by our plumbing team here. We disconnected four of the water features from mains water and reconnected them to this recycled water and we were recommissioning those about November. That is about when the rain started coming as well.

We have now got four of our water features, including the big one out the front, operating on this recycled water. Once the rain started coming and the drought restrictions came off we recommissioned others by simply reactivating the old equipment and, you are right, some of it did need some tender loving care. There was a fair bit of work required in a number of the actual water features to clean up leaf mulch and dirt and so on. But I think as of now you would find about half of the ones that are operating are operating on tap water, if you like, and the other half on the recycled water. I think the building feels way, way better because of the ones that are now working.

Senator Parry interjecting—

Senator KROGER—May I say it is fantastic looking out and seeing all our water features going again. It is good for the soul, I think. What costs were involved in recommissioning the ones back to the original mains and getting them working again?

Mr Thompson—Predominantly it was our plumbers. We could dig out a breakdown of the cost but it was basically their cost in cleaning everything up. It was primarily internal labour costs. They achieved that over about two months. We progressively brought back on water features such as the one in the southern Senate courtyard here. There is a similar one in the southern House of Reps courtyard, the one outside the ministerial wing entrance and the one

that is a little waterfall outside on the Senate driveway. They have all been brought back on tap water.

Senator KROGER—If you could take on notice if there were any structural requirements in bringing them back online, that would be great.

Mr Thompson—There are a few quick answers to questions that were asked earlier and that we can give some very quick information about. I think Senator Faulkner was asking about whether these billiard tables that we sold were from Old Parliament House. We checked our records over lunchtime. Our records are that ones we disposed of had been purchased by the Parliament House Construction Authority, so they were not from Old Parliament House.

The second question, which I think was from Senator Fifield, was about the employment of our art services consultant. There was a typo in the contract. It was for a 12-month period, not for a one-month period. We apologise for that.

Mr Kenny—Again, from questions earlier, Senator Parry was asking about Parliament House passes and the different categories. I have now got a summary list of those which I am happy to table.

CHAIR—If the committee agrees, we accept that.

Mr Kenny—The second one, again relating to Senator Parry, was the blue light. The advice is that with the upgrade of the software in December last year, the version of the BlackBerry software, ‘It is now an agency decision as to whether or not you can turn it off.’ It then goes on to say, ‘Finance can make the call now.’ So it was my sense that it was a finance call. You thought it was ours. We will talk to finance and get a decision and, if it is ours, we will look at it. Otherwise, we will ask them to look at it.

Senator PARRY—Ask them to advise you if you can do it with the newer one.

Mr Kenny—Yes, that might be right. We will do it, yes. If they say to us that it is okay to do, then we will.

The final comment I would like to make relates to Senator Ryan’s comment about our IT service and how well it is travelling. What I would like to note is that currently, apart from the fact that we had our internal auditors provide us with some advice late last year on the robustness and the resilience of the network—and that advice has now been received and they have given us some suggestions, some recommendations—in addition to that we have a number of projects including upgrading the network, upgrading the service and request management system, which is what the 2020 people use to record data and to help things along. There are a number of other projects that are currently happening and the total investment there is approaching \$30 million, all on the IT services. In terms of are we doing nothing; the answer is very clearly, not.

[2.29 pm]

PRIME MINISTER AND CABINET PORTFOLIO

In Attendance

Senator Evans, Minister for Tertiary Education, Skills, Jobs and Workplace Relations and Leader of the Government in the Senate

Senator Arbib, Minister for Sport, Minister for Indigenous Employment and Economic Development and Minister for Social Housing and Homelessness

Department of the Prime Minister and Cabinet

Outcome 1—Overview

Mr Duncan Lewis, National Security Adviser

Mr Barry Sterland, Acting Deputy Secretary (Governance)

Dr Gordon de Brouwer, Acting Associate Secretary (Domestic Policy)

1.1 Domestic Policy

Dr Gordon de Brouwer, Acting Associate Secretary (Domestic Policy)

Ms Rebecca Cross, Acting Deputy Secretary (Social Policy)

Dr Paul Schreier, First Assistant Secretary, Industry, Infrastructure and Environment Division

Mr Paul Ronalds, First Assistant Secretary, Office of Work and Family

Mr Dom English, Acting First Assistant Secretary, Economic Division

Mr Tim Beresford, First Assistant Secretary, Social Policy Division

1.2 National Security and International Policy

Mr Duncan Lewis, National Security Adviser

Dr Margot McCarthy, Deputy National Security Adviser

Ms Rachel Noble, National Security Chief Information Officer

Mr Michael Shoebridge, First Assistant Secretary, Defence, Intelligence and Research Coordination Division

Mr Patrick Suckling, First Assistant Secretary, International Division

Ms Sachi Wimmer, Acting First Assistant Secretary, Homeland and Border Security Division

1.3 Strategic Policy and Implementation

Mr Ben Rimmer, Deputy Secretary

Dr Subho Banerjee, First Assistant Secretary, Strategy and Delivery Division

Mr James Flintoff, Executive Coordinator

1.4 Support Services for Government Operations

Mr Barry Sterland, Acting Deputy Secretary (Governance)

Mr Kim Terrell, Acting First Assistant Secretary, Ministerial Support Unit

Ms Helen Liossis, First Assistant Secretary, Corporate Services Division

Ms Phillipa Lynch, First Assistant Secretary, Government Division

Mr Peter Rush, Assistant Secretary, Awards and Culture Branch, Government Division

Mr Alex Anderson, Assistant Secretary, Legal Policy Branch, Government Division
Ms Joan Sheedy, Assistant Secretary, Privacy and FOI Branch, Government Division
Mr David Macgill, Assistant Secretary, Parliamentary and Government Branch, Government Division
Mr Chris Angus, Acting First Assistant Secretary, Cabinet Division
Ms Sarah Vandenbroek, Chief Financial Officer, Corporate Services Division
Mr Terry Crane, Acting First Assistant Secretary, CHOGM Taskforce

2.1 Official and Ceremonial Support

Mr Barry Sterland, Acting Deputy Secretary (Governance)
Mr Kim Terrell, First Assistant Secretary, Ministerial Support Unit
Mr Frank Leverett, Assistant Secretary, Ceremonial and Hospitality Branch

Outcome 2

Office for the Arts

Mr Richard Eccles, Deputy Secretary, Arts and Sport Group
Ms Sally Basser, First Assistant Secretary, Culture Division
Ms Lynn Bean, First Assistant Secretary, Arts Division
Mr Kim Allen, Assistant Secretary, Culture Division
Dr Stephen Arnott, Assistant Secretary, Culture Division
Ms Stacey Campton, Assistant Secretary, Culture Division
Mr Paul McInnes, Assistant Secretary, Arts Division
Mr Mark Taylor, Assistant Secretary, Arts Division

Australia Council

Ms Kathy Keele, Chief Executive Officer
Ms Robin Cowdery, Executive Director, Corporate Resources

Australia Business Arts Foundation

Ms Jane Haley, Chief Executive Officer, Australia Business Arts Foundation

National Gallery of Australia

Dr Ron Radford, Director
Mr Alan Froud, Deputy Director

Screen Australia

Dr Ruth Harley, Chief Executive Officer
Ms Fiona Cameron, Executive Director Strategy and Operations
Mr Ross Matthews, Head of Production Investment
Mr Richard Nankivell, Chief Finance Officer
Mr Nick Coyle, Manager, Governance and Strategy

National Film and Sound Archive

Ms Ann Landrigan, Acting Chief Executive Officer
Mr Steve Vogt, General Manager, Corporate and Collection Services
Ms Sonia Gherdevich, Acting General Manager, Collection Development and Outreach
Mr Noel Florian, Manager, Finance and Infrastructure

National Library

Dr Warwick Cathro, Acting Director-General

National Museum of Australia

Mr Andrew Sayers, Director

Ms Louise Douglas, Assistant Director Audience, Programs and Partnerships
Mr Mat Trinca, Assistant Director Collections, Content and Exhibitions
Mr Graham Smith, Chief Operating Officer
Ms Kylie Noonan, Chief Finance Officer

Outcome 3**Office for Sport**

Mr Richard Eccles, Deputy Secretary, Arts and Sport Group
Mr Bill Rowe, General Manager, Office of Sport
Ms Natasha Cole, Assistant Secretary, Office of Sport

Australian Sports Anti-Doping Authority

Ms Aurora Andruska PSM, Chief Executive Officer
Mr Trevor Burgess, Chief Operating Officer
Mr Darren Mullaly, Director, Legal Services/Results Management
Ms Geetha Nair, General Manager, Anti-Doping Programs and Legal Services
Ms Michelle Heins, Director, Marketing and Communications
Mr Steve Fitzgerald, Chief Financial Officer
Dr Stephen Watt, Science and Results Manager

Office of the Official Secretary to the Governor-General**Outcome 1—Program 1**

Mr Stephen Brady, Official Secretary to the Governor-General
Mr Mark Fraser, Deputy Official Secretary to the Governor-General
Ms Sharon Prendergast, Director, Australian Honours and Awards Branch

Office of the Inspector-General of Intelligence and Security**Outcome 1**

Dr Vivienne Thom, Inspector-General of Intelligence and Security
Ms Diane Merryfull, Assistant Inspector-General of Intelligence and Security

Office of National Assessments**Outcome 1****1.1 Assessments and Reports**

Mr Allan Gynell AO, Director-General
Mr Darryl Triffett, Assistant Director-General, Corporate and IT Services
Mr Pat Keane, Director Business Management

1.2 Coordination and Evaluation

Mr Allan Gynell AO, Director-General
Mr Darryl Triffett, Assistant Director-General, Corporate and IT Services
Mr Pat Keane, Director Business Management

Office of the Australian Information Commissioner**Outcome 1**

Professor John McMillan, Australian Information Commissioner
Dr. James Popple, Freedom of Information Commissioner
Mr Timothy Pilgrim, Privacy Commissioner
Ms Alison Leonard, Assistant Commissioner, Operations Branch

Australian National Audit Office**Outcome 1—Assurance Audit Services**

Mr Ian McPhee, Auditor-General

Mr Steve Chapman, Deputy Auditor-General

Mr Anthony Howatson, Chief Finance Officer

Ms Anya Moore, Executive Director, Corporate Management Branch

Mr Michael Watson, Group Executive Director, Assurance Audit Services Group

Outcome 2—Improvement in Public Administration

Mr Ian McPhee, Auditor-General

Mr Steve Chapman, Deputy Auditor-General

Mr Matt Cahill, Group Executive Director, Performance Audit Services Group

Ms Barbara Cass, Acting Group Executive Director, Performance Audit Services Group

Mr Michael White, Executive Director, Performance Audit Services Group

Dr Andrew Pope, Group Executive Director, Performance Audit Services Group

Mr Brian Boyd, Director, Performance Audit Services Group

Mr David Crossley, Executive Director, Performance Audit Services Group

Dr Thomas Clarke, Executive Director, Performance Audit Services Group

Mr Kim Bond, Executive Director, Performance Audit Services Group

Mr Stuart Turnbull, Executive Director, Performance Audit Services Group

Mr Stephen Cull, Audit Manager, Performance Audit Services Group

Office of the Commonwealth Ombudsman**Outcome 1**

Mr Allan Asher, Commonwealth Ombudsman

Mr George Masri, Acting Deputy Ombudsman

Mr Adam Stankevicius, Senior Assistant Ombudsman

Ms Gabrielle Hurley, Acting Senior Assistant Ombudsman

Ms Tracey Frey, Senior Assistant Ombudsman

Ms Fiona Bowring-Greer, Acting Senior Assistant Ombudsman

CHAIR—Officers and senators are familiar with the rules of the Senate governing estimates hearings. If you need assistance, the secretariat 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. The committee has set Friday, 15 April 2011 as the date by which answers to questions on notice are to be returned. Officers called upon for the first time to answer a question should state their full name and position for the Hansard record. Witnesses should speak clearly into the microphone. I now call the Office of the Official Secretary to the Governor-General.

[2.30 pm]

Office of the Official Secretary to the Governor-General

CHAIR—Welcome. Do you wish to make an opening statement?

Mr Brady—I welcome the opportunity to deliver a short and positive report about the operations of the Office of the Official Secretary to the Governor-General. In brief, the office managed to reduce costs and introduce more efficiencies across every area whilst

simultaneously supporting a significant increase in the tempo in the official duties undertaken by the Governor-General and Mr Bryce.

I would like to touch on some of the salient issues relating to the management of the office. The Governor-General's community outreach and engagement has continued to broaden and deepen. Since September 2008 Ms Bryce has participated in over 1,800 official engagements and has had over 100,000 guests and visitors to the official properties. She has visited 122 different locations across Australia.

The community has reciprocated Ms Bryce's outreach and there has been a substantial increase in community engagement with the Governor-General since she took office. As an example, our website hits have increased by 80 per cent. General correspondence is up by 55 per cent. Anniversary acknowledgement requests are up by 10 per cent. The number of students visiting Government House has risen by 34 per cent.

I think there is now an expectation in the community that the Governor-General will either maintain or increase her level of engagement. That is also her great wish. This expectation was highlighted during January when the Governor-General visited 20 towns and regional areas in four states in response to the flood and cyclone crisis. I am pleased to tell you that the office has been able to successfully support all aspects of the Governor-General's internal and external program and to deliver on its objectives within our budgetary boundaries. I promised brevity in my remarks and I am here to answer, of course, your questions.

Senator FIFIELD—Your office no doubt on occasion would receive correspondence from the Australian Monarchist League, among other community organisations. I recently received a letter from the league which drew to my attention the 60th anniversary of the Queen's accession, which will be marked on 6 February 2012. Mr Benwell MBE, the national chairman of the league, was suggesting that it should be marked in some appropriate way. Despite the fact I am a republican, I take the view that, for so long as Her Majesty is our head of state, she deserves respect, and significant milestones in her reign should be marked. I realise that having referred to her as our head of state that will probably initiate a flesh flurry of correspondence to my office stating that she is not indeed our head of state. But I do not want to get into that debate today. Suffice it to say that for so long as she is at the apex of our constitutional arrangements she should be appropriately recognised. Has your office given any thought to appropriate ways to mark that anniversary? I will ask the Department of the Prime Minister and Cabinet as well. What is your thinking at this stage?

Mr Brady—Really the umbrella nature of your question belongs to the Department of the Prime Minister and Cabinet. Very informal questions have been canvassed from the palace on how Commonwealth countries that share the Queen as our sovereign intend to mark the Diamond Jubilee, and I understand those questions are being looked at by PM&C at the moment.

Senator FIFIELD—I would assume that the Governor-General, as Her Majesty's representative, would mark in some appropriate way that particular milestone.

Mr Brady—I would imagine so. There is nothing definitive. There has been some communication forwarded from our high commission in Ottawa, which suggests that the Canadians have decided to go ahead with a Diamond Jubilee medal to commemorate Her

Majesty's 60th anniversary on the throne. I guess they are questions that do not fall within our bailiwick but which are now being examined.

Senator FIFIELD—I will certainly ask the Department of the Prime Minister and Cabinet when they are before us. On a related theme, the engagement of Kate Middleton to Prince William and the impending wedding, the newspapers have been speculating as to who has been invited and who has not been invited. Can you confirm whether the Governor-General has received a formal invitation at this point in time?

Mr Brady—I can confirm that the Governor-General and Mr Bryce have both been invited to the wedding and have accepted.

Senator RONALDSON—Our invitations have been misplaced!

Mr Brady—We have not received a hard copy, but I received an email from her private secretary.

Senator FIFIELD—I was going to ask how these invitations are formally conveyed, whether it is by post.

Mr Brady—I am told that the invitation is in the mail. I have confirmed through other sources that it is a definite that the Governor-General and her husband have been invited.

Senator FIFIELD—Just for my own curiosity, as a protocol matter, the Governor-General is invited but is the Governor-General's husband invited by name or is it, to use a colloquial expression, a plus-one?

Mr Brady—I imagine, knowing the palace, it would be by name.

Senator RYAN—The palace presumably did not contact you seeking to check the formal details of the name of Mr Bryce for the formal invitation?

Mr Brady—No.

Senator FIFIELD—If you are going to a wedding, you have to take a gift or forward one. Has any thought been given as to what the gift may be? Is that a decision of the Governor-General or does the government have a gift on behalf of Australia?

Mr Brady—That is a good question. I have raised it with the Department of the Prime Minister and Cabinet. My understanding is they are looking at the matter. I would have thought that, based on past practice when the Queen as Princess Elizabeth married, when the Prince of Wales married the first time, an official gift has been given on behalf of the people of Australia.

Senator FIFIELD—We will stay tuned for what Australia ends up giving to the happy couple. There is a matter of which I am sure you would be aware and that I ask in order to give you an opportunity to clarify it. You would have seen in the *Sun-Herald* and probably other newspapers on 30 January an article headed 'Don't let them eat cake ... or bikkies: Budget cuts hit tea with the G-G', about war service veterans at an afternoon tea and the issue of catering and a lack of biscuits and other refreshments. I know there is always another side to a story so I thought this might provide an opportunity for you to clarify the situation on that occasion.

Mr Brady—I am grateful for that opportunity. The *Sun-Herald* of 30 January this year published an incorrect and misleading article about the matter. In this case the Royal Australian Air Force Association asked whether they could take a group on a tour of the grounds of Government House. They were not invited by the Governor-General to a function. They initiated the contact to see if they could come to the grounds. They came to the grounds. It started to rain. They were invited inside to take shelter. They were then offered a cup of tea/coffee. Mr Bryce, who is the patron of the RAAF Association, was free at that time, so he very happily made himself available and went to talk to the veterans. Very soon after that, the RAAF Association wrote a very nice letter thanking Government House for the support in what had been a very good day for them. Subsequent to the article that appeared, a bunch of flowers was sent to the Governor-General with a very nice letter apologising for what was not the way that afternoon turned out. They were on the grounds for I think about an hour and they were given tea and coffee when they were unexpectedly invited in.

Senator FIFIELD—Thank you for clarifying that.

Senator RYAN—I wanted to explore quickly the episode of *MasterChef* that was filmed at Yarralumla last year. Who approached who about the filming of that? Was it an initiative of your office or the television producers?

Mr Fraser—The *MasterChef* program contacted Government House about the possibility of filming the penultimate show in last year's series, I believe, about six months before the episode.

Senator RYAN—Were there any extra costs incurred, whether it be for security or whatever—if it was a special function held for the purposes of filming—by the office or the taxpayer?

Mr Fraser—No, there were no additional costs to Government House. It was a regular function that the Governor-General was hosting to recognise the service of volunteers from various regions of Australia, including Victoria, after the bushfires; Lismore, after the floods; and Ingham. It was a regular function. *MasterChef* met any of the production costs, of course, associated with that event.

Senator RYAN—Were the guests at the dinner all consulted and gave their consent about filming before they turned up on the night?

Mr Fraser—Yes. That is correct.

Senator RONALDSON—Mr Brady, it is nice to see you again.

Mr Brady—Thank you.

Senator RONALDSON—You are probably thinking it is nice to see me as well, but I know you cannot say that. I want to ask you a number of questions. I refer to the event that the Governor-General had planned to hold for D Company of the 6RAR to commemorate, I think almost to the day, 44 years after the Battle of Long Tan and to a function I gather was designed to enable the awarding of three gallantry awards: for Lieutenant Colonel Smith, who was awarded the nation's second highest individual gallantry award, the Star of Gallantry; and for Second Lieutenants Kendall and Sabben, the Medal for Gallantry having been awarded earlier. Indeed, some time prior to this the government had awarded the highest unit gallantry

citation to D Company for gallantry in the Battle of Long Tan on 18 August 1966. An invitation had been extended for a large number of people to accept that at Government House on 17th August; is that right? Did that go ahead?

Mr Brady—Can I say at the outset that the Governor-General has been very moved by the experiences of Delta Company and has great admiration for their courage and the loyalty displayed. She looked forward to presenting the individual awards and the Unit Citation for Gallantry to members of the 6RAR. Following formal advice from the Department of Defence, the Governor-General invited all members from unit 6RAR to be presented with the Unit Citation for Gallantry as well as the five recipients and next of kin of a fourth to receive individual awards at an investiture at Government House on 17 August, the eve of the 44th anniversary of the Battle of Long Tan. Two recipients did not accept the Governor-General's invitation and chose to have their insignia sent directly to them. Other members of the unit 6RAR was unable to attend. My understanding is that arrangements would be made for members of the association, and specifically the former men of the company, to be appropriately recognised this year.

Senator RONALDSON—This had been an invitation extended to the surviving members of the unit plus the three men for gallantry awards, plus next of kin? Is that right?

Mr Brady—That is right.

Senator RONALDSON—That was a wide invitation extended by the Governor-General, to her great credit.

Mr Brady—Yes.

Senator RONALDSON—My understanding is that the Department of Defence stepped in and indicated it would not be prepared to let this go ahead and advised the Governor-General? Is that correct?

Mr Brady—You will appreciate that it is a matter for Defence to explain and really answer those questions.

Senator RONALDSON—I presume this was communicated to you or the Governor-General in writing?

Mr Brady—It really does fall to the Department of Defence.

Senator RONALDSON—I am asking you a question. I presume you were advised of Defence's refusal to allow this to occur in writing?

Mr Brady—I would have to check.

Senator RONALDSON—I am sure that Ms Prendergast would know whether it was in writing or verbal. If it was verbal, who rang? If it was in writing, when was the letter dated?

Ms Prendergast—Can you ask the question again.

Senator RONALDSON—I am assuming that, quite rightly, after the Governor-General extended this invitation to a function on 17 August, when Defence indicated it was not prepared to let it go ahead, the Governor-General was advised of this in writing?

Ms Prendergast—The Governor-General issued invitations to all the members of the 6RAR.

Senator RONALDSON—I know that.

Ms Prendergast—It was not a matter for Defence to actually not advance this event. The invitations were issued and not all of the invitations were accepted.

Senator RONALDSON—But the Governor-General did not proceed with it, on the back of instructions from Defence. I want to know: was that communicated to the Governor in writing or verbally?

Ms Prendergast—The investiture on the 17th actually did go ahead. Invitations were issued. Not all the invitations were accepted.

Senator RONALDSON—Were the invitations extended to the people that the Governor-General originally intended—all members of the unit?

Ms Prendergast—That is correct.

Senator RONALDSON—All members?

Ms Prendergast—All members of the unit.

Senator RONALDSON—And to the kin of those who had not survived?

Ms Prendergast—I am not aware if that was issued. As far as I am aware, the invitation was issued to all members of 6RAR.

Senator RONALDSON—So why did you mention the Department of Defence before, Mr Brady?

Mr Brady—The Department of Defence was responsible for determining whether members were to be assisted with their transport.

Senator RONALDSON—What did Defence say in relation to the transport for those members? Did Defence say it would pay for them or did it say it would not pay for them?

Ms Prendergast—I understand that Defence extended an offer to meet the domestic transport costs of the individual honours awardees and one guest to accompany them to the event.

Senator RONALDSON—So six people?

Ms Prendergast—That would, I think, be 10 people.

Senator RONALDSON—The three gentlemen—

Ms Prendergast—Sorry, yes, six people.

Senator RONALDSON—But that was not the intention of the Governor-General, was it? She wanted everyone there and the Department of Defence would pay only for those six?

Ms Prendergast—There was no expectation from the Governor-General that Defence would pay for the airfares of all those attending the investiture.

Senator RONALDSON—Did the Governor-General expect there would be some assistance provided to these people to come to this very significant awards ceremony?

Mr Brady—I think that was a matter not for her. It was a matter for the Department of Defence to determine.

Senator RONALDSON—How was that communicated to the Governor-General by Defence, that they would only cover those six?

Mr Brady—Can I take it on notice? I do not recall.

Senator RONALDSON—Ms Prendergast?

Ms Prendergast—An offer was made by the Department of Defence to pay for those six people to attend. As far as I am aware, there was no indication from Defence to the Governor-General. As she did not have an expectation that the others would be paid for, I am not aware there was any correspondence back to Government House.

Senator RONALDSON—What prompted the letter from Defence then?

Ms Prendergast—What letter are you referring to?

Senator RONALDSON—If there was no expectation from the Governor-General that people would be flown there, what prompted Defence to say that it would pay for three plus one each?

Ms Prendergast—I cannot comment why Defence made that offer. We are aware the offer was made.

Senator RONALDSON—Was that in writing?

Ms Prendergast—I do not know whether the offer was in writing to those people. All I am aware of is that that offer was made.

Senator RONALDSON—Who was the communication made to? Was the Governor-General advised of this?

Mr Brady—Advised of the circumstances behind the invitation or?

Senator RONALDSON—No. In relation to the transport.

Mr Brady—I think the safest thing is for us to go back and check the records and see how the correspondence, if there was correspondence—

Senator RONALDSON—That may well be, but that involves this being put off until we get that answer or until May. I want to know today whether there was communication between the Department of Defence and the Governor-General's office in relation to who they would or would not transport.

Mr Brady—We will try and get it as we speak.

Senator RONALDSON—Will someone be listening now who will be attending to that?

Mr Brady—Yes.

Ms Prendergast—My understanding was there was no expectation and there was no correspondence.

Senator RONALDSON—Has the government now moved to do something else in relation to a ceremony, do you know?

Ms Prendergast—The Governor-General issued the invitation, as you know, to those recipients. Our understanding is there will be an event later this year. I am not aware of any correspondence with Defence on the nature of that event at this stage.

Senator RONALDSON—Is the Governor-General attending that?

Mr Brady—We have not been told what the nature of the event is yet.

Senator RONALDSON—My understanding is that there was a function.

Mr Brady—It depends on—

Senator RONALDSON—In Brisbane; is that correct?

Mr Brady—I do not know.

Senator RONALDSON—There has been no communication with the Governor-General in relation to that? Someone behind you has some information about that.

Mr Brady—Thank you. An invitation has been issued for the citation to be presented on 18 August and it is our expectation that the Governor-General will attend.

Senator RONALDSON—So, this was the presentation of the citation that was due to take place at Government House on 17 August last year and which did not proceed? Is that right?

Ms Prendergast—That is correct.

Senator RONALDSON—Do you know whether Defence is going to fly anyone to Brisbane?

Mr Brady—I do not.

Senator RONALDSON—Do you know whether there would be a large number? Because this was a Queensland based regiment, is it likely there would be more of the unit based in Queensland than there would be in Canberra?

Mr Brady—We would hope so.

Senator RONALDSON—Mr Brady, would you make inquiries of Defence as to how many people they will fly to Brisbane in relation to the matter?

Mr Brady—I will.

Senator RONALDSON—Mr Brady, would you believe it appropriate for the Department of Defence to squib on airfares for this unit by refusing to fly these gentlemen and their families to Canberra as opposed to the cheaper cost of having this investiture in Brisbane?

Mr Brady—You will appreciate that is a matter for the Department of Defence, not for us.

Senator RONALDSON—Apart from the wedding invitation, is the Governor doing any further travel this year?

Mr Brady—Overseas travel?

Senator RONALDSON—Yes.

Mr Brady—Yes. The Governor-General will leave this week for Kuwait. A press release was put out on the website and to the media last week. She has been invited by the Kuwaiti Amir to attend commemorations marking the first Gulf War and the liberation of Kuwait from

the Iraqis. Special emissaries were dispatched around the world last year to those countries that had played a major role in the liberation of Kuwait, and of course Australia is one of them.

Senator RONALDSON—When is she leaving for this?

Mr Brady—She leaves tomorrow.

Senator RONALDSON—When does she return?

Mr Brady—On 28 February.

Senator RONALDSON—Arriving in Kuwait when?

Mr Brady—She arrives in Kuwait on Wednesday.

Senator RONALDSON—So that is the 23rd?

Mr Brady—Yes.

Senator RONALDSON—And departing when?

Mr Brady—She leaves Kuwait immediately after the commemorations, on Sunday the 27th.

Senator RONALDSON—So she is there for four days effectively. How many official ceremonies or official events is she attending in those four days?

Mr Brady—Just bear with me. I will get the draft program.

Senator RONALDSON—It is still a draft and she is leaving in a couple of days?

Mr Brady—It is somewhat fluid in terms of the other heads of state who are to attend, with the unrest in the Middle East.

Senator RONALDSON—Fluid because it is light on at the moment and you are having difficulty filling the program?

Mr Brady—She is going specifically to represent Australia at the ceremonies associated with the 20th anniversary of the liberation of Kuwait and the 50th anniversary of Kuwaiti independence.

Senator RONALDSON—Are you aware there is a travel warning out in relation to Kuwait?

Mr Brady—I have checked with the relevant agencies to see whether it is still timely and appropriate for the Governor-General to undertake that travel. I have been advised that it is.

Senator RONALDSON—This is an advice issued today, and I will read the summary. This is in capitals and underlined:

We advise you to exercise a high degree of caution in Kuwait because of the high threat of terrorist attack and the presence of landmines. Terrorists have demonstrated an intent to conduct attacks in Kuwait against a range of targets.

In light of this warning, are there going to be extra resources attached to the Governor-General because of this very high security threat?

Mr Brady—As you know, we do not comment on security matters surrounding the Governor-General.

Senator RONALDSON—You do comment on them unless there is a good reason not to. I am asking you a question: will there be increased security attached to this in light of this warning?

Mr Brady—I would expect there is appropriate security for the Governor-General.

Senator RONALDSON—Has this been discussed with anyone in the Prime Minister's department or Foreign Affairs or elsewhere in relation to the security matter?

Mr Brady—Not specifically as to her security. What has been raised has been the timeliness and appropriateness of her travel and the circumstances of the unrest in the Middle East, and whether the trip should in fact proceed.

Senator RONALDSON—The judgment is that it should?

Mr Brady—The judgment from others is that it should.

Senator RONALDSON—And should because of undertakings you have had in relation to increased security to accommodate that?

Mr Brady—The security surrounding the Governor-General is not commented upon for good reason.

Senator RONALDSON—I think what I am saying to you is that, if there is some risk—and clearly there is—it is a very specific travel warning, and one would assume that will require a significantly enhanced security presence. I am asking you the question: why would this trip proceed if it is going to carry with it a substantially increased cost and risk to the Governor-General?

Mr Brady—As of this morning when I came to the parliament I was satisfied with the arrangements in place. Ultimately these are decisions for the Australian Federal Police.

Senator RONALDSON—This advice was from this morning. It had been reviewed and reissued and contains new information. Will you review this again over the next 24 hours?

Mr Brady—It would be reviewed right up to the Governor-General's departure.

Senator RONALDSON—What other international travel is the Governor-General undertaking this year?

Mr Brady—At the moment there is a trip to the United Kingdom to attend the wedding that we discussed earlier. There is the possibility of a regional visit within the region which is still being developed. So it would not be appropriate for me to comment.

Senator RONALDSON—What would be the purpose of that?

Mr Brady—That would be a return visit to an important trading partner of Australia's. The travel—

Senator RONALDSON—Is this at the request of the government or on her own initiative?

Mr Brady—They are all at the request of the government and this will be a state visit.

Senator RONALDSON—I want to go to the World Cup. And what is not over is the bill. The bill is not over. Who else was there from the government? I presume the Governor-General was representing the government. Who else was there in an official capacity—ministers?

Mr Brady—The Minister for Sport was there.

Senator RONALDSON—So, there was just the Governor-General and the Minister for Sport? Is that all?

Mr Brady—And their delegations.

Senator RONALDSON—I have no doubt about that. Was the Prime Minister going at any stage, do you know?

Mr Brady—The invitation for the Governor-General to lead the Australian delegation came as a result of, my understanding, a last minute inability of the Prime Minister to travel to Zurich. It was important that Australia have a high-level head of delegation. The Prime Minister's office approached my office and asked whether the Governor-General was available to undertake that task.

Senator RONALDSON—How long before the decision did this occur?

Mr Brady—My recollection is it was only days.

Senator RONALDSON—It was not as a result of some feedback that the delegation has had about the likely voting outcome by any chance, was it?

Mr Brady—No. In fact, I asked specifically before departure whether Australia had a good chance of winning and was told that in fact we had a very good chance.

Senator RONALDSON—How many votes did we get?

Mr Brady—One.

Senator RONALDSON—One? How close to the event was your advice that we were in there with a good chance?

Mr Brady—Pretty much right at the time of departure.

Senator RONALDSON—If you had been told that you did not have a good chance, what would your advice have been to the government?

Mr Brady—At the time it was put in terms that we had a very good chance. The view of advisers and the government was that the United Kingdom and other countries bidding for the 2018 and 2022 bids were all sending very senior delegations and it would be self-defeating if Australia's bid was not led at a senior level.

Senator RONALDSON—I will put it to you that the Prime Minister had got a bit of a sniff that this was not going to be good and at that stage, to avoid being there at a failed bid, it was a bit of—to use an expression I have heard today—she was sent out and hung out. The Prime Minister deliberately did not go to Zurich because she knew what the outcome was going to be and she did not want to be associated with a failed bid. The governor was sent out and hung out.

Mr Brady—We were reassured that the Governor-General left for Zurich with the view that Australia liked sport and we are good at sport. In conjunction with Frank Lowy and the work that he had put into the bid she was able to lead the delegation effectively and do her best. When it turned out that Australia had not been successful it was important to show the world that we can act graciously in defeat, and I think the Governor-General represented that well.

Senator RONALDSON—I assume that the chance of success was part of the decision making when you were workshopping this request for the Prime Minister? Is that the case?

Mr Brady—The Governor-General acts on the advice of the Prime Minister. The advice was that our bid would be enhanced by her leading the delegation. If we were sitting here today and we had been successful, the success would have had many people saying that they were the father of it. Thirty billion dollars would have been injected into the Australian economy.

Senator RONALDSON—I will bet you a piece of toast without butter that if this bid was going to get up then your boss would not have been invited to Zurich. I tell you who would have been there: the Prime Minister would have been there. I will have that bet with you. I am putting to you that the Governor-General was completely sold a pup by the Prime Minister in relation to this matter. She had the numbers and knew that we were not going to win this bid, so the Governor-General was inappropriately sent out and hung out to dry in relation to this World Cup bid.

I will now turn to another matter. I want to talk about the process for honours awards just very quickly. I assume you are the man in charge of this process. Is it correct that you run the honours secretariat?

Mr Brady—I am secretary of the council.

Senator RONALDSON—You will no doubt know all of these things. How many council members are there?

Mr Brady—There are 18 at the moment.

Senator RONALDSON—Can you provide me with their names on notice?

Mr Brady—Yes, I can.

Senator RONALDSON—What is the structure? Do you effectively chair that?

Mr Brady—No. There is a chairman of the council, who is Professor John Hay, AC.

Senator RONALDSON—How often do they meet?

Mr Brady—Twice a year. Would you like us to table the membership?

Senator RONALDSON—Yes, that would be great. Can you advise me, or take on notice, the attendance schedules of the board members at the meetings for the last couple of years?

Mr Brady—Yes.

Senator RONALDSON—I do not know how many nominations you receive per year. Can you tell me off the top of your head?

Mr Brady—Since 1975, when the system was introduced, we have had 49,854 nominations, with 23,852 not being successful, translating to a 48 per cent refusal. Since January 2009 around 4,100 nominations have been considered, of which about 1,600 were unsuccessful. That is about 40 per cent. It works out at about 1,600 per year.

Senator RONALDSON—What is the process once that nomination is received? You have a secretariat of how many people?

Ms Prendergast—Once the nomination is received in the secretariat we have case officers who start researching that nomination. Usually provided with the nomination is a statement from the nominator of the service of the person that they are nominating. They may also select a number of referees that they would like the secretariat to follow up. Once the research has been carried out on that nomination, information is prepared for the Council for the Order of Australia, who meet twice a year.

Senator RONALDSON—Do you prepare notes on each candidate or do you just take it straight off the application?

Ms Prendergast—We provide the council with all relevant information and that would include comment from those referees plus a statement of the service of that person.

Senator RONALDSON—As a matter of course, would you go to the referees?

Ms Prendergast—That is correct, we go to all relevant referees.

Senator RONALDSON—Does that information have to be approved by anyone before it is circulated to the council? Mr Brady, as the secretary, do you go through those nominee notes before it goes off to council?

Mr Brady—No, I do not. I receive the volumes of consolidated information about each person to be considered by the council at the same time as other council members.

Senator RONALDSON—You do not see it before then?

Mr Brady—No, I do not.

Senator RONALDSON—Ms Prendergast, are people rated or ranked as to what potential award they might be given?

Ms Prendergast—The secretariat provides the nomination to all the council members and an indication is given if it would possibly result in a high award or a lower award. We do not rank them between the different levels.

Mr Brady—I can add to that. Effectively, the nominations would be ranked for consideration by the council for those that might be considered for an AM, AO and AC and others would be considered for OAMs.

Senator RONALDSON—So the secretariat effectively ranks by making recommendations in relation to one of those levels; is that correct?

Mr Brady—Only in the broad. Three are possible. It does not mean that once council have looked they can judge that, in fact, an OAM recommendation should be a higher award.

Senator RONALDSON—You do not see that beforehand?

Mr Brady—No.

Senator RONALDSON—Who is making that decision? Is there someone within the secretariat who is making that decision? It is a significant decision.

Mr Brady—There is no decision, as such. It is just in terms of the compendium of where they go.

Senator RONALDSON—It is a decision as to which one of the three categories they fit into, isn't it?

Mr Brady—It is a loose decision in which folder they are put, but it does not prevent the council saying that somebody—

Senator RONALDSON—But someone is making the decisions as to which folder they go in. Who makes that decision?

Ms Prendergast—We have a staff member, an assistant director in the office, who makes the decision when the nominations first come in as to whether they believe that it possibly would be a higher award or a lower award. That may change as the research is conducted. To give an indication, if we have a nomination where it is obvious there is extensive international work, then you would think that possibly that would be a higher award; that is just giving you an example. The title is 'Assistant Director of the Order of Australia'.

Senator RONALDSON—What is that person's name?

Ms Prendergast—It is Elizabeth Mitchell.

Senator RONALDSON—Just out of interest, leaving aside people who are refused, how often does the council actually move people from one recommended category to the other?

Ms Prendergast—I do not have those figures with me.

Senator RONALDSON—Could you get those for me?

Mr Brady—It would be a massive logistical exercise but we do keep a running score as the council is going through.

Senator RONALDSON—It would just be a matter of cross-referencing who did and who did not, on the back of which folder they had gone into, is it not?

Ms Prendergast—I would have to take that on notice.

Senator RONALDSON—Yes, okay.

Ms Prendergast—Are you talking for a period of time?

Senator RONALDSON—Perhaps the last two years.

Ms Prendergast—That would be an enormous exercise but we will take that on notice for the time being.

Mr Fraser—I should say there are hundreds of nominations that would need to be tabulated for each one.

Ms Prendergast—It would be over 3,000.

Senator RONALDSON—So, there would not be some system where you could cross-reference folders against allocation?

Ms Prendergast—No.

Senator RONALDSON—Take that on notice but unless you hear from me, do not proceed with it on the back of what you have just told me.

Mr Brady—Yes, thank you. Can I just answer one part of your question: how many are in the secretariat? As a head count there are 36 people.

Senator RONALDSON—Just out of interest, as a council member, have you made recommendations about moving people from one folder to another?

Mr Brady—I am not a council member.

Senator RONALDSON—As the secretary, you have no involvement at all?

Mr Brady—No, I have not; I have never.

Senator RONALDSON—What guidelines or protocols are there in place should a member of the Governor-General's—for want of a better word—household be nominated?

Ms Prendergast—A member of the household that is nominated for the Order of Australia?

Senator RONALDSON—Yes.

Ms Prendergast—I think we would take that on a case-by-case basis.

Senator RONALDSON—Right; so, there are no protocols?

Ms Prendergast—No, there are not.

Senator RONALDSON—If Mr Fraser was nominated, what would happen in that situation?

Ms Prendergast—I am sorry; it is a bit hard to speculate without receiving a nomination and I would have to take that on a case-by-case basis.

Senator RONALDSON—But there would be no special action?

Ms Prendergast—There would be no special treatment.

Senator RONALDSON—The Governor-General would not be advised? The Prime Minister would not be advised?

Ms Prendergast—That is difficult to speculate. I am not aware that the Governor-General would be advised. I assume that any nomination that we would receive in the secretariat would be treated much the same as any other nomination.

Senator RONALDSON—So, there are no protocols or guidelines, is what you are telling me?

Ms Prendergast—No.

Senator RONALDSON—Right, thank you. Has a member of the wider household ever been nominated before that we are aware of?

Mr Brady—Do you mean 'household' as in the household staff of the Governor-General or the office?

Senator RONALDSON—No, I mean the office. The ‘household’, yes; what I would call the ‘household’. The office, which includes the three of you and the 36 people in the secretariat and everyone else.

Ms Prendergast—I would not be able to answer that on the basis of confidentiality; we do not share information on individual nominations in this forum.

Senator RONALDSON—We know that Sir David Smith, who is the official secretary, received an order in 1986. You are telling me that you are not prepared to say whether someone has or has not, but you are also telling me there are no protocols in place were that to occur. Do you think there should be protocols?

Mr Brady—My understanding is that Sir David Smith, Mr Douglas Sturkey, Mr Martin Bonsey and Mr Malcolm Hazell received recognition within the Order of Australia when they finished their work with the Governor-General.

Senator RONALDSON—Yes, but I think Sir David Smith was the only one who was actually serving, was he not, when he was nominated.

Mr Brady—I do not know.

Ms Prendergast—That is my understanding.

Senator RONALDSON—Yes, that is right; thank you. Would you expect that if someone had been nominated from within the household that it would be brought to your attention?

Mr Brady—I would see it, I presume, in the normal course of events.

Senator RONALDSON—But you would not see it until the eleventh hour, would you?

Mr Brady—That is right.

Senator RONALDSON—So, would you expect that if there were a nomination of someone from the household, that prior to it getting to that stage, it would be drawn to your attention?

Mr Brady—I would.

Senator RONALDSON—You would?

Mr Brady—I would.

Senator RONALDSON—Yes, absolutely. Has that occurred?

Mr Brady—Not in relation to the Order of Australia; it has occurred in relation to the Royal Victorian Order in which two members of the household have received honours from the Queen.

Senator RONALDSON—What was the process you put in place to deal with that? I presume it was done so there were no allegations of conflict of interest.

Mr Brady—In fact, with the Royal Victorian Order a letter comes from the private secretary to the Queen to me, advising me to inform the member of staff that the Queen has decided to honour them with an award within the Royal Victorian Order. I see whether they are willing to accept it; I communicate back and it is then announced in the Queen’s honours list.

Senator RONALDSON—Have you been honoured with any awards personally?

Mr Brady—I received an award within the Dutch honours system. That was at the end of my posting as ambassador to the Netherlands.

Senator RONALDSON—Is it right that you were nominated for an award in the honour of the Order of Australia in the last couple of years?

Mr Brady—Not to my knowledge.

Senator FAULKNER—Normally the person who was nominated would not be aware of it. I am not suggesting for a moment you were, but if you were—no, forget about you, I will speak hypothetically about any person. As you know, I spent some time as a member of the council because I was the vice president of the Executive Council and strict confidence is certainly attempted to be pursued here and as far as I know in each and every case it has been successfully pursued. A nominee should never be aware of a prospective nomination; that is correct, is it not?

Mr Brady—That is absolutely correct.

Senator FAULKNER—So, it would not matter whether it was you, me, Mr Fraser or Senator Ronaldson; no-one who is nominated should ever know.

Mr Brady—Quite right.

Senator RONALDSON—With the greatest respect and without sort of having some cross-table banter, I mean that is a nonsense notion because there is—

Senator FAULKNER—Really?

Senator RONALDSON—Well, it is, because you, and no-one else, can tell me that someone does not initiate their own nomination. There is nothing to stop someone effectively—

Mr Brady—There is nothing to stop them, no.

Senator RONALDSON—Is there?

Mr Brady—No, there is nothing stopping anyone from nominating anyone, so in fact, quite often in the council we receive a nomination from a relative, a son, a wife or a husband and that is entirely appropriate.

Senator RONALDSON—But you would never know? Senator Faulkner, when he was on the council, would not know out of those 16,000 or whatever it is, whether one of those people had actually effectively initiated this thing themselves by picking up the phone to someone and saying, ‘I want you to nominate me for an award.’ There is no way known you could dispute that.

Senator FAULKNER—When Mr Brady responds that he is not aware, it would be quite remarkable if he were aware.

Senator RONALDSON—I am sure that you are desperate to be back here where the questions are being asked.

Senator FAULKNER—I am not.

Senator RONALDSON—And if you stay long enough you may well.

CHAIR—Thank you, senators. Senator Ronaldson, Senator Faulkner.

Senator RONALDSON—But that will depend where we are—

CHAIR—Gentlemen, I do not think this dialogue is actually helpful. Senator Ronaldson, Senator Faulkner. Senator Faulkner, I do not think this dialogue between the two of you is actually adding anything—

Senator RONALDSON—Mr Brady—

CHAIR—Thank you, Senator Ronaldson, I was speaking. Mr Brady was responding to your question, so if you would allow him to continue.

Senator RONALDSON—You are unaware of whether you have been nominated for an award?

Mr Brady—Absolutely.

Senator STEPHENS—In terms of the honours nominations, can you tell me is there a notional limit on the number of awards given at the Australia Day honours and then the Queen's Birthday honours?

Ms Prendergast—There are no quotas for the Order of Australia medal. There are quotas for the companion and the officer and the member.

Senator FAULKNER—Senator Stephens's question was about a notional limit. I said there might be a notional quota but there is not a notional limit.

Ms Prendergast—There is none. No, that is right. Sorry, I was looking at the end here at all quotas for each level. There is no quota for the total number of awards that could be provided, but there are quotas for the three individual higher level awards.

Senator STEPHENS—Generally speaking, how long does it take for the assessment process? Perhaps if someone were nominated at the beginning of the year—

Ms Prendergast—If we received a nomination at the beginning of the year, the time frame from when the nomination is first received to when that nomination is announced is around 18 months.

Senator STEPHENS—If people have been nominated once and it has not been a successful nomination, is there anything to prevent them from being nominated again?

Ms Prendergast—No, they can be nominated again. The council has made a policy, however, that they would prefer three years to be between those two nominations to allow the person to do extra service.

Senator BERNARDI—I have a question about the Order of Australia awards as well. A constituent contacted me about the process. I will keep the names hidden so there are no confidentiality issues along with it. A constituent was nominated and the nominator gave a number of people's details that could act as a referee to confirm the circumstances there. One of these referees—if I may say—received a letter in August seeking further information and confirming the appropriateness of the nominee. There was an expectation that would either

result in an award a few months later in the January honours or a notice that, no, it has not been successful. They are kind of hanging in limbo. What is the normal protocol?

Ms Prendergast—As we stated before, we have two meetings per year. If we wrote to somebody in August for comment that would usually be for announcement for Queen's Birthday this year. The council meeting that was held for Australia Day this year was actually held in August last year.

Senator BERNARDI—If the nominee was unsuccessful, would the nominator be informed?

Ms Prendergast—Yes, that is correct. All nominators are advised of the outcome of their nomination.

Senator BERNARDI—And the referees as well?

Ms Prendergast—No, the referees are not advised.

Senator BERNARDI—The referees are not?

Ms Prendergast—No.

Senator BERNARDI—The nominee would not receive any official notification?

Ms Prendergast—No, the nominee would only receive any correspondence in any circumstance in the secretariat if their nomination was successful and a recommendation was made by the council for them to receive an award. We write to the nominee to, as we call it, sound them out to see if they would be willing to accept the award if it were presented to the Governor-General for approval.

Senator BERNARDI—May I ask how long before the announcement of the awards are the relevant parties advised?

Ms Prendergast—The nominator is advised approximately two weeks before the announcement of the award. The nominee is written to approximately four months prior to provide enough time to prepare the list for the Queen's Birthday or the Australia Day honours.

Senator BERNARDI—What if they are not accepted; how long before the Australia Day awards are they advised that it is unsuccessful?

Ms Prendergast—The nominator is advised two weeks before the awards—

Senator BERNARDI—But what if it is successful?

Ms Prendergast—The same time. All letters to nominators are sent two weeks before the Queen's Birthday or the Australia Day honours list.

Senator BERNARDI—This is a curiosity question: if someone accepts the nomination after they have been sounded out and then tells people about it, what happens?

Ms Prendergast—We advise them not to notify people prior to the Governor-General's approval. I am not aware of any particular situation where we have taken action or been notified of that. We advise them to keep it confidential

Senator RONALDSON—I presume you read the pack before a council meeting as to who has been nominated?

Mr Brady—I do.

Senator RONALDSON—I suppose that therefore makes my question quite obvious: if you do that then you would know whether you had been nominated because it would be in the pack?

Mr Brady—I would assume so.

Senator RONALDSON—When you have looked at those three folders—

Mr Brady—Many folders. There are five, six or seven.

Senator RONALDSON—I understand that, but the three loose category folders. Have you personally made any recommendations to council that someone be moved up or down from the recommendation from Ms Mitchell?

Mr Brady—Matters within the council are confidential but as a matter of practice—I was just discussing with Ms Prendergast—no. I do not recall—

Senator RONALDSON—I did not ask you who it was. I was asking whether you had. I rather take it from your quite defensive answer that there has been someone that—

Mr Brady—That there had?

Senator RONALDSON—There has been that you have made—

Mr Brady—No, that is not my job as secretary.

Senator RONALDSON—You do not have any input into it at all?

Mr Brady—I interpret my role to ensure that due process takes place and to help the chairman should he require assistance.

Senator RONALDSON—Has the chairman ever sought your advice in relation to the appropriateness of one of these categories that Ms Mitchell has put someone into?

Mr Brady—My advice is sought when an order is to be cancelled, when a recommendation goes to the Governor-General on whether an order is to be cancelled. It then falls between me and the chairman to discuss that issue.

Senator RONALDSON—Those who have been in your position who have received an award after they have left, do you know whether they, in the main, have received an AM or an AO?

Mr Brady—I think it has been a mix.

Senator RONALDSON—Would you take that on notice for me, please?

Mr Brady—Yes.

Senator RONALDSON—When the Governor-General is leaving Kuwait, is she coming straight back to the Australia?

Mr Brady—She is overnighting in Singapore.

Senator RONALDSON—She is not travelling anywhere else apart from that?

Mr Brady—No.

Senator KROGER—I wanted to turn to the Governor-General's travel in January and in particular to travel in relation to the various natural disasters that happened around the country. Could you explain how you work out where she is going to travel? Given the scale and scope of what happened across the nation, what informs you as to where she should be going?

Mr Brady—In this instance it was guided by conversations that the Governor-General had with the premiers of Queensland, Victoria and I think Western Australia. Of course, as a former Governor of Queensland she has a vast network of individuals who are now shire presidents and mayors of municipalities. She spent many days in the aftermath of the first floods in Queensland ringing people she knew. She was on holidays. She contacted me, indicated that she was very keen—

Senator KROGER—What sort of time are we talking about?

Mr Brady—Very quickly. I think she would have contacted me almost immediately the first floods occurred. Then it was important to ensure that any visit to the areas did not detract from the work that volunteers and state officials were doing in assisting people. A big part of it is determining, not so much where she goes, but when she goes after a natural disaster. That was done in very close consultation with the mayors and shire presidents and premiers of the states involved.

On 6 January she undertook a visit to Alpha, Jericho and Emerald and then she continued to Condamine, to Chinchilla, on another trip to Ipswich and Grantham, on another trip to Brushgrove and Grafton in New South Wales and Boggabilla. On another day, on another trip, to Horsham, Natimuk, Charlton, Kerang and Rochester in Victoria. Then immediately after presenting the Victoria Cross in Perth she continued on to Carnarvon, where she inspected the flood damage. On another trip, in fact to coincide with Australia Day, she went to Rockhampton and spent Australia Day there, then went from Rockhampton to Withcott, to Grantham and then to Gatton. Then on Friday, 28 January, she went to Brisbane. So it was a very comprehensive travel program put together, as I say, in consultation with the office looking at the logistics, very sensitive to the need to time a visit to when it was appropriate to the emotional needs of those communities.

Senator KROGER—I appreciate that, because clearly she has travelled extensively to a number of the towns. You mentioned the Governor-General's earlier visits were to Chinchilla and Emerald—that area. That was around the 6th or 7th?

Mr Brady—That was 6 and 7 January.

Senator KROGER—That terrible inland tsunami that hit the Lockyer Valley happened around the 10th.

Mr Brady—That is right.

Senator KROGER—What visits did she make during that time, from say the 6th or 7th through to the week after that?

Mr Brady—On Sunday, 16 January she went to Ipswich and then to Grantham. Her next trip was to New South Wales on 20 January.

Senator KROGER—There were no trips in that week that there was that inland tide?

Mr Brady—No, there was Alpha, Jericho, Emerald, Condamine, Chinchilla. Then the next trip was to Ipswich and Grantham.

Senator KROGER—Was there any reason why she did not make any trips during that time?

Mr Brady—At that point we were taking the advice of the state police as to the nature of the crime scenes that could not be disturbed. It is a mixture of seeking the advice of those who know so much more than my staff could possibly and making sure that the visits were welcomed.

Senator KROGER—I understand the need for sensitivity, but it just seems a bit puzzling because in recollecting the unfolding, if you like, of the various natural disasters, the Lockyer Valley was an area where it was very hard to access because, as you said, the first priority was to find survivors and so on. I am surprised that it was not considered that she could divert her focus to other areas during that time in providing moral and emotional support, if you like, for others who were in clean-up mode during the time that that inland tsunami hit.

Mr Brady—I can just repeat that the Governor-General visited 20 different towns across four states in a matter of weeks. In addition to that, I have a list here of shire presidents and mayors that she contacted, from Tully, Innisfail, Mission Beach, Ingham; the list just goes on. The Governor-General is really very committed in coming months, knowing that the physical and emotional rebuilding of these communities will go on for a long time. Those communities affected can expect the Governor-General's ongoing support.

Senator KROGER—I have to fly the Victorian flag as a senator from Victoria—many would be disappointed if I did not—

Senator FAULKNER—Not me.

Senator KROGER—that amongst all those visits there is only one day that she visited Victoria and I think that might have been the day that coincided with the second anniversary of Black Saturday, was it, or was it a separate visit?

Mr Brady—No, it was a separate visit.

Senator KROGER—Was that 21 January?

Mr Brady—Friday, 21 January.

Senator KROGER—What areas did she visit on that particular day?

Mr Brady—Horsham, Natimuk, Charlton, Kerang and Rochester, and then she went to Perth straight from there for the investiture of Corporal Ben Roberts-Smith.

Senator KROGER—Have there been any undertakings to try to get back to Victoria? You may or may not be aware that there is a huge lake of water that is still occupying huge tracts of land around Kerang and Swan Hill in north-west Victoria. You may well have seen media coverage. There are families there whose homes are still, after two weeks, up to their ceilings with water and are quite destitute as they are camping out in caravans and so on. Many of those families feel that they have been ignored. Given the extent of the damage that they are facing and the rebuilding of their lives, has there been any consideration of requests put

through your office to seek a further visit to provide some moral support for these flood victims?

Mr Brady—I can assure you that will be actively looked at. The Governor-General wants to offer basically any and every community that is suffering the consequences of flood and cyclone her support and, through doing that, reassure people that the nation is not forgetting them. Her visits in Victoria have been very much guided by several telephone conversations she has had with Ted Baillieu. I am sure that there will be new communities, such as the one that you referred to, that the Governor-General would want to visit at an appropriate time as well as repeat visits to those places she has been.

Senator KROGER—There are two or three townships—and I am happy to provide them to you—that are really doing it very tough and would be areas that would be strongly appreciative of the support. I know all Victorians would like to have the Governor-General down there more than once to give them the support that they would like to receive as well.

Mr Brady—I will have my office ring you.

Senator KROGER—I would be very happy to forward the names of those townships on to you.

Mr Brady—Thank you.

CHAIR—Thank you for attending. Is there something to report back?

Ms Prendergast—I just have an answer to the question from Senator Ronaldson. I have had people look for the correspondence that you were referring to that you asked if it existed. We have been unable to locate any correspondence from the Department of Defence to the Governor-General on the matter of the airfares for the investiture for Long Tan.

Senator RONALDSON—I take it from that it was a verbal communication, was it?

Ms Prendergast—The department liaised directly with 6RAR. There was no involvement from the Governor-General's office. We simply issued the invitation. There was no discussion or correspondence between the department and Government House.

Senator RONALDSON—How many invitations were actually extended?

Ms Prendergast—I would have to take that on notice. I do not have that number here.

Senator RONALDSON—We agreed that it was—

Ms Prendergast—It was the unit. It was the unit and the members of the unit from the battle of Long Tan in 1966, so there are the current members of the unit whom I understand were actually overseas at the time and also the members from—

Senator RONALDSON—You wrote to them and extended an invitation?

Ms Prendergast—The invitation was done through the Department of Defence.

Senator FAULKNER—Are Government House's processes or procedures different during the caretaker period for an election on these sorts of matters, the sort of issues that Senator Ronaldson is raising, because I think the dates that were given were just a few days before the election? I wondered if that had any impact or not in terms of communications with agencies or the processes that you undertake.

Ms Prendergast—Not that I am aware.

Senator RONALDSON—Were those invitations that were sent by the Department of Defence sent on behalf of the Governor-General? Was it the Governor-General who made the invitation? When you say Defence invited these men and families, was that on behalf of the Governor-General? Did you have any—

Ms Prendergast—My understanding is that it was on behalf of the Governor-General.

Senator RONALDSON—Did you see the invitation?

Ms Prendergast—No, I did not see the invitation.

Senator RONALDSON—Did anyone at Government House see the invitation?

Ms Prendergast—I cannot answer for other people. I would have to take that on notice.

Senator RONALDSON—Can you take on notice, please, as to whether Government House ticked-off on them? I cannot imagine that you would allow an invitation to be sent out under the Governor-General's name without your seeing the invitation but if you say you are not sure, can you take that on notice? Can you provide me with a copy of that invitation? Can you provide me with details of every one of those people who were officially invited on behalf of the Governor-General?

Mr Brady—We will.

Ms Prendergast—That is right.

CHAIR—Thank you very much for appearing before us today.

Proceedings suspended from 3.48 pm to 4.06 pm

Department of the Prime Minister and Cabinet

CHAIR—I welcome the Minister for Tertiary Education, Skills, Jobs and Workplace Relations, representing the Prime Minister, the Hon. Senator Chris Evans, and officers of the department. We will be commencing with outcome 1, followed by the listed agencies. The committee will move to outcomes 2 and 3 later in the day. 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 shall be raised. The committee has set Friday, 15 April 2011, as a date by which answers to questions on notice are to be returned. Welcome, Minister. Do you have an opening statement?

Senator Chris Evans—I do not.

CHAIR—Senator Cormann.

Senator CORMANN—Where are we at with the Prime Minister's promise to the Independents to hold a tax summit by the end of June 2011?

Dr de Brouwer—That is currently being discussed by the Prime Minister with the Independents and the other parties.

Senator CORMANN—Do you have a date?

Dr de Brouwer—No date has yet been set.

Senator CORMANN—Do we have a venue and an invitation list?

Dr de Brouwer—Not at this stage.

Senator CORMANN—Who is taking the lead? Which is the lead agency?

Dr de Brouwer—Treasury is the lead agency.

Senator CORMANN—Do you have somebody within your department, within the Prime Minister's department, that is dealing with this?

Dr de Brouwer—Yes. The economic division within the Prime Minister's department would be working with Treasury on advising the PM about that.

Senator CORMANN—Is there somebody who is specifically focused on organising the tax summit within your department?

Dr de Brouwer—The organisation will be left with the Treasury department, but we will be engaging with them.

Senator CORMANN—So would stakeholders who report that there is not much enthusiasm within government to hold a fair-dinkum tax summit have it wrong?

Dr de Brouwer—I cannot provide a commentary on that. The Prime Minister will make decisions around that with the Treasury at a later stage.

Senator CORMANN—We are sort of running out of time, are we not? It is now less than four months until it is supposed to happen. We are more than halfway from when the promise was made. The Prime Minister needs to get support for her minority government. Here we are, less than four months away. I would like to remind you of the quote of Mr Oakeshott. He stated, ‘We've grabbed this opportunity to achieve a couple of cracking outcomes.’ And further:

We have now got a tax summit that this country needs. By June 2011, we've got a commitment to have the Henry tax review thrown into the public domain with full recommendations from government and a fair dinkum open debate in this country.

If it were a fair-dinkum tax summit, surely by now we would have a bit of an indication as to a date. I repeat, some serious people are supposed to be invited to this—experts, according to the letter from the Prime Minister to the Independents. Surely these people should be able to at least put a date into their diary.

Senator Chris Evans—The officer cannot comment on that commentary from you. The officer has confirmed for you that the tax forum is going ahead and that Treasury will be finalising arrangements. That is the appropriate advice. Obviously you can follow that up with Treasury in terms of the details.

Senator CORMANN—I am asking questions about the Prime Minister's promise to the Independents in order to get the support to get back into government.

Senator Chris Evans—The officers do not respond to that sort of question. I will respond, if you want me to. That is not expected of officers.

Senator CORMANN—Can the officers guarantee that arrangements are currently in place, at a departmental level, to have a fair-dinkum tax summit by 30 June 2011?

Senator Chris Evans—No, they cannot, because that is not for them to do. The officer gave you the appropriate answer, which is that they will be involved, but the Treasury has lead responsibility on the arrangements.

Senator CORMANN—Minister, can you guarantee that there will be a fair-dinkum tax summit by the end of June 2011?

Senator Chris Evans—I do not know about the colloquialisms that you adopted.

Senator CORMANN—This is not my colloquialism. This is from Mr Oakeshott.

Senator Chris Evans—With all due respect, that is good for Mr Oakeshott.

Senator CORMANN—He just happens to be supporting you in government; without him you would not be in government.

Senator Chris Evans—I am very appreciative of that but, in terms of the government's decision to hold the tax forum, we have committed to that. That will be held. The Treasurer and his department have the lead agency in terms of the organisational details. No doubt in answer to questions at estimates they will be able to provide you with more detailed responses than the PM&C is able to.

Senator CORMANN—The Prime Minister was very quick to promise a tax summit when she needed the support of the Independents. It seems that the government is much less keen now to go ahead with it. The reality is that we need a fair-dinkum tax summit, rather than this continuation of ad hoc tax grab after ad hoc tax grab. This was a pretty important achievement of the Independents and it is quite appropriate for us to ask questions as to how that commitment is progressing. By the sound of it, it has not progressed very far at all. Do we know whether all of the Henry tax review recommendations will be up for discussion at the tax summit, as was indicated by Mr Oakeshott back in September?

Senator Chris Evans—The government made a public commitment on the record to the tax forum. We indicated to you that that will go ahead. The Treasury is the lead agency. While I am interested in your commentary and opinion, as always, those facts remain the same.

Senator CORMANN—So will you be sending out an invite in the last week in June for a meeting before 30 June?

Senator Chris Evans—Stand by the post box for yours. I am not sure whether you are on the list, but perhaps you can ask Treasury about that.

Senator CORMANN—If I was on the list I would be arguing for lower, fairer and simpler taxes, which is probably not something that the Treasurer would be interested in hearing about.

Senator Chris Evans—He would be interested in your explaining how you are funding all of these things, because your track record on this is not great at the moment. If you want to use estimates for this sort of discussion, I am up for it.

Senator CORMANN—Who was it that was cutting taxes and repaying debt?

CHAIR—I remind the minister, senators and members of the committee that you all understand the process. Senator Cormann had the call. Do you have a question, Senator Cormann?

Senator CORMANN—Yes. Given that the minister does not want officials to answer—

CHAIR—This is a forum for asking questions, not making statements. Senator Cormann, you have the call.

Senator CORMANN—I will ask questions to the minister who is representing the Prime Minister in the Senate. Is there a date for the tax summit to be held between now and 30 June 2011?

Senator Chris Evans—As I understand it, there has been no public announcement as yet of the date, but the officials have told you what they can within their remit, which is that the lead agency is Treasury.

Senator CORMANN—So there is no date?

Senator Chris Evans—As I understand it, there has been no public announcement of the date.

Senator CORMANN—Is there a venue? Do we know where it is going to take place?

Senator Chris Evans—As I said, I cannot help you with this and PM&C cannot. They indicated the relevant agency to you. I suggest you ask those questions there. Obviously there has been no public announcement as yet.

Senator CORMANN—The commitment was made by the Prime Minister. You are the Minister representing the Prime Minister in the Senate. Is there a list of invitees? Do we know who is going to be attending the tax summit?

Senator Chris Evans—I can put this a number of ways for you. You can keep reading the questions that someone has written for you, but the answer is that the agency with responsibility for administrative arrangements regarding taxation forum is the Treasury. I am unable to help you with an update on the details of their planning for that event, but I am sure that when we get to Treasury estimates they will be able to assist you.

Senator CORMANN—I will make sure to ask Treasury those questions, too, but I note this government continues to pursue one tax grab after another. There is the flood tax, the carbon tax and the mining tax—without putting it into strategic consideration, as we were promised it would happen, through a fair-dinkum tax summit. I hope that the Independents will take their own conclusions from that.

Senator Chris Evans—I am sure they will be fascinated by your contribution.

CHAIR—Senator Ryan.

Senator RYAN—I would like to ask a couple of questions about the Prime Minister's office. Were there any short-term contracts for employees with Prime Minister Gillard in her office between Thursday, 23 June and 14 September?

Mr Lewis—Chair, can I make a comment before we start?

CHAIR—Yes.

Mr Lewis—I am sorry that I did not have the opportunity to make an opening comment. We have Mr Eccles, who has just joined us, reflecting the expanded responsibilities of PM&C. We are now not only doing those things that you are familiar with, but we have

picked up, as you know, sport and the arts. Mr Eccles was just joining us for the general questions at the start and then, with your concurrence, Chair, I would have him leave the table and come back for the evening session, when we will do outcomes 2 and 3, which are sport and arts. I just wanted to make that point. Are we still in general questions?

CHAIR—We are moving on through to program 1.1.

Mr Lewis—That is fine.

Senator RYAN—This is a general question about the Prime Minister's office.

Mr Sterland—To clarify, is this a question about MOP(S) Act employees?

Senator RYAN—Yes, people who are in the Prime Minister's office rather than the department.

Mr Sterland—We do not have that data. It is Finance.

Senator RYAN—Are you directing me to Finance first?

Mr Sterland—Yes.

Senator RYAN—My other questions can go to Finance as well.

Senator RONALDSON—Who will know the Prime Minister's travel arrangements for the next six months? Do you have someone here?

Mr Lewis—Yes. We have people here who can answer that question.

Senator RONALDSON—Can you tell me what international travel plans the Prime Minister has for the remainder of 2011?

Mr Lewis—The Prime Minister's forward travel programs have not been made public, with the exception of the impending trip to the United States. The Prime Minister will be visiting the US early next month. Beyond that, the travel program has not been finalised.

Senator RONALDSON—Tell me about the trip to the States. When is the Prime Minister arriving, where is she arriving and when is she leaving?

Mr Lewis—She is arriving on 6 March.

Senator RONALDSON—What day is that?

Mr Lewis—I think it is a Sunday. She is departing on Friday, 14 March from New York.

Senator RONALDSON—That is a very lengthy trip.

Mr Lewis—It is Washington and New York. She will be arriving in Washington and departing from New York.

Senator RONALDSON—They are hardly four cut lunches away from each other. I will put it to you, again, that it is quite a long trip in the one country, given no travel from Prime Ministers in recent times.

Mr Lewis—I do not have a view on that. There are obviously a great many things to discuss in the United States.

Senator RONALDSON—What is the primary purpose of the trip?

Mr Lewis—There will be meetings with the President of the United States and a number of senior office holders in the administration. Essentially it is to progress the bilateral relationship with our major ally. There will obviously be an opportunity in New York to address some of the multilateral issues with the United Nations. There will be an opportunity to meet with the Secretary-General and to pursue our multilateral agenda.

Senator RONALDSON—Is she there for about six or seven days?

Mr Lewis—I mentioned that she arrives late on Sunday, 6 March and departs New York on Friday, 14 March.

Senator RONALDSON—It is closer to eight days. She is meeting with the President?

Senator Chris Evans—Does that make five full days?

Mr Lewis—It is Friday, 10 March. I am sorry, I do not have a calendar in front of me. That is not eight days but whatever it works out to.

Senator RONALDSON—I was told the 14th.

Senator Chris Evans—I think it is a Sunday night and with a Friday departure.

Senator RONALDSON—Is she meeting the President early or later in the trip?

Mr Lewis—I think they are still finalising the precise times, but I expect it will be early in the trip.

Senator RONALDSON—Given that it is now 21 February, I presume the itinerary is fairly well finalised.

Mr Lewis—As you know, the itineraries move around a bit. I would not like to put my hand on my heart and say it is finalised, but I expect the skeleton of it is right.

Senator RONALDSON—So, she is meeting with the President and the Secretary-General. Who else?

Mr Lewis—I think there are meetings planned for, among other people, the Secretary of the Treasury, the Secretary of State, the intelligence community, and with some of the think-tanks in Washington. There is also an engagement with the Chamber of Commerce.

Senator RONALDSON—So, there is no specific purpose for this trip—is that right?

Mr Lewis—No, I mentioned that it is to progress the bilateral relationship with our major ally on the one hand and, secondly, to progress our multilateral agenda.

Senator RONALDSON—Is there any plan for the President to visit Australia?

Mr Lewis—I know that, of course, the previous planned visits had to be called off for one reason or another and I am sure the intention is for the President to return here, but I do not have any information about when that might be.

Senator RONALDSON—Was that the removal of the Prime Minister from office; was that one reason or the other that you are referring to?

Mr Lewis—I cannot comment on that; I have no—

Senator RONALDSON—That is my recollection of it, but I might be wrong. So, is that still being discussed, the President's trip to Australia?

Mr Lewis—I have not heard any discussion recently. I will take some advice on that. It is as I described. The intention is for the President still to visit Australia, but the timing is not settled.

Senator RONALDSON—So, when was this trip first planned?

Mr Lewis—The Prime Minister's visit to the United States?

Senator RONALDSON—Yes.

Mr Lewis—I am not sure I can give you a precise date but it would have been in the closing months of last year.

Senator RONALDSON—You must have a better idea than the 'closing months of last year'. When was contact first made with the Americans in relation to this trip?

Mr Lewis—I do not know that I have a date. Just a moment. No, it is as I described. We do not have a precise date. There was a discussion, I understand, at Yokohama at the APEC meeting between the Prime Minister and the President around this visit. It had been contemplated among officials just prior to that, but I cannot be specific about dates. These programs evolve over time. I am sure you understand it is an iterative process and there is not a specific date where everything is locked in.

Senator RONALDSON—Nor in this case a specific purpose. What is the approximate cost of this trip going to be, do you know?

Mr Lewis—I have no idea. The cost will obviously be tabled after the visit. The best we could do is give some sort of indication of what previous visits to the United States may have cost. Certainly, I could provide figures on that. We would have to do some research.

Senator RONALDSON—So, there is no indicative cost at this stage?

Mr Lewis—As I say, we can give you the cost of a previous like visit, but the costs of this visit would not be available until after the accounts were settled.

Senator RONALDSON—From what you are saying, this was planned from before the recent events in Queensland, New South Wales and Victoria—the floods and cyclone?

Mr Lewis—Yes.

Senator RONALDSON—Minister, does the Prime Minister view it as appropriate, given the massive reconstruction work that is taking place across the country at the moment, to travel to Washington and New York for what I would at best describe—in its kindest—as a meet and greet and no more than that? Is the government of the view that this is a good use of the taxpayers' resources and the Prime Minister's resources, particularly when there are levies being put through the parliament and a requirement for significant stress on the budget? Is this a good time for the Prime Minister to be travelling?

Senator Chris Evans—I regard your question as a rather long bow even by your standards. As I recall it, the Prime Minister was invited to visit the United States of America by President Obama, I think in public, but there had been previous discussions about the possibility, as Mr Lewis indicated. America is our closest ally. We are involved with America and other nations in prosecuting a war in Afghanistan. I do not think any Australian would regard it as inappropriate that the Prime Minister sought to engage with the United States in

promoting our bilateral relationship and having discussions with the leaders of the United States about matters of mutual interest. I am quite surprised that you would question that. The fact that we have had natural disasters in Australia that are requiring an enormous reconstruction effort and the fact that we are seeking to finance support for that reconstruction seems to me to be quite separate from the ongoing prosecution of Australia's international and national interests. It is quite appropriate that the Prime Minister, similar to all previous Prime Ministers, look to pursue those interests with our close ally the United States of America.

Senator RONALDSON—Was a natural disaster one of the variety of reasons that President Obama cancelled his trip? Was there a specific event, do you know, that caused President Obama to withdraw from his trip to Australia?

Senator Chris Evans—My recollection was it was partly his concerns about getting his legislation through the parliament. That was one of the reasons that delayed him, as I recall.

Senator RONALDSON—And your leader has no concerns about getting her legislation through parliament?

Senator Chris Evans—Our Prime Minister is hopeful that the opposition will see the light and support the reconstruction levy. As I recall, he had difficulties at one stage with his health reforms and was delayed on one occasion. I stand to be corrected, but that is my recollection.

Senator RONALDSON—So I am clear of the priorities, it is okay to pull out of a trip if you have some issues getting legislation through, but if you have had probably one of the worst natural disasters in this country's history, if not in the last four decades, that is not a good enough reason to cancel a meet and greet? I just want to see what our relative national priorities are.

Senator Chris Evans—President Obama's rationale for cancelling his visit is one that he has explained and is a decision for him.

Senator RONALDSON—You explained that he was concerned about getting legislation through.

Senator Chris Evans—As I recall, that was one of the reasons he used in explaining his change of travel plans, but that is a decision for President Obama. Your proposition seems to be that the Prime Minister should not travel this year because of the natural disasters in Australia.

Senator RONALDSON—Did I suggest that?

Senator Chris Evans—That seems to be—

Senator RONALDSON—No, I am talking about this trip.

Senator Chris Evans—The Prime Minister should not travel to America in 2011 because of the natural disasters that Australia has experienced? I am not sure that is a proposition that holds any weight, but you are welcome to advance it.

Senator RONALDSON—Are you aware that there are still fellow Australians who are sleeping in tents as a result of the natural disaster which occurred in the last month?

Senator Chris Evans—Our focus on the reconstruction effort as a result of the terrible tragedy is the reason we are seeking the support of the parliament—to finance that

reconstruction effort through the levy. We are absolutely committed to the reconstruction efforts required in Australia. Your attempt to make some cheap political point by linking those efforts with a decision by the Prime Minister to visit the United States is, as I say, beyond me.

Senator RONALDSON—You have acknowledged that there is no specific reason for this trip.

Senator Chris Evans—I have not done that at all.

Senator RONALDSON—There is no specific reason. There is no decision that is looming or impending that will be made as a result of this. This is only a meet and greet, is it not?

Senator Chris Evans—I do not agree with your characterisation at all.

Senator RONALDSON—What impact would there be on the national interest if the Prime Minister were to pick up the telephone to President Obama—as he presumably picked up the phone to either her or former Prime Minister Rudd—and say, ‘Now is not a good time for me to come. We’ve just had a significant natural disaster. I should be back here helping to manage the reconstruction’?

Senator Chris Evans—You have put a hypothetical question about a judgment that I presume you are advocating the Prime Minister should make. That is not a judgment she has made. The judgment she has made is that she will seek to visit America next month in order to pursue Australia’s national interests. I think that is an appropriate decision.

Senator RONALDSON—Can you tell me one decision that will be made between 6 and 10 March that could not and would not be made if the Prime Minister did not attend? Just give me one.

Senator Chris Evans—The details of any agreements or decisions reached as part of that visit will obviously be revealed, if you like, in due course, but I absolutely reject—

Senator RONALDSON—So there are issues that are—

Senator Chris Evans—the notion that pursuing a close relationship with the United States and an engagement with the President of the United States in pursuit of our mutual interests is a waste of the Prime Minister’s time. I absolutely reject that. I think most Australians—and certainly the previous government, of which you were a member—were firmly of the view that such visits were important in terms of enhancing the bilateral relationship and our mutual cooperation on such a large range of matters, including the prosecution of a war in which Australian soldiers and US soldiers are engaged and unfortunately losing their lives.

Senator RONALDSON—I will not reflect on that comment now. There is not one of those discussions that could not take place by telephone and there is not one of those discussions that has not taken place by telephone in the past. What you are telling this committee is that there will be outcomes of national significance as a result of this trip that will be announced during this trip? Is that what you are telling us?

Senator Chris Evans—You continually seek to rephrase what I said to suit your own purposes. What I said is on the *Hansard*. That is not what you said.

Senator RONALDSON—You told me there were going to be announcements.

Senator Chris Evans—I said I am sure that any decisions or agreements or propositions that are determined between the President and our Prime Minister will be announced in due course.

Senator RONALDSON—Are you giving this committee an undertaking that there will be outcomes of national significance announced during this meeting? Is that why she is going? Is there something you cannot tell me that is of such national significance that it is actually driving the trip? If there is, I will discontinue my questions. Is that what you are telling me?

Senator Chris Evans—I am telling you what I have told you on the record. You seek to take that further. I have said to you that the government/the Prime Minister has made a decision that the visit ought occur because it is in Australia's national interest. I think that is a correct decision. It is a decision taken by successive governments to pursue such visits and I am surprised—very surprised—that a Liberal Party senator would question the importance of that relationship with the United States of America.

Senator RONALDSON—You know as well as I do that I am not doing that. What I am questioning is: is it appropriate for the Prime Minister of this country to leave for a meet and greet, which I will put to you ostensibly is no more than her actually trying to strut the world stage with President Obama when we are still in the middle of the most significant reconstruction requirement in this country's history?

Senator Chris Evans—I do not think that comment warrants a response, with respect. I do not think you can be serious with the line you are pursuing. I would be surprised if your leader endorses such a line of argument. I would be very surprised if the former Prime Minister, Mr Howard, would support such a line given the number of times he visited the United States of America in pursuing that important relationship. I do not think—

Senator RONALDSON—Why can't this be delayed? Why can't this trip be delayed? What is it of such significance that means this trip cannot be delayed while this reconstruction process is underway? Give me one good reason.

Senator Chris Evans—As has been indicated by the officers, the trip has been planned. It is envisaged that the trip will go ahead as has been described to you.

Senator RONALDSON—But President Obama's trip was planned. President Obama's trip, I suspect, had more meat to it than this one and he cancelled that because of a variety of domestic issues. I am asking you, why can't this trip be cancelled because of a very significant domestic issue and be put off? We are not sitting in July. We are not sitting in the first couple of weeks of August. There are a couple of weeks in June when we are not sitting. You tell me what the imperatives are for this Prime Minister to leave this country in the present scenario. That is all I want to know. If you have a good reason for it, tell me.

Senator Chris Evans—Your proposition is that the Prime Minister should not leave the country until July; is that right?

Senator RONALDSON—I am happy to accept a good rationale, but you are not providing me with that.

Senator Chris Evans—Quite frankly, I do not care what you think in terms of whether you approve or do not approve of the visit.

Senator RONALDSON—I am thinking what a lot of Australians would be thinking about this.

Senator Chris Evans—I think a lot of Australians would be aghast at your proposition.

Senator RONALDSON—I think you will find they are totally aghast that this Prime Minister is going for a meet and greet in the current situation.

Senator Chris Evans—I think you will find you are a little out of touch.

Senator RONALDSON—I think I know who is out of touch. If the Prime Minister thinks it is an appropriate course of action to spend hundreds of thousands of dollars travelling to the United States in a week's time in the middle of this crisis for no more and no less than a meet and greet, she is out of touch. If she thinks that might improve her standing in the polls she might be very sadly mistaken. I am not going to get any sensible answers so I will leave that question.

Mr Lewis—Could I just correct one point that I made about the arrival? It is actually one day out. She is arriving in DC on the evening of Saturday, 5 March.

Senator RONALDSON—Do we know what time?

Mr Lewis—No, just the evening. I cannot be any more specific than that.

Senator RONALDSON—Are there any official functions on the 6th?

Mr Lewis—I do not know. She is leaving on the morning of Friday the 11th, just to clarify a little on the departure time.

Senator RONALDSON—If she is leaving on the morning of the 5th I think it gets her in for Saturday evening.

CHAIR—I think she was to arrive on the evening of the 5th and leave on the morning of the 11th.

Senator RONALDSON—Arriving on the evening of the 5th but departing on the morning of the 4th; is that right?

Mr Lewis—I would not think so, just knowing what I know about flight times. She is arriving on the evening of the 5th; leaving midday on the 5th our time.

Senator RONALDSON—At this stage you do not know whether there are any official functions on the 6th?

Mr Lewis—No.

Senator RONALDSON—Will you take that on notice?

Mr Lewis—Yes, I can take that on notice.

CHAIR—Before we go on with further questions, I think it would be prudent to advise the Office of the Commonwealth Ombudsman that the opposition no longer requires them. Therefore, they are dismissed from appearing before us tonight. We have checked with the other Independents and the Greens.

Senator RONALDSON—There was an article in the *Age* on 27 January about the World Cup costs and consultants. Can I just double-check that these figures are correct. The federal

government has spent some \$34 million, to quote the article, on the failed World Cup bid; does that sound about right?

Mr Lewis—We have two choices here. Mr Eccles can take your question or you may want to put it off until the sport and arts outputs. It is up to you.

Senator RONALDSON—I think I am happy to pursue it given the remarkable comment of Sports Minister Arbib, who after we got one vote and spent \$34 million said that if we had won the cup it would have been a huge payout for the country in terms of economic growth of tourism and jobs, with no reference at all to the costs of it. Is this \$34 million figure correct?

Mr Eccles—No, the government entered into a funding agreement with the Football Federation of Australia for a total amount of \$45.586 million.

Senator RONALDSON—So, the article actually understated the spending?

Mr Eccles—I am not aware of the article you are referring to.

Senator RONALDSON—It was in the *Age* on 27 January. What is the breakdown of that \$45.86 million, I think you said?

Mr Eccles—I can go through some costs but there may be some aspects that I will need to wait until the program managers who look after the detail of the program come after dinner; we were scheduled to be on a little bit later. I can take you through the high-level categorisations of the costs, if you wish.

Senator RONALDSON—Yes, please.

Mr Eccles—There were ten categories of expenditure in the funding agreement between the government and the Football Federation of Australia. The figures I will read out reflect the amount of money that has been provided to the Football Federation to date. There were staff and related costs of \$4.606 million.

Senator RONALDSON—That was about 14 staff, was it, that had been provided to the FFA?

Mr Eccles—It varied. At times they had quite a considerable number of staff to assist, but it is my understanding that most of the time it was between 10 and 14.

Senator RONALDSON—Go on.

Mr Eccles—Consultants costs, \$6.595 million.

Senator RONALDSON—What was that made up of? Who were the consultants?

Mr Eccles—There was a range of consultants. There were consultants for advocacy services; there were consultants to develop their initial business case; there were consultants that were put in place to work on code displacement analysis and come up with an alternative draw for the other codes that were affected, or that would be affected; there were consultants used to develop the local organising committee's budget; there was also a number of other consultants that were engaged to assist in the development of some of the technical requirements for the bid.

Senator RONALDSON—So, this included some chap called Peter 'the fixer' Hargitay, is it? Some Swiss-Hungarian named in this article; Peter Hargitay?

Mr Eccles—There was funding provided from the Football Federation of Australia to a group called the European Consultancy Network and I understand that Mr Hargitay is one of the principals of that company.

Senator RONALDSON—This article says that the FFA contracted with these people but the government paid; is that correct? The government paid the bills and the FFA did the contracting?

Mr Eccles—The funding provided for all costs under the contract falls into those broad categorisations that I provided and so the funding for all the consultants was funded through the funding provided under the contract.

Senator RONALDSON—Yes, and who had the overview in the department of those contracts?

Mr Eccles—Within the department it would have been the World Cup Bid Task Force, initially in the Department of Health, transferred to the Department of the Prime Minister and Cabinet, that had oversight of the funding agreement with the Football Federation of Australia.

Senator RONALDSON—My understanding is that the FFA just did the contracting and you paid the bills. Was there any involvement of the government—the Department of the Prime Minister and Cabinet—in the tender process? Was it selective; was it open? How was all that done?

Mr Eccles—The Football Federation of Australia was the only body who could perform the functions. You are talking about the specific consultants, are you?

Senator RONALDSON—Did you have anyone working with them on the—I presume there were competitive bids for these funding allocations; were there?

Mr Eccles—I am not sure I follow the question. The process—and it might be useful—was that there was a business plan submitted by the Football Federation of Australia; there was a contract that was entered into which in effect gave effect to the business plan that they put forward; funding was outlined against those 10 broad areas of deliverables; there was detailed reporting required on a quarterly basis; audit provisions were in place; quarterly reports, as I said, were provided, which outlined the progress on each of the deliverables and outlined all the spending that was undertaken and variations that may have been needed.

Senator RONALDSON—But you would want to make sure this process is all above board, would you not? We have seen some—how can I put it—unattractive things occur in the past in relation to these sorts of bids where there has been allocation of kickback and so on. I presume you were keen to ensure the integrity of the contracting process?

Mr Eccles—That is right.

Senator RONALDSON—How many people within the federal department were overseeing the letting of these contracts?

Mr Eccles—No-one in the task force was involved in the decision to appoint the consultants.

Senator RONALDSON—Why not?

Mr Eccles—The Football Federation of Australia was responsible for the bid strategy. They were provided with funding to deliver against a number of the outcomes that I have alluded to and the decision to engage the particular company that you are referring to was one for the Football Federation of Australia.

Senator RONALDSON—You did not believe it was appropriate to, in any way, test the integrity of the contracting operation?

Mr Eccles—The Football Federation of Australia put forward a project plan and a detailed outline of the deliverables that they were going to put forward in supporting the bid. We signed off on those but we were not involved in the day-to-day decisions about the expenditure of the particular component parts.

Senator RONALDSON—There would not be one government contract where there was not some involvement from a department in the deliverables and the integrity of the process, would there?

Mr Eccles—That is not what I am saying. I am saying that we certainly worked very closely with the Football Federation in all aspects of the acquittal process and working with them on developing their business plan, but we were not involved in the decision to appoint the specific consultants that you are referring to.

Senator RONALDSON—You did not think it was appropriate to do that given that there were contracts with mainly overseas suppliers?

Mr Eccles—I think it is fair to say that when we found out about the contract arrangements we sought certain assurances from the Football Federation of Australia.

Senator RONALDSON—Has all the money been accounted for?

Mr Eccles—To date, yes, all the money that has been provided to the Football Federation of Australia has been accounted for. I can tell you that the Football Federation has received \$41.5895 million from the government and they have a small amount remaining under the contract if they need it.

Senator RONALDSON—Can I just very quickly go through this article? More than \$1.1 million was paid in public relations, largely to the London based Square 1 Consulting; another \$5.2 million was spent on preparing a 760-page bid book detailing Australia's capacity to host the event, much of it from a Munich based consultancy, Abold; more than \$2.5 million was spent on travel; another \$1.7 million on business operations, office rent, printing, phone bills, office supplies, computer services, security and postage; almost \$2 million was spent on community programs; while the final \$5.2 million was spent on marketing and advertising. It went to the FFA, who said they complied with reporting requirements and would submit a breakdown for an apparent \$11.4 million given to the football body which is yet to be accounted for.

Mr Eccles—I have got no idea. I am aware of that media reference and I am aware of the basis of some of those things, but that is a complete misrepresentation of what actually happened. The journalist received information through freedom of information that showed that \$34 million at that point in time had been provided to the FFA. I suspect that they did some sums and made an erroneous assumption that the funding that had not been provided to

the FFA had gone missing or was somehow unaccounted for. I can assure you that we had very tight controls on the financial performance and the financial operations of the FFA and I can give you the details of where we stand at this point in time relating to the \$41.5895 million that has been provided to the FFA.

Senator RONALDSON—Was there any instruction given by the government that as far as possible the FFA should use local contractors?

Mr Eccles—No.

Senator RONALDSON—Why not?

Mr Eccles—Because Australia does not have a strong track record in bidding for the World Cup. They did utilise a significant number of domestic consultants. I know PricewaterhouseCoopers, Deloittes and a number of other organisations were used. The nature of, I guess, the global considerations that go into a bid of this nature saw the FFA decide that the pursuit of the event would be best placed by employing people who resided outside Australia in a couple of instances.

Senator RONALDSON—I think everyone was totally devastated; we got one vote. I am not equating the \$45.86 million to the one vote that we received, but are you telling this committee that there is no-one in this country that could have prepared a 760-page bid book detailing Australia's capacity to host the event—

Mr Eccles—No. I did not say that—

Senator RONALDSON—much of it from a Munich-based consultant called Abold? How much of this money was paid to Australian contractors?

Mr Eccles—I would say all of the money, with the exception of the funding that went to Abold and ECN. I can give you a general indication. An assumption would be possibly all of the money, with the exception of around about \$5 million, so the significant amount of funding that was used was used to support Australian personnel. It is important to note that Australian consulting teams and design agents were heavily involved in putting together the content of the bid book, which required some detailed specifications about our stadium preparedness and what kind of capital works might need to be done in order for our stadiums to qualify to FIFA specifications. There were quite a number of domestic organisations, firms and individuals that were engaged in this process.

Senator RONALDSON—You would have no idea whether the FFA went out to open tender with a lot of these contracts or whether they were a select tender or whatever?

Mr Eccles—I understand that in the instance that you are talking about it was a direct decision that they made to approach ECN, the company that—

Senator RONALDSON—What about the other contracts?

Mr Eccles—I believe Abold was also a direct tender. The Abold company has a track record that is quite impressive, having secured a number of Winter Olympics for bidding nations, as well as a number of sporting events.

Senator RONALDSON—What were the open tenders?

Mr Eccles—I do not have that information with me. I might be able to have that later in the day.

Senator RONALDSON—Were there any?

Mr Eccles—I do not know. I will need to look into that.

Senator RONALDSON—Is that because the department did not oversight this or is it because you do not know?

Senator Chris Evans—To be fair, Madam Chair allowed the question in the general section, but as the officer indicated the officers responsible for the sports programs are scheduled to be here after dinner. They will be available after dinner. The officer has done his best to assist you with the information that he has. He has indicated that if you want some more detailed information, the department will be better able to answer that for you after dinner when the other officers are here, who can then provide you with a more detailed briefing. As I say, the officer has been as helpful as he can be at the current time. If people want to pursue these issues in more detail, then I would ask that you have them pursue those questions when the rest of the sports officials are available.

CHAIR—Mr Lewis made that clear in his comments earlier. Senator Ronaldson.

Senator RONALDSON—That is fair enough. You acknowledge that there was no-one from the department who was actually overseeing the tender process; is that what you told me earlier on?

Mr Eccles—For the tender process for the appointment of the organisations that you referred to, that is right, but the outcomes that were being pursued were certainly consistent with the program that we signed off on. We were not involved in this particular letting of contracts to those particular companies.

Senator RONALDSON—So you would have no idea whether they were open or select?

Mr Eccles—I do not know, off the top of my head, but, as I said earlier, I believe that in those instances they were a direct approach by the Football Federation to those organisations.

Senator RONALDSON—When will we have a full breakdown of the cost?

Mr Eccles—The final reconciliation is due in April. There is some Asian Cup activity still ongoing and there is a small number of—

Senator Chris Evans—We won that one without going to a vote. There are swings and roundabouts, as in our game.

Senator RONALDSON—Yes, I know. Minister, will you give an undertaking that the full financials in relation to the government's \$45.86 million bid will be released publicly?

Senator Chris Evans—Of course. That is what estimates is here for. The office has given you what they have so far and at the next estimates, or on notice, they will give you any other information that is available.

Senator RONALDSON—Thank you.

Senator ABETZ—I would like to take you to question PM3 from the last estimates in relation to a ballot of workers and the extension of time that was provided, given that there

was a public holiday intervening. You may recall that, but in any event, it was recorded in the *Hansard* on F&PA, page 60 onwards.

Senator Chris Evans—What was the subject matter?

Senator ABETZ—Negotiation of the enterprise agreement and the public holiday that was involved. I asked who advised you or reminded you that it was a public holiday on the Monday? I have been given the answer: ‘Please see the response to PM2.’ I go to PM2 and I am told: ‘once senior management realised.’ That does not tell me who alerted, advised or reminded the department that it was a public holiday, so we still do not have an answer to the question and I am wondering whether we can be given a direct, straightforward answer. As I put to the committee last time round, the advice I had was that it was the union and staff that told senior management about this and I would have thought there is no shame in acknowledging that the unions and staff have a role to play in these negotiations. Sometimes they do bring up issues that are of benefit to the workforce. It is a complete obfuscation of the matter. The time has passed in relation to this issue, but the non-answer is most unimpressive. Do we have an answer?

Mr Lewis—No. I recall being in an executive meeting where it was made apparent to those present that it was a public holiday. I cannot be more specific as to who it was that notified us. It is a gazetted public holiday so it could have been identified by anybody who had been studying the form. I do not know the answer.

Senator ABETZ—The problem was that nobody had studied the form and that is why the public holiday was not taken into account. Somebody drew it to your attention and the reluctance and incapacity to indicate who it actually was defies, quite frankly, any belief and it concerns me that we are not operating in a culture of Operation Sunlight, but a culture of obfuscation. As I said, not much rides on this particular issue because the moment has gone, but the lack of answer—I must say as a matter of principle—is of great concern.

Mr Lewis—Not only has the moment gone, but the additional day was, of course, added as you would recall.

Senator ABETZ—That is right, but it does not overcome, with respect, either the department or the minister’s shortfall in not providing an answer and I would ask you to go back and provide an actual answer to the question that was asked.

Mr Lewis—We are happy to go back and check this answer, but I doubt if we can come up with anything more definitive. It was a gazetted public holiday.

Senator ABETZ—Which had not been taken into account. The union clearly raised it with you. I cannot see any shame in saying, ‘Yes, we accidentally overlooked it. The union or the staff rep brought it to our attention so we adjusted things.’ What is the shame in acknowledging that? There is none whatsoever whereas, now, you have dug yourselves a hole where the answer is one of obfuscation.

I will move to PM15, where a bit more is at stake. I asked questions in relation to the agreement between the Australian Greens and the government. I asked, ‘What was discussed? Did the Greens put forward any proposals? Was the agreement between Mr Wilkie and the Greens prepared in the Prime Minister’s Office?’ That was taken on notice. I asked, ‘Who

advised and who was present at the time that these three agreements were made? Will you do that for us, Minister?' Senator Evans said, 'I will take that on notice.' This is the answer: 'Each of the agreements between the Greens and the Independent members has previously been disclosed and is publicly available.' Completely non-responsive. The next sentence is: 'The parties have regular meetings in accordance with the agreements'—once again, not responsive. The third sentence is: 'Briefings on particular issues or legislation are provided as requested from time to time'—again, completely non-responsive. I wanted to know whether the agreements were drafted in the Prime Minister's office and whether there was any departmental involvement in the drafting and preparation of those agreements. So this, unfortunately, is following the pattern of the first question I asked, where obfuscation seems to be the order of the day.

Mr Sterland—In terms of the specific question whether PM&C was involved in the drafting—no.

Senator ABETZ—It is very simple, isn't it? Thank you for that. So was it drafted in the Prime Minister's office, Minister?

Senator Chris Evans—I assume so.

Senator ABETZ—First of all, welcome back and I hope your health is better.

Senator Chris Evans—Thank you. I am making a slow recovery. I certainly missed parliament but, unfortunately, I was unable to find Senate Question Time on the TV dial at the appropriate time—there must have been some technical problem—but I am sure that it was as riveting as ever. I will check the question. I have not got the answer to the previous one. PM&C say that they were not involved in the drafting; I assume that it was done in the Prime Minister's office.

Senator ABETZ—One would hope that it was done by political staff without departmental staff.

Senator Chris Evans—Yes. PM&C have indicated that they were not involved.

Senator ABETZ—Do you know what? It would have been so easy if you had told us that—

Senator Chris Evans—I will take it formally on notice so that I can check. But the obvious conclusion is that, if PM&C were not involved, it was done in the PMO.

Senator ABETZ—We have been told that it is not a legally binding agreement, so that is good. In relation to PM88, which was a question on notice, I had question (h)(i) to (ix). The question was: 'Was advice provided to the PM in that period on any of the following issues?' The answer I was given was: 'No individual briefs on these issues were provided.' It begs the question: was there a conglomerate or a combined brief provided that traversed these issues not individually but together in totality in one big brief or, let us say, a brief on regional health and NBN in the same brief? I do not know who crafts these answers, but it seems that those who do just make it more tedious and we have to dig even further.

Senator Chris Evans—Which number are we on?

Senator ABETZ—We are on No. 88. In the very last question, which was (h), I asked about nine policy areas and I was told: ‘No individual briefs on these issues were provided.’ Were any combined briefs provided?

Mr English—Yes. I can just say to you that I believe the answer is no on any or all of the specifics; but I would like to check that and come back to you, if I could take that on notice. I am confident that the answer is no.

Senator ABETZ—Thank you. Can I take you to PM91 in relation to the PHBR—the Parliament House briefing room? I asked in question (o): ‘What were the deficiencies in the technical capability of the cabinet suite and PMO? How will this room improve them?’ All I seem to have been provided with is all the technology that is now in this PHBR. It begs the question: why couldn’t that technology have been included in the cabinet suite and the PMO, as opposed to having to build a new room to house that technology?

Mr Lewis—I can speak to this separately to your question on notice and just clarify, if I am able to, the point of the Parliament House briefing room. It was a recommendation from the Homeland and Border Security Review. As you may know, the review was done by Ric Smith, former secretary of the defence department. On 27 June 2008, the recommendations of that review were presented to the government and accepted. One of those recommendations was, indeed, that we should develop for cabinet ministers a facility that would enable them to better manage in the event of a crisis. In particular, the report said that a briefing room should be established in Parliament House under my coordination and it found that existing facilities did not support the comprehensive fusion of information and expertise or provide a single consistent and accurate situational picture for decision makers. So, in other words, the cabinet room did not provide for modernity, if you like, in terms of information provision and exchange. There are three particular—

Senator ABETZ—I understand all of that, but it begs the question: why couldn’t the suite of offices be retrofitted to deal with the new technology that all had to be put into the new section in any event?

Mr Lewis—I can assure you that one of the options that was considered in some detail was retrofitting the current cabinet room and there were significant issues in terms of the wiring, the structure and the integrity of the room; there were also issues around disruption. A range of reasons led to the decision to have a separate facility.

Senator ABETZ—The Public Service always comes up with a range of reasons like impacts on the integrity of the room—we undoubtedly had a heritage study, did we, into this room in order that it should not be impacted? Was there any technical reason as to why the room could not be retrofitted?

Mr Lewis—Certainly there was.

Senator ABETZ—What was that?

Mr Lewis—One particular case I was involved in discussion about was around the issue of bringing video feeds into the room. There were problems getting wiring and the positioning of screens and so forth so that they could be optimally fitted.

Senator ABETZ—We got the wiring into the building and into the new room, but we could not have brought it through the ceiling or under the floor or anything like that? Was it just impossible?

Mr Lewis—The new room has a floating floor to carry the enormous amount of wiring underneath and it is purpose designed to enable that. It would not have been possible in the current cabinet room.

Senator ABETZ—Where does the wiring start?

Mr Lewis—Some of it starts back in the individual departments and it comes through to the room.

Senator ABETZ—That is what I thought. So it has found its way all the way through the building to that particular room, but it could not have found its way all through the building to the cabinet suite.

Mr Lewis—I have just said that an assessment was done by people who are more technically competent than I am and I do recall the discussion about whether the current cabinet room could be fitted or not. The decision was taken that it could not be fitted properly or adequately and that a separate facility would be required. Several other options were considered.

Senator ABETZ—Thank you, Chair.

[5.13 pm]

CHAIR—If there are no further general questions, I propose that we go through program 1.1, but first we are going to go to the COAG Reform Council. Senator Payne?

Senator PAYNE—I would be more general. We did not call the reform council specifically but COAG more generally in this area. I have follow-up to answers to questions on notice, to start with.

CHAIR—Yes. I am sure that, if that is not in this area, they will let you know.

Senator FAULKNER—Perhaps I could ask a couple of questions first, please. Would that be all right?

CHAIR—Yes.

Senator FAULKNER—Where would we find CHOGM?

Senator Chris Evans—Perth this year, Senator.

Senator FAULKNER—Very droll, Senator Evans. You have obviously developed a sense of humour in the last couple of weeks. Under which program would we find CHOGM?

Mr Lewis—I have it under 4.5 here. I do not know whether that accords with your numbering.

Senator FAULKNER—Is that the same program as the Commonwealth Games comes under?

Mr Lewis—I have a different numbering system here. It comes under 1.5.

Senator Chris Evans—This could be the most difficult question asked at estimates this year.

Senator FAULKNER—I see. I will deal with them all in 1.5, with a couple of others; that is fine. Thank you for that assistance, and I apologise to Senator Payne that Senator Evans has such an inadequate sense of humour.

CHAIR—Senator Payne, you have the call.

Senator PAYNE—Thank you, Madam Chair. Mr Lewis, I want to ask a follow-up to answer to question on notice PM23, which was about work commissioned in relation to the agendas of previous COAG meetings. Indicated in the answer is the ‘high priority’ that COAG places ‘on the completion of work it has commissioned and the implementation and delivery of its decisions’. Specifically, the government, as I understand it, still has not released papers that COAG commissioned for mid-2010 from the Housing Supply and Affordability Reform Working Party that were to include a number of potential national reforms. There were other reports that were due in late 2010 on a number of other issues. Can you advise whether the Housing Supply and Affordability Reform Working Party has prepared the papers that were tasked by COAG and due in both mid- and late 2010?

Mr Lewis—I might ask Mr Dom English to come to the table. Mr English has the details that you seek, I believe.

Mr English—A number of papers were considered by COAG out of session in late December, coming from the housing supply and affordability reform agenda. These were work in progress items, but the work of that working group is continuing. It is expected to be considered in its finality towards the middle of the year. There has been some delay in some of the papers, reflecting the complexity of some of the work that is underway currently.

Senator PAYNE—So how did stakeholders in the area get some idea about the progress of that work? Is the progress report, as it were, made public in any way?

Mr English—No, that has not been made public. It would require agreement across the jurisdictions to make it public. I think the question about—

Senator PAYNE—Just a progress report would require agreement across jurisdictions?

Mr English—Yes. It is the usual convention around COAG papers that they are all COAG-in-confidence.

Senator PAYNE—So they can be happily considered out of session, which I assume requires agreement across jurisdictions, but you cannot make a progress report out of session.

Mr English—We can make that decision to release out of session.

Senator PAYNE—But the government chooses not to.

Mr English—The question has not been put, as I understand it, in this case, because the work is ongoing and it is expected to come back to COAG toward the middle of this year, at which point there would be material produced that would be of a public nature to support the decision making that COAG may or may not do at that time. But at this stage, as I say, there is a working document and I think there was not an expectation that there would be published material coming out of this process to date.

Senator PAYNE—So how does ‘the middle of this year’, which indicates in some cases that material is over 12 months delayed, reflect what is in answer PM23 about the high priority on the completion of work—if some of those are 12 months and, in other cases, six months late?

Mr English—At times I think it is fair to say that delay is beyond our control and that the delays reflect an intent to follow up on a range of issues that require further work. Some of the material has been provided to COAG. The time frame for finalising that work has been considered and recommitted to by the working group. But, as I say, at times there are some unavoidable delays. We have been tracking the progress of this work along with the remainder of COAG work flows to try to ensure that, where delays are avoidable, we do so. But, on occasions, it is not possible to complete to the original time frames.

Senator PAYNE—These are not insignificant delays and, when you say, ‘It is beyond our control,’ I assume that means you are saying that it is beyond the control of the Commonwealth; is that right?

Mr English—No. I was speaking from the perspective of the COAG process—that when work is commissioned, despite everyone’s best intention, at times it is difficult to avoid those delays coming to pass. So it would be fair to say that this work is, in part, under the control of the Commonwealth, and I would not have made a broader statement about it being beyond the control of the Commonwealth. The reality is, as I say, particularly in the housing space, that the work is quite complex and detailed and the arrangements across the jurisdictions differ quite substantially. It has required more effort to chase down those details to understand and analyse them than I think was clear to us in the middle of last year.

Senator PAYNE—Is there too much then in that space on the COAG agenda?

Mr English—No. I think—

Senator PAYNE—Or is the agenda unreasonably constrained by the time frames set down? Are they not realistic?

Mr English—In that space, I think we have discovered that we might have taken a bit more time to do some of the work that had been scheduled at that meeting. I do not think that reflects necessarily on the broader COAG agenda. This work has been pursued in a satellite process, if you like.

Senator PAYNE—What is a ‘satellite process’?

Mr English—It is not being run directly out of COAG; it is being run out of a treasuries working group with treasury agencies from both the Commonwealth and the states as well as some involvement from first ministers’ agencies. So I would not have said that the timing of this particular initiative reflects necessarily on the COAG workload. What I would say is that this is a complex area that requires an analysis of a number of ‘market forces’ issues around housing supply drivers, and that is also complicated by the range of local government planning arrangements that apply in all the jurisdictions. It is possible that, in mid last year, we might have been a little optimistic about how quickly that work could have been done; but this happens from time to time on issues of this complexity.

Senator PAYNE—So, if I went through some of the other areas where reports, working party papers and so on have been delayed, even if they are not in the housing area, would your answers be similar—that the ‘areas are complex’, they ‘take time’ and ‘it’s beyond our control’?

Mr English—I would certainly do my best to not give you a generic answer; but on some of these I would have to do some further research to give you a better answer, I suspect.

Senator PAYNE—Then I might give you some questions on notice for those, Mr English. Can we go to the question of the incentive payments? I am not sure whether this should be directed you again, Mr English. For example, in the NPA on delivering a seamless national economy, it includes over \$500 million worth of incentive payments for the states and territories, staggered from 2008 forward. Can you indicate how much of the incentive payments for the states and territories has been paid? I think, to date, \$450 million in this period has been paid.

Mr English—I would have to check this, but my understanding is that none of the incentive payments have been paid to date. They are due to be assessed and considered in the near future; but I do not think they have been eligible, to date, to be paid. I might check that.

Senator PAYNE—Could you check that for me? Also, if they have been paid, have any been paid for reforms that are not yet completed?

Mr English—To the best of our knowledge, right at this moment we believe that none of the payments have yet been made; they are still being assessed. But I will check that and get some advice to you before the end of the session today.

Senator PAYNE—Thank you very much. I think my follow-up question was: if they have been paid, have any of the payments been made for reforms that are not yet completed? Thank you very much.

A number of issues have been raised in the area of payroll tax and directors’ liability. Again, I am not sure whether this question should be directed to you, Mr English. It seems to me that some of the timing in that process is a little out of sync, perhaps I might say, and I want to get your response to some questions in that area. COAG has said that, while the milestones for reform have largely been completed, the COAG Reform Council has assessed that there are risks to achieving uniform definitions and administrative provisions for payroll tax reform. So they have asked the Business Regulation and Competition Working Group to examine the extent to which uniformity has been achieved and what further action may be required and to report back to COAG by 30 June this year.

Then, in relation to directors, the COAG Reform Council has concern that there has been no process at a multijurisdictional level to consider whether the reforms proposed by jurisdictions will, in fact, lead to a nationally consistent, principles based approach to the imposition of personal criminal liability of directors. So COAG has said that jurisdictions are working to finalise directors’ liability reforms as soon as possible, with legislation expected to be passed in jurisdictions early this year. But COAG has asked the working group to review progress to date to determine whether the harmonisation objectives are likely to be met and what further action is required and then to report back to COAG by 30 June this year. So, Mr English, why would you be reviewing directors’ liability reforms with a working group now,

when legislation is supposed to be coming forward to be passed early this year? What is the point of the review, or is the passage of the legislation premature?

Dr de Brouwer—If I might answer: on these two issues, I think the CRC also highlighted that, of the 27 deregulation reforms under the seamless national economy, 21 were progressing well and the remainder needed some resolution, including maybe in some cases reprofiling of due dates. So I think the BRCWG or the business regulation—

Senator PAYNE—I was avoiding the acronym.

Dr de Brouwer—I am sorry. The Business Regulation and Competition Working Group, which has responsibility for tracking that, is going back to see whether some of those time lines can be repaired and to maintain pressure for those reforms to occur. I just want to make the general point around this that the bulk of those reforms through the SNE are, in fact, well and truly being met. I think 13 of them have been signed off or delivered already and the others are on track, but a number still need reprioritisation or changed deadlines. The Business Regulation and Competition Working Group—the working group—is really the body to talk to about that; that is a department of finance issue.

Senator PAYNE—I think you will find that it is very difficult for me to talk to the working group.

Dr de Brouwer—No, I am sorry; finance leads that working group.

Senator PAYNE—I think they will say, ‘Talk to PM&C.’

Dr de Brouwer—They do, of course. We all talk with each other.

Senator PAYNE—No. In the estimates context, I think you will find that they say—

Senator Chris Evans—It is a well-established tactical response.

Senator PAYNE—It is a well-oiled machine, Minister; you are quite right.

Dr de Brouwer—One point as well is that COAG did agree to bring forward the various time lines for the SNE reforms from the middle of 2013 to the end of 2012, so there is still a very clear resolution to resolve these issues. But in a very complex set of reforms, as Mr English pointed out, there is the inevitable reprofiling and issues to be sorted; people find that things are a bit more complex than they initially thought; and there are different levels of engagement sometimes between jurisdictions—and this is a complex issue that involves many jurisdictions. So there is a natural tension, movement and dynamism in the profiling of these. As Mr English has pointed out, the vast bulk of these are travelling well; however, not all of them are travelling well and they have the special attention of this working group, which is there to work out how to reprioritise that.

Senator PAYNE—What happens to the legislation, when you are pursuing it in early 2011, if the working group decides that the review that it completes finds that the reform process is not adequate and you do not have the harmonisation and consistency between jurisdictions?

Dr de Brouwer—We will have to see how that process plays out.

Senator PAYNE—Why would we put legislation into the system, when you have a review being undertaken to look at issues of harmonisation and whether the reforms proposed by

individual jurisdictions will lead to a nationally consistent principles based approach and so on? I do not understand.

Dr de Brouwer—I think, in this instance, part of the review is really around how the implementation is being progressed by the various jurisdictions.

Senator PAYNE—So, if we are very, very lucky, we in the parliament might get to see the legislation several times while we look for national consistency because we are putting it in before we have the review back.

Dr de Brouwer—I am not sure of the timing by which it comes to the Commonwealth parliament.

Senator PAYNE—I am only working with the timing that is on the public record, and that is legislation in early 2011 and a review reporting back to COAG by 30 June 2011. It seems to me that they are not particularly consistent times.

Dr de Brouwer—We will come back, but I think it means that, when they are reviewing the reprofiling, it would also involve reprofiling of the legislation coming to the parliament.

Senator PAYNE—So the legislation is not coming in early 2011.

Dr de Brouwer—I do not know. I will go back and—

Mr English—My understanding is that there will be legislation brought forward. My understanding of the reform agenda is that what has been achieved across jurisdictions is an attempt to align definitions in this area. But inevitably the way in which you implement those definitions can lead to differences in interpretation. The review is meant to ensure that we have achieved, both on face value and in implementation, an alignment across the jurisdictions, which the CRC had raised some concern about; so there was the commissioning of this work to make sure that it was achieved. As I understand it, there is a genuine attempt being made already to align the legislative definitions.

Senator PAYNE—I understand that, but there is obviously significant concern if COAG has now asked the working group to examine the extent to which uniformity has been achieved and what further action may be required. You could use any cliche you like, but can you assure me that you do not have the cart before the horse here?

Mr English—When you go for legislation across jurisdictions trying to even up an approach nationally, there is always a risk that it will fall over in the implementation. So it is a bit hard to actually test whether or not the legislative alignment has achieved uniformity until you see the shape of people's legislation. So, as I say, you could order things differently: you could have states and territories agreeing to a reform agenda done a different way—where they mirror legislation of other jurisdictions, for example. But that is not what we are talking about in this case and that is why there is further work to ensure that the intended aim of the reform is achieved, and that has been seen to be worthwhile. In part, it is because all jurisdictions want to be seen to be responding to the CRC reports and to take up the concerns that they point to in the way these things have been taken forward so that this effort has been made to seriously respond to their feedback.

Can I come back to the question you asked me earlier which was about reward payments under the SNE? To date, \$100 million has been paid in facilitation payments across

jurisdictions but no incentive payments have been made. The CRC will advise in 2011-12 whether the first \$200 million charge of reward payments should be made, and then in 2012-13 the second \$250 million charge of payments will also be the subject of further advice from the CRC as to whether that should be made.

Senator PAYNE—I might have to have a look at that in the *Hansard* and perhaps come back with questions on notice in relation to that.

Mr English—I suspect your fundamental question was, have reward payments been made against milestones that have not been achieved, and the answer is no, the real payments are not yet eligible to be paid.

Senator PAYNE—Yes, I did essentially ask whether they had been made against any reforms that have not been completed. In terms of the accountability process around the national partnerships and the implementation processes, the CRC, particularly in its seamless report, has made some observations about the accountability of things like the competition reforms. They noted I think that the national partnership implementation plan was not fully revised as recommended by the council, including in relation to the 2009-10 milestones, until August 2010, which is six weeks after the end of the reporting period, thus somewhat undermining the credibility of the accountability process. They recommended that this time a revised implementation plan should be approved by COAG by no later than 30 June 2011. How does COAG allow the review of a national partnership implementation plan to be delayed until six weeks after the end of the reporting period, which means the council does not have an adequate opportunity to review the plans properly and in a timely way?

Mr English—I would have to take that particular example on notice. I am not aware of the background of that one, I am sorry. Again, I will see what I can do while we are here today.

Senator PAYNE—It is in the *COAG Reform Council National Partnership Agreement to Deliver a Seamless National Economy* performance report for 2009-10 on page 359. Can you advise me whether COAG is then going to commit to approving a revised implementation plan for that national partnership by 30 June 2011, or will it simply be another working group report to COAG by that date?

Mr English—COAG has just considered progress on their Seamless National Economy reform agenda and agreed at its February meeting a range of revisited dates for that national partnership agreement which will be available to the CRC for its assessment for this year.

Senator PAYNE—That leads me in fact very neatly to my next question, with what has happened in the last four weeks in the COAG area, the Prime Minister's indication that she wants ministers to focus on urgent and strategic issues devolving more work to ministerial councils and then giving the ministerial councils an extra breadth, I suppose. The communiqué from last week's COAG said:

Recognising the good progress being made in implementing the Seamless National Economy reforms, COAG agreed to bring forward its final completion date from June 2013 to December 2012.

Then it says:

Given the high priority all governments attach to boosting productivity and the competitiveness of the economy, COAG has asked for options to be developed for a further wave of regulatory and competition reforms.

And COAG will consider those later in 2011. Given the reform process that remains, what is outstanding—and we have just been discussing some of that—if you put those two aspects of the process together is the COAG agenda again becoming overloaded in moving forward the completion date for the Seamless National Economy reforms by six months at the same time as asking relevant ministers and officials for options for further waves of reform to be considered later this year. I have to say, based on the last two or three years, the track record is not that great and now you are doubling up again. What does that do to the full agenda of COAG?

Dr de Brouwer—The COAG communiqué also makes very clear that around half of the deregulation of the regulatory reforms under the Seamless National Economy have been delivered. This program is half-way through its life and half of them have been delivered, so that is tracking well. There is also a significant number that the COAG Reform Council also says are on track. As you have highlighted, there are a number that are not on track or that have problems in some of the timelines and that COAG has clearly set up a process through that business regulation competition working group to sort that out. So what they have said is that things are actually tracking better than has been said. I think when the CRC report came out it really looked at the progress of reforms to September 2010 and they said that seven of the regulatory reforms had been completed. Since that time, as the communiqué highlights, a further six reforms have been completed beyond that seven. That takes us to the 13 out of the 27 regulatory reforms.

What COAG has said here is that, given that we are half-way through this life, let us bring forward by six months to the end of 2012 this program of activity and let us think about what our next set of activities should be in the regulatory reform space. Do that through a consultative process and get officials to work through what that would be. That is going to be worked through again through the HOTS process, the Heads of Treasury, and the business regulation and competition working group. That is really forward planning for down the track and I think the sense is that the system can cope with that and deal with that.

Senator PAYNE—How is the business regulation and competition working group resourced? It has been given an extraordinary number of tasks to complete for consideration by 30 June this year. How is it resourced?

Dr de Brouwer—It is chaired by Minister Sherry and it is resourced for the Commonwealth government through the Department of Finance and Deregulation. I do not have the exact numbers—

Senator PAYNE—Would you find out on notice how the business regulation competition working group is resourced; how it is funded; how many staff it has; how many are secondees and how many are direct employees? If you put the date of 30 June 2011 as this date for consideration, can anyone indicate to me how soon it is expected that COAG will meet after that to consider all of these new tasks?

Dr de Brouwer—It may be more relevant for the department of finance because they will have that material. That is really within their own—

Senator PAYNE—I will put that on notice to them. Do you mean in relation to the resourcing of the working group?

Dr de Brouwer—Yes. What was your last question?

Senator PAYNE—Can you tell me when it is expected that COAG will meet again to deal with all of this enhanced program?

Dr de Brouwer—The reform program is ongoing work that is run through the year and there are various official processes that operate through this working group and the HOTS process, the Heads of Treasury process, as well as the senior officials meetings that occur periodically throughout the year. The senior officials meetings will basically track the progress of this reform given that its finish has been highlighted in the communiqué. It is the senior officials' process that will track that. That is the heads of first ministers' departments.

In terms of when COAG will next meet, clearly a date has not been set but I think that the Prime Minister highlighted in her press conference after the COAG meeting on Sunday, 13 March, that the general intention was that COAG would meet sometime around the middle of the year, but there is no clear date set around that at this stage.

The regulatory issues and the competition issues will be largely worked through I think in the officials process. Whether that is an issue for COAG is a matter for first ministers to decide closer to that time.

Mr English—If I could clarify, the reference to considering that reform agenda actually talks about 'later' in 2011. It is envisaged, I think, that it will take some time through the year to develop those agendas in consultation with industry, so at the middle of the year we would expect a progress report but we would not expect to finalise the further agenda until later in the year.

Senator PAYNE—To whom will that progress report be made and will it be public?

Mr English—Again, that would be a matter for COAG because the report would go to COAG and at that time they would need to consider what they made public at that point.

Senator PAYNE—I have a final question in this area because I know my colleagues have questions they want to go to. That is in relation to issues like the ministerial council structure. In 2010, as I read it, COAG agreed to reduce the number of COAG councils down to 11 or fewer, which I think was following the review by Dr Hawke. Now, last week in great excitement, the new council structure was pronounced as reducing the councils to 23, twice the size of the previous recommendation. Given the Prime Minister's statements about narrowing the COAG focus, why has COAG shifted from the recommendations and agreed position following the Hawke review to this position?

Mr English—The comparison between the 11 and the 23 is not as straightforward as it might appear—

Senator PAYNE—Because of standing and select; were you about to tell me?

Mr English—Yes, the standing council recommendation for 11 that Dr Hawke made—Dr Hawke recommended 11 standing councils. We have ended with 12, given the process of negotiation across jurisdictions. The remaining 11 councils that are referred to in that release include the select councils which were foreshadowed by Dr Hawke in his report as being established from time to time to progress particular reform agendas. The select council on

problem gambling is an example that is currently in place, although there are some more to be established.

Senator PAYNE—How many more are to be established?

Mr English—The ones that were foreshadowed in the communiqué, so it is five more.

Senator PAYNE—When will they be established?

Mr English—Progressively from now, with full implementation by 30 June.

Senator PAYNE—This year?

Mr English—Yes. The remaining five councils, as we referred to in that release, are actually what we are now calling legislative and governance fora. They are in the diagram from the back of the communiqué with the colourful blue blobs that I think I saw you referring to. The legislative and governance fora arose as a functional need in the ministerial council reform agenda where we wanted to create the capacity; all jurisdictions agreed we had to retain a number of primarily legislative functions with collaboration across states and territories. The one that most people are familiar with is in food regulation, where the food standards are established as a national arrangement that includes New Zealand, managed by the Food Standards Australia New Zealand body. Within the legislation establishing that body there is a defined ministerial oversight arrangement which we thought necessary to keep, obviously, given that it is legislative. The broader policy content, the alignment with the COAG reform agenda, did not warrant full standing or select council status but we need to keep this work going for oversight of those functions. They are there but we do not expect that—

Senator PAYNE—That is your description of the working groups; is that right?

Mr English—That is the legislative and governance fora.

Senator PAYNE—Okay.

Mr English—The working groups are over time expected to wind up their business as their agendas are completed, so for example the infrastructure working group is expected to complete its current work agenda by about 2012 and at that point we would expect that one to wind up, unless COAG made a further decision to continue it. But with those small numbers of working groups we considered that the disruption to their work programs—to chop and change at this stage—would be unproductive, so a few of these have been kept on. They are largely hangovers from the reform agenda that was commenced in 2008 when a range of working groups was set up to define the new national agreements that we established towards the end of 2008.

Senator PAYNE—Why is there no place at any point in this entire structure in the Council of Australian Governments higher than a working group which you have just described as a hangover from the reform agenda commenced in 2008, for Indigenous affairs?

Mr English—We would see it somewhat differently to that. With all the standing councils and with the relevant select councils we would expect that where they are relevant to Indigenous affairs they would have in their terms of reference and tasking issues relating to Indigenous affairs. For example, in the education space the national agreement on education

already embeds a focus on Indigenous disadvantage as a consideration for mainstream funding and national agreement with the states. We certainly would not consider Indigenous affairs to have taken a back seat in this structure. By any stretch it will be front and centre in the terms of reference for a large number of these groups by the time we complete that work for 30 June.

Senator PAYNE—I would have thought if you cannot identify, yourself, under a standing council, a select council, a legislative and governance fora but you come to a working group which you have just described, as I previously said, as a hangover from the reform agenda commenced in 2008, then you would have some real idea of your standing in the coordination processes of the Commonwealth and the states which, frankly, given the amount of attention, given the time and effort and funding applied in this area over many, many years by governments but trumpeted at great volume by this government, strikes me as a particularly strange decision.

Mr English—I think the structure has reflected a clear intent by COAG to mainstream Indigenous issues to make sure that all service delivery arrangements will focus on that—

Senator PAYNE—Where are women's issues, then? Are they not mainstream anymore? They have got a select council.

Mr English—In relation to women's issues, I think there was an existing reform agenda to be taken forward by that group much like the Indigenous reform agenda working group was tasked to continue the work it had already started. I have to say that, in addition to the terms of reference of the standing councils, when COAG defined its five strategic themes for its ongoing work they agreed that one of those things would be Indigenous issues. I think it is represented both at the level of the themes that COAG will organise itself around or structure its agenda for as well as the work it will set for the standing councils and—my poor choice of words about a hangover—the working group on Indigenous reform has an important job to do. It already has that mandate to pursue and COAG continues that for the time being.

Senator PAYNE—You might identify it as a theme but, as I understand it, it was added as a fifth theme after the Prime Minister had announced four. It seems to beg the question in relation to the fundamental inadequacies in 'the system' which led to initiatives such as closing the gap and moving backwards in the intervention which was pursued by the previous government, inadequacies which were around coordination between governments, coordination between levels of government and coordination through the Commonwealth that part of the importance of this process was to have it considered at the most senior levels of the Commonwealth. It strikes me as confronting in some cases, and extraordinary in others, that it would not be included at any of those levels other than as a COAG working group.

Senator FIERRAVANTI-WELLS—Could you tell me about the incoming red brief for the Department of the Prime Minister and Cabinet in terms of the strategic policy priorities? I looked for health and really found only one page, and it was blank. Can you tell me the extent to which health was covered in this brief, since most of the pages are blank?

Mr Rimmer—We are just having brought up a copy of the redacted red book, which is the document that you are referring to.

Senator FIERRAVANTI-WELLS—I am happy to show you the page on health and explain. I could only find one page.

Senator Chris Evans—We are just checking that you did not get a bad photocopy.

Senator FIERRAVANTI-WELLS—Senator Evans, I have done my forensics. Perhaps I can continue. In light of that, I am interested in somebody explaining to me the process of how the new health agreement came about. Can you talk me through the process, because it is very clear that there was not much in the redacted version, or the version of the incoming brief, and then all of a sudden we have this major announcement in health?

Mr Rimmer—I can assist you with that. As you are aware from previous estimates hearings, there were discussions ongoing about implementation of the health reforms with all jurisdictions, with the exception of Western Australia, and there were from time to time discussions with Western Australia about their position in relation to health reform. Those continued throughout the last quarter of last year, but really throughout 2010 in different forms, and they continued over the summer. That led through a variety of ministerial engagements and official level engagements to the COAG outcome on 13 February.

Senator FIERRAVANTI-WELLS—Given that the health minister was nowhere to be seen at the time of the announcement, I assume that it was the case that the Prime Minister was the driver and was the one who made the decision to dump Kevin Rudd's health plan. Is that the case and does that account for the absence of Minister Roxon at the time when the announcement was made?

Mr Rimmer—I cannot comment on most of the matters that you raised in that question. I can tell you that Minister Roxon, along with other cabinet ministers, was fully involved in the decision making process.

Senator FIERRAVANTI-WELLS—Minister Evans, given the supposed involvement of Health Minister Roxon, why was Minister Roxon not next to the Prime Minister when this announcement was made?

Senator Chris Evans—All I know is that Minister Roxon, along with the Prime Minister, led the policy debate and the cabinet consideration and was integrally involved in all the decision making processes. I cannot help you with who was at the particular announcement. I saw Minister Roxon on media in the days following the announcement, explaining the decisions and the government's approach. I can take that question on notice if you would like, but I have no idea why, on that particular occasion, Minister Roxon was not at the official post-COAG announcement. That is not uncommon. Sometimes ministers are there and sometimes they are not.

Senator FIERRAVANTI-WELLS—Since Mr Rimmer and I have had copious discussions about whether this was being driven out of Prime Minister and Cabinet or out of the department of health, you can appreciate why this dumping of the first agreement, and now the second agreement, is why I ask the question, because Minister Roxon's lack of presence leads us to infer that either she was deliberately excluded from the decision or her department was not involved in the actual making of that decision and the subsequent agreement that was put out on Friday, 11 February.

Senator Chris Evans—As I understand it, the press conference that occurred when the decision was first announced was a press conference of first ministers arising out of the COAG meeting and there was no-one other than first ministers there. I can assure you that the decisions taken on behalf of the Commonwealth were decisions considered by cabinet in a whole-of-government process, but that Minister Roxon has been at the forefront of devising the policy and working with the Prime Minister to achieve an outcome at COAG and we were pleased that outcome was achieved.

Senator FIERRAVANTI-WELLS—Mr Rimmer, you would be aware of the red book of health and aging and you would probably also be aware of the decisions that were necessary and, indeed, impending actions necessary to be undertaken by 1 July in relation to health matters generally. At what point did Prime Minister and Cabinet realise that many of those actions were not going to be fulfilled by 1 July?

Mr Rimmer—I am not sure I can accept the premise of the question that you are asking. If you are asking questions in relation to what is in health's incoming government brief then they are probably better directed to the department itself.

Senator FIERRAVANTI-WELLS—I will be directing them to health, but I do not want health to then turn around and say Prime Minister and Cabinet were particularly responsible for this action. That is why I am asking you. I will rephrase my question: was Prime Minister and Cabinet aware of many of the commitments that were required to be undertaken in health by 1 July?

Mr Rimmer—As is the case with other complex and high priority reforms, we are involved in monitoring their implementation.

Senator FIERRAVANTI-WELLS—Were you aware that the implementation for quite a number of those aspects was not going to be met by 1 July?

Mr Rimmer—The question is very broad and very difficult to answer.

Senator FIERRAVANTI-WELLS—Perhaps, Mr Rimmer, you could take this on notice. I would like you to access, in particular, A1.01 of the incoming brief of Health and Aging, which lists a whole series of health reform key decisions. I would appreciate if you could list for me Prime Minister and Cabinet's view as to the implementation and in your view whether those aspects of the reform were to be met by the requisite date. Do you understand what I am saying to you?

Senator Chris Evans—That is not a competent question to ask of the officer. You can ask questions of PM&C regarding the administration of the department and the portfolio. If you are trying to make some political point—

Senator FIERRAVANTI-WELLS—No. Perhaps I can rephrase my question. Can you go through each of those health reform key decisions and comment in relation to Prime Minister and Cabinet's view as to whether the implementation of those decisions was on track for 1 July?

Senator Chris Evans—I think the answer to that is no.

Senator FIERRAVANTI-WELLS—Why not?

Senator Chris Evans—You are asking PM&C to provide you with, potentially, advice that they provided to government.

Senator FIERRAVANTI-WELLS—No, I am not. I am just asking whether, in your view, certain tasks were going to be implemented by 1 July. I will come to questions that the National Health and Hospitals Network was going to be dumped. The Prime Minister must have had a view as to what was wrong with the first plan, that it needed to be scrapped and a new agreement put in place.

Senator Chris Evans—The Prime Minister may well have a view, but it is not for Mr Rimmer to tell you that view or to speak on her behalf.

Senator FIERRAVANTI-WELLS—All right. Perhaps I can rephrase my questions in relation to that.

Senator Chris Evans—I am not trying to be unhelpful, but that is not within the officer's remit. If you want to ask about any implementation tasks they were involved with, then obviously that is appropriate.

Senator FIERRAVANTI-WELLS—I wanted to ask Mr Moran some questions, but he is not here today.

Mr Lewis—No, he is not here. I am representing the department.

Senator FIERRAVANTI-WELLS—In that case, are you aware of media reports that the secretary of the Department of the Prime Minister and Cabinet advised the states and territories about the new reform proposals? In particular, there was an article in the *Australian* on 5 February. Mr Lewis, are you aware of that article?

Mr Lewis—Yes, I am aware of the article.

Senator FIERRAVANTI-WELLS—I have a copy for you if you would like another copy.

Mr Lewis—No, I am aware of the article.

Senator FIERRAVANTI-WELLS—Could you tell me who advised the states and territories that a proposed new health deal would be brought to COAG? Was it the Prime Minister, her department or both?

Mr Lewis—I will have Mr Rimmer answer that question because he is closer to that issue than I am. I am aware of the article.

Mr Rimmer—As you alluded to, there were a variety of discussions between the Commonwealth and the states in the period leading up to COAG. The Prime Minister had a variety of discussions with premiers and chief ministers. There were a variety of official level discussions, but beyond that I do not think it is appropriate to comment, given that it was about COAG negotiations.

Senator FIERRAVANTI-WELLS—Are the media reports that Mr Moran advised states and territories about the new health deal correct?

Mr Rimmer—There is a well-established public interest test about negotiations between the Commonwealth and states, and I think that applies to the discussions that you are referring to.

Senator FIERRAVANTI-WELLS—I just asked a simple question about media reports.

Senator Chris Evans—The officer is trying to be helpful. I think what he is saying is that the media was alleging some engagement between the head of PM&C and the states, and the officer has made it clear that a range of discussions were held in the lead-up to the COAG meeting. As you would expect, the Prime Minister and the PM&C officers were involved. Those discussions are not ever made public, but, yes, there was a process leading up to the meeting with an attempt to get a resolution at the meeting. I am sure that is accurate to that extent. As to blow-by-blow who said what to whom, you would not expect us to be sharing that information with you, not that I have it myself.

Senator FIERRAVANTI-WELLS—There is a very specific allegation being made here in the media and that is why I would like to understand the veracity or otherwise of this report. Mr Lewis tells me that he is aware of that report. I am simply asking: are the media reports attributing certain conduct to Mr Moran correct? That is my question. It is either a yes or a no.

Mr Lewis—I think that goes directly to the point of the detail of the discussions between Mr Moran and the representatives of the states and territories that were represented, which as Mr Rimmer stated, is a matter of negotiation between the Commonwealth and the states. It is not something that we are in a position to disclose in this forum.

Senator FIERRAVANTI-WELLS—Did Mr Moran advise the states and territories about the new health deal?

Senator Chris Evans—I think we could answer the question as to whether Mr Moran was involved in this process directly, and if that is the case—I do not know what the answer is.

Mr Lewis—In the discussion, yes.

Senator FIERRAVANTI-WELLS—Could you also explain why the article states: Ms Gillard's new position was relayed to state officials by Department of Prime Minister and Cabinet secretary Terry Moran at Melbourne's Sarti Restaurant and Bar on Thursday night.

Is that correct or incorrect?

Mr Lewis—I am just saying that the details of the discussion between Mr Moran and the states and territories is not something that we will discuss, otherwise you would have to ask the newspaper as to what their sources were.

Senator FIERRAVANTI-WELLS—Perhaps you would like to advise this committee—a simple yes or no would suffice—whether that assertion is correct or incorrect?

Senator Chris Evans—Whether he had dinner there?

Senator FIERRAVANTI-WELLS—Perhaps I can give you a copy. I am just asking whether it is correct or incorrect.

Senator Chris Evans—You can either accept what you read in the paper or not. The officers are not required to confirm or deny assertions.

Senator FIERRAVANTI-WELLS—It is a pretty pertinent point.

Senator Chris Evans—The pertinent point that you asked, which the officers should answer is: was Mr Moran involved in the negotiations with the states over the health agreement? I think the officers have answered yes.

Mr Lewis—I said yes.

Senator Chris Evans—If you want to go further and say who said what to whom, the answer is that we are not telling you, in accordance with past practice.

Senator FIERRAVANTI-WELLS—You are refusing to take it on notice.

Senator Chris Evans—To discuss what advice was provided in negotiations, yes. If you are asking me whether he went to dinner on that particular date, I am not sure whether you should or should not be told, but I am happy to take that on notice.

Senator FIERRAVANTI-WELLS—I am asking for you and Mr Lewis to take on notice to ask Mr Moran to reply as to whether the various assertions that are made in this article are correct or incorrect. I would have thought that he would have liked the public record corrected.

Senator Chris Evans—I can assure you that he will not be providing you with information on the negotiations and discussions. If he were at the table, I would not allow it to occur, because that is clearly not appropriate. I am sure Mr Moran would share that view.

Senator FIERRAVANTI-WELLS—I am sure that if he is directed to, that he would also share that view. I would also like to know why the secretary of the Department of Health and Aging, Jane Halton, was not involved. She obviously did not attend dinner at Sarti's Restaurant and Bar on Thursday evening. Can somebody explain? Was she invited or she was invited and refused to attend?

Mr Rimmer—I can help you with that question. The secretary of the department of health was actively involved in the discussions leading up to the COAG decision, as you would expect. The dinner that you refer to was a dinner of the senior officials from first minister departments of all states, territories and the Commonwealth. That was held preceding a meeting the following day of what is called SOM, the senior officials meeting.

Senator FIERRAVANTI-WELLS—They obviously were not singing from the same hymn sheet at that time.

Senator Chris Evans—If the bottles were red they might well have been.

Mr Rimmer—It is a longstanding practice that that meeting and the discussions involve only participants from first ministers' departments and, on occasion, from treasuries.

Senator FIERRAVANTI-WELLS—The article asserts with this new deal that allegedly Mr Moran reportedly said that the Prime Minister's position was not negotiable. Why would Mr Moran say something like that?

Mr Lewis—I think this goes back to the position that I was advancing a moment ago. You are asking questions about the nature of the discussions that took place between Mr Moran and the representatives of the first ministers' departments from the states and territories, and that is not something that we are in a position to divulge in this forum.

Senator FIERRAVANTI-WELLS—Why would it have been reported as such?

Mr Lewis—I cannot account for the newspaper report. That is something that you would have to check elsewhere.

Senator FIERRAVANTI-WELLS—Again, given the seriousness of what is alleged, perhaps Mr Moran can assist us and take it on notice.

Senator Chris Evans—What is the seriousness that is being alleged—that they had dinner?

Senator FIERRAVANTI-WELLS—No. Do not be cute.

Senator Chris Evans—What is the serious allegation?

Senator FIERRAVANTI-WELLS—It is attributing to Mr Moran an allegation that he said that the Prime Minister's position was not negotiable. I am trying to get to the veracity of this assertion.

Senator Chris Evans—We have made it very clear to you that the nature and the content of the negotiations between the chief ministers and the Prime Minister and between the senior officers of the first ministers will not be made public and will not be given to you at estimates, in accordance with longstanding practice. These are private discussions and they are not relayed through the estimates hearings.

Senator FIERRAVANTI-WELLS—They are obviously not so private, because they found themselves in an exclusive to the *Australian*.

Senator Chris Evans—They may or may not be accurate.

Senator FIERRAVANTI-WELLS—I would have thought that Mr Moran would be eager to correct the record if indeed the assertions that are made in this article are grossly incorrect. Can you tell me what was so wrong about the National Health and Hospitals Network that, in your opinion, it needed to be scrapped?

Mr Rimmer—My opinion is hardly relevant. What I can say is that one jurisdiction had refused to sign the National Health and Hospitals Network Agreement and there was a view that it would be desirable to have all jurisdictions signed up to a national health reform.

Senator FIERRAVANTI-WELLS—When was the time and date that the decision was made to overhaul the first plan? We have trawled through this before in relation to the first agreement, so I am fully aware of all the intricacies that were involved in the first one. Yes, you smile, Mr Rimmer. So I am sure that those intricacies were followed in relation to this deal. Time will not permit me to ask you to go through all those intricacies. Remember all those meetings that were held et cetera. Can you take this on notice? There must have been a process and at a particular point there must have been a decision to dump the first plan and then there must have been a process undertaken in relation to formulation of the new model. What was the date?

Mr Rimmer—You are asking me to divulge cabinet considerations and I am not at liberty to do that.

Senator FIERRAVANTI-WELLS—All right. So, in that case—

Senator Chris Evans—As you know—and it has been clear—there were cabinet processes leading up to the COAG meeting, but obviously the decision in the end was one for

COAG. The Commonwealth had a negotiating position and the states obviously had their positions, but at the end of the day it was a decision of COAG.

Senator FIERRAVANTI-WELLS—The reason I ask that question is that Mr Rimmer and I have traversed through the whole intricacies and processes of the first agreement and I was aware that a series of meetings was held by officials, of which Mr Rimmer has produced answers on notice and so on, so that is the reason why I asked, whether we undertook a similar process in relation to this agreement.

Senator Chris Evans—Yes, I think Mr Rimmer's answer, though, was that the key decision you were talking about is in fact a decision of government—a political decision taken by the cabinet. As I say—and as he correctly pointed out—advice to cabinet is not discussed and the detail of cabinet consideration is not discussed other than to say that the cabinet made a decision and the Prime Minister took that to COAG and negotiated a suitable outcome.

CHAIR—Do you have a final question, Senator Fierravanti-Wells, before I go to Senator Back?

Senator FIERRAVANTI-WELLS—I will put my other questions on notice. I just want to ask one final question. Was this a joint submission that went to cabinet or was it purely from the Prime Minister?

Mr Rimmer—I cannot answer that, for the obvious reasons.

CHAIR—Senator Back.

Senator BACK—I wanted to ask a couple of questions regarding the aftermath of the floods in the Gascoyne region in Western Australia in December-January.

Senator Chris Evans—Sorry, Senator. I visited there myself a few days afterwards. It was very lucky that the town was protected but—

Senator BACK—It was very unfortunate for Senator Ludwig that you were not here last week, because you might have been able to assist him. I did ask a number of questions, particularly with regard to the floods. Can you confirm that the Prime Minister acknowledged the letter of the Premier of Western Australia at the end of December last year in which he advised her that the Gascoyne was a natural disaster and constituted action under the national disaster recovery scheme?

Ms Cross—I did not catch the whole question.

Senator BACK—I was asking, are you aware that the Premier of Western Australia corresponded with the Prime Minister at the end of December alerting her to the fact that the Gascoyne floods constituted a natural disaster and the Prime Minister acknowledged that in writing to that effect and therefore certain action should be taken under the national disaster recovery scheme?

Ms Cross—I would have to actually check the details because there were large numbers of exchanges of correspondence towards the end of December and early January on a range of different natural disasters. I can recall correspondence from the Western Australian Premier but could not go to the detail of that correspondence without checking for you.

Senator BACK—Perhaps if you could take that on notice and when you do and when you confirm the Prime Minister’s letter back to the Premier in early January would you also be good enough to confirm that copies were sent to the Attorney-General and to the special minister for state, Senator Wong. The point of my question—

Senator Chris Evans—The special minister for state is not Senator Wong.

Senator BACK—I am sorry. That is what has been written down here. I do apologise then.

Ms Cross—She is the finance minister.

Senator BACK—The special minister for state is—

Senator Chris Evans—Mr Gray.

Senator BACK—Mr Gray. The reason for my question, and that which went to Minister Ludwig last week, was to ask why—the Premier having written that letter and the Prime Minister having responded—the people in the Gascoyne did not then receive the \$1,000 per adult, \$400 per child under the natural disaster recovery scheme, which, of course, is not means tested. I am trying to get to the point of understanding why that funding did not flow.

Ms Cross—As I said, I will check the details for you and take that question on notice.

Senator BACK—It was only until I asked that question in the Senate the other day and a follow-up within 24 hours that the Prime Minister actually then directed, but that was then some seven weeks later before those funds did flow, causing as you could understand tremendous inconvenience and cost to those who were entitled to it. I am just trying to come to the understanding as to who would have actually made the decision to withdraw or to not allow that funding to flow to the people in the Gascoyne after both the Premier and, to her credit, the Prime Minister have acknowledged the severity of the floods.

Mr Lewis—We do not have the answer. I am familiar with the letters—the correspondence—that you spoke of. Like my colleague Ms Cross, I do not recall the detail of it. There was some discussion about exactly what categorisation Western Australia had ascribed to the nature of this event in the Gascoyne. Could I suggest one of two things. We can take that on notice or you may care to ask that question again of the Attorney-General’s Department when they come on, because you may be able to get an answer through there as well, but we can take that on notice.

Senator BACK—Given the shortness of time I shall cease my questions.

CHAIR—Thank you, Senator Back. Senator Coonan.

Senator COONAN—I have a few questions about the national disaster—

CHAIR—You have been allocated five minutes.

Senator COONAN—Yes, I know that. The national relief and recovery arrangements—is this the right place to ask? I will start and see. What states are in prospect to qualify for Commonwealth disaster relief for state expenditure to restore or repair essential public assets in relation to the recent natural disasters?

Ms Cross—The Commonwealth assistance is normally activated by a request from a state or territory government, which is then—

Senator COONAN—Which states and territories have made requests?

Ms Cross—That is then assessed to see whether it meets the criteria for assistance. Certainly, there have been events in Queensland, New South Wales and Western Australia—from memory, in South Australia as well over this recent period, but in different years there are different requests and there may have been some from Victoria as well. I would have to go and check, but it has been fairly widespread this year.

Senator COONAN—We are all aware of the cataclysmic events in Queensland and there has been some public controversy in respect of damage caused by floods in Queensland and what is within and without the guidelines for assistance. You would be aware of that. How is the determination made as to what is an essential public asset for the purposes of transport, critical infrastructure and assets of that kind?

Ms Cross—The first point I would make is that there are separate guidelines for state government assistance and for federal government assistance and so the assessment will vary according to which level of government is considering it in some instances. For the Commonwealth, the guidelines on eligibility and assessment processes are set out in the natural disaster recovery guidelines.

Senator COONAN—Yes, I have read them. Applying those, what is in and what is out in terms of things such as the ferry cats in Brisbane, which provide obviously public transport for people to get to and from work?

Senator Chris Evans—I am just trying to be helpful. My understanding is that the responsibility for administering these arrangements was with the Attorney-General's Department; is that right?

Ms Cross—Yes.

Senator Chris Evans—Perhaps we want to make clear what the PM&C is responsible for here. The sort of detail you are looking for, I thought, was handled by Attorney-General's.

Senator COONAN—I did start my questions with this—

Senator Chris Evans—No, I am not being critical, but I think we have gone into areas which it seems to me are the responsibility of the Attorney-General's Department.

Mr Lewis—With the machinery of government adjustments following the last election, the responsibility for administering, in the first instance at any rate, the NDRRA provisions and so forth now rests with the Attorney-General and the Attorney-General's Department. This department still manages what I would describe as sort of the crisis response mechanism. There is a sort of a short handover period immediately following the crisis proper, but your questions I think would be better directed to the Attorney-General's portfolio.

Senator COONAN—Just to be clear about that, what is covered by the short period handover mechanism that you just mentioned?

Mr Lewis—Essentially the coordination of the response. This department presides over the Australian government crisis committee. I chaired that committee during the first days of the flood. On the committee is the Attorney-General's Department and, through Emergency

Management Australia, the details of the questions that you are asking are managed. I think that is the best way to describe it.

Senator COONAN—Just finally—and I know that my time is probably up—I gather from reading the guidelines that there is some discretion as to what assistance might be provided by the Commonwealth, if it is thought that it does not come within the guidelines. Do you, in your capacity, have some role in that?

Mr Lewis—Not personally. I am just trying to think whether our department has a role. No, I think the determinations in this particular case were all made by the Attorney-General's Department. I think that is right, but—

Senator COONAN—No, I am talking about ones to come. I mean, clearly, there is a huge—

Mr Lewis—Ones to come?

Senator COONAN—Yes.

Mr Lewis—No, that would definitely be sitting with A-G.

Senator COONAN—Thank you. I have a couple more questions about some budgetary matters relating to emergency relief, but I think I have probably run my course, have I?

CHAIR—Yes. You can put those on notice, Senator Coonan.

Senator Chris Evans—Senator Fifield seems to strike fear into Liberal senators.

Senator COONAN—No, we are just a cooperative bunch.

CHAIR—I think it is good chairing, actually. Senator Ryan.

Senator RYAN—I would turn to the COAG ministerial councils, if I may. How many are left now still in place following the rationalisation? What is the number? I think it is 23. Correct me in saying it is 23.

Dr de Brouwer—Twenty-three. There are ministerial steering councils and there are six select councils and then there are the five other fora. Sorry, they are just sort of in governance.

Senator RYAN—So, it is 23. The Small Business Ministerial Council was abolished, was it not, as part of the rationalisation?

Dr de Brouwer—It has gone from over 40 to 23.

Senator RYAN—The Small Business Ministerial Council was abolished?

Mr English—The Small Business Ministerial Council functions are expected to be taken forward largely through the Business Regulation and Competition Working Group on the regulatory front.

Senator RYAN—I am sure that is a comfort to the thousands of small businesses around the country, which is what I want to turn to. Who made the decision to abolish the Small Business Ministerial Council as part of this rationalisation? Was it a decision of COAG or was it a decision of the Prime Minister?

Mr English—COAG.

Senator RYAN—So, was it the decision of the entire COAG?

Mr English—COAG decisions are reached by unanimity as a matter of course.

Senator RYAN—Some of the premiers may historically have a slight difference of opinion on your definition of unanimity. Did Senator Sherry, the Minister for Small Business, object to the abolition of the Small Business Ministerial Council? Were there discussions held within government about this?

Senator Chris Evans—The government considered the rationalisation process and ministers were consulted—I was and I am sure other ministers were consulted—and the Commonwealth took a position, obviously, to the meeting, but the formal decision about the structure and working groups and committees and other fora used by COAG is a decision for COAG.

Senator RYAN—But they were based on recommendations of the Commonwealth, were they not?

Mr English—The recommendations on the revised council structure were developed through what was called the transition working group, which I chaired as a Commonwealth official but was made up of representatives from all states and territories. They produced a report that went to COAG for its 13 February meeting with the recommendations about taking forward the outcomes from the Hawke Review of Ministerial Councils last year. The structure of ministerial councils was settled in that negotiation.

Senator RYAN—For the group you formed, which you led, did you take a position into that which involved the abolition of the Small Business Ministerial Council?

Mr English—The position I took was the one that was settled through the Commonwealth government.

Senator RYAN—As to the Commonwealth government's position that you represented, did that involve the abolition of the Small Business Ministerial Council?

Senator Chris Evans—As you know, the officers are not allowed to provide you with the content of advice that they provide to government.

Senator RYAN—No, I am asking for your advice to Mr English where he represented the Commonwealth—he chaired this group—and I am asking—

Senator Chris Evans—But acting as a public servant he conducted a process with the state civil servants, if you like, and provided a report to COAG—or some advice to COAG—which was considered by ministers and a decision taken. The nature of his advice—what he recommended in and out—is obviously not appropriate for him to provide, because it is advice to governments.

Senator RYAN—We could take up the rest of the evening debating that. These proposals in this group that you chaired would not have come completely out of thin air. Did the Commonwealth—and Senator Evans, I can ask you—take a position into the group chaired by Mr English that involved the abolition of the Small Business Ministerial Council?

Senator Chris Evans—What I am saying to you is that we do not provide advices as to the advice given to government or advice about positions government take. We would have

developed a negotiating position following those discussions, and in the end there was a discussion at COAG among the first ministers and a decision made.

Senator RYAN—The discussion that COAG was formed—

CHAIR—Final question, Senator Ryan, before we take a short break.

Senator RYAN—I will take it, Senator Evans—actually, no, I will not say that. When did a representative of small business join the Prime Minister's Business Taskforce that was established on 18 January, announced by press release, and why was a representative of small business not initially included?

Ms Cross—My understanding is that a representative of small business attended the first meeting of the Prime Minister's Business Taskforce.

Senator RYAN—The question was why was a representative of small business not included? I have the press release in front of me. They may have attended the meeting. Why was a representative of small business not included then in the announcement of the Prime Minister's Business Taskforce?

Ms Cross—I will have to take that on notice.

Senator RYAN—Are we going to stay on this after dinner?

CHAIR—If that is what the committee decides, they can bring them back after dinner. We are trying to ascertain, though, whether or not, in relation to the Prime Minister's area, we need the program 2—

Senator FIFIELD—We will let you know shortly.

CHAIR—They will have to stand by to come back at this stage, then, after dinner. We will stand adjourned until 7.48 pm.

Proceedings suspended from 6.32 pm to 7.49 pm

CHAIR—I would like to welcome the Hon. Mark Arbib, who is sitting in and covering for Senator Evans. We are moving on to domestic policy and my understanding is that we are going to economic and industry policy.

Senator CORMANN—Just before Christmas there was a story in the *Australian* that the Prime Minister would take the proposed mining tax to the COAG meeting just gone. The headline is 'Gillard to take mining tax to COAG', 'Gillard seeks COAG backing for mining tax'. Given that the mining tax had been announced without proper consultation of state and territory governments I thought at the time, I guess, 'Better late than never', but it did not actually happen, did it?

Senator Arbib—Is it possible to actually see the article you are pointing to?

Senator CORMANN—Yes.

Mr Lewis—I will get Dr de Brouwer to address this issue when we see the document.

Senator CORMANN—Are you unaware of the article in the *Australian* before Christmas that the Prime Minister would seek COAG backing for the mining tax? You had not heard that before?

Dr de Brouwer—No, I have not.

Senator CORMANN—You had never heard that proposition?

Dr de Brouwer—There are many articles, but I have not seen this article—

Senator CORMANN—Let us just leave the article aside while it is being photocopied. Has there been at any point in time a suggestion to take the mining tax proposal to the February COAG meeting?

Dr de Brouwer—I am not aware of anything like that. I will take it on notice, but I am not aware of that.

Senator CORMANN—It is pretty extraordinary. Here we have a tax which, according to the Henry Tax Review recommendation, was supposed to replace state and territory royalties. Under that proposal royalties were supposed to be refunded. Under the Gillard mining tax deal all state and territory royalties were to be creditable, yet there has not been any proper engagement or discussion on any of this between the Commonwealth and state and territory governments. If this were about genuine tax reform, given the serious and direct interest that state and territory governments have in this, surely there would have been a discussion with state and territory governments about this?

Dr de Brouwer—There are different ways in which discussion with interested parties and stakeholders occurs. The policy transition group has met very broadly. It may be something to take up with the Treasury department as to the exact nature of who they have engaged with. There are clear and explicit mechanisms that the government has for consultation, including with the states and affected parties.

Senator CORMANN—So as far as you are aware, there is no proposal either past or into the future to take the mining tax proposal to COAG?

Senator Arbib—Can I just say in terms of the article there are no quotes here from the Prime Minister regarding taking it to the COAG.

Senator CORMANN—I think it is a fair question given the assertion that is made ‘Gillard to take mining tax to COAG’ and ‘Gillard seeks COAG backing for mining tax’.

Senator Arbib—That is an assertion from a journalist. It does not have any quotes to it.

Senator CORMANN—Maybe I can then get a clarification or answer to my question that I just asked. Has there been in the past, or is there moving forward, any suggestion that the mining tax will be taken to COAG for discussion with state and territory governments at that level?

Dr de Brouwer—I think that is an interpretative issue. That is not something—

Senator CORMANN—Has it been discussed so far?

Dr de Brouwer—I cannot really talk about internal discussions of government.

Senator CORMANN—Why is that?

Dr de Brouwer—I am happy to provide—

Mr Lewis—We had this discussion earlier on in the committee’s proceedings. Deliberations between the federal and the state and territory governments, negotiations

between those two parties, are not something that as a matter of course are discussed in venues such as this.

Senator CORMANN—If I may, I am not asking you to tell me in detail what has or has not been discussed. I am asking whether or not these discussions have taken place or will take place at the level of COAG—whether they have taken place in the past or whether it is supposed to take place in the future. I am not asking you about the content of these deliberations.

Mr Lewis—Whether or not they have been discussed is in fact part of the negotiating position of either the federal or the state or territory governments, or could be—

Senator CORMANN—So it is a national security sort of—

Mr Lewis—No, I am just saying that it is outside the provisions of what would normally be discussed in a venue such as this.

Senator CORMANN—These sorts of things are discussed in relation to other policy matters. In the lead-up to the last COAG meeting there was a very public discussion; initially the proposed takeover of a third of GST revenue away from the states was historic and non-negotiable. Then all of a sudden it was scrapped and off the table. Is there any discussion to scrap and take the mining tax off the table in the same way as the GST has been taken off the table?

Dr de Brouwer—It is really up to the ministers on whether they want to take this to COAG. We have no sense that this has been part of the formal public discussion around the COAG agenda—

Senator CORMANN—But can you confirm that it has not gone to COAG at the February 2011 meeting?

Dr de Brouwer—It was not discussed.

Senator CORMANN—It was not discussed? Has either the state government of Western Australia or the state governments in Queensland or New South Wales given a commitment to the Commonwealth not to increase royalties on iron ore or coal into the future?

Dr de Brouwer—Are you reading from—

Senator CORMANN—No, I am asking a question.

Dr de Brouwer—Sorry, would you repeat the question?

Senator CORMANN—Has either the state government in Western Australia or the state governments in Queensland and New South Wales given any commitment to the Commonwealth not to increase royalties on iron ore or coal into the future?

Dr de Brouwer—I think this is really a policy matter for the Treasury Department. They are conducting those negotiations. They have been in charge of the policy transition group—

Senator CORMANN—This is the Prime Minister's mining tax deal. There was a very public debate about whether the deal the Prime Minister signed, where all the state and territory royalties would be creditable against the MMRT, as to whether 'all' meant all or did not mean all, and what the position of the Commonwealth was vis-a-vis state and territory

governments. The Prime Minister took a very public position on all of this. It is her deal. Surely her department is providing advice to the Prime Minister on this.

Dr de Brouwer—We will provide advice to the Prime Minister, but the issue is the policy responsibility of the Treasurer to the Treasury Department and they are the ones who have full carriage of this issue.

Senator CORMANN—You are not aware of whether state governments in either Western Australia, Queensland and New South Wales have or have not provided such a commitment to the Commonwealth?

Dr de Brouwer—It is really a matter to take up with the Treasury Department.

Senator CORMANN—So you are not aware?

Dr de Brouwer—It is really a matter for the Treasury. That is really a matter for the Treasury Department.

Senator CORMANN—But you are the department advising the Prime Minister, whose mining tax deal it is.

Dr de Brouwer—The Treasury Department is the department that is responsible. They are conducting those negotiations.

Senator CORMANN—Is the Treasury wholly and solely responsible for federal and state relations, is it?

Dr de Brouwer—They have portfolio responsibility for federal financial relations.

Senator CORMANN—I am not asking about federal-state financial relations. I am asking about federal-state relations which, as I understood it, were managed by the Prime Minister through processes like COAG. Are you saying that the Prime Minister is not going to take any personal involvement in terms of the negotiations or discussions with state and territory governments on this?

Senator Arbib—Dr de Brouwer has said that that is a question that can be directed to Treasury. My understanding is that you have Treasury at this committee tomorrow or Wednesday, so that question can be asked then.

CHAIR—That is the economics committee.

Senator CORMANN—This is very much a question for the Prime Minister. It is the Prime Minister who signed a deal that was negotiated in secret with three taxpayers excluding all of their competitors from the process, not consulting state and territory governments whose revenue base was going to be impacted by the mining tax deal. It was the Prime Minister who has given an indication that this is a matter that would be resolved with state and territory governments. If this were about serious tax reform, the Prime Minister would make sure that this was properly discussed and negotiated with state and governments moving forward. But I will leave it at that now.

CHAIR—Senator Boyce.

Senator BOYCE—My questions are around social inclusion.

Mr Lewis—If you would like to ask the questions we will get the appropriate officers to the table.

Senator BOYCE—When did the social inclusion board last meet?

Mr Ronalds—They met last month in Sydney.

Senator BOYCE—What was the date of that?

Mr Ronalds—I do not seem to have the exact date. I am sorry, November 2010 was the last meeting.

Senator BOYCE—November 23rd that would be, presumably? The reason I ask is that the last minutes that are up on any website are the minutes of 8 October. I am presuming there was a meeting on 3 November as there was supposed to be.

Mr Ronalds—There was certainly one in November. I do not know the exact date.

Senator BOYCE—Did the minister attend that meeting?

Mr Ronalds—Yes, the minister did attend part of that meeting.

Senator BOYCE—What do you mean by ‘part of the meeting’?

Mr Ronalds—The meeting went for most of the day. The minister attended part of the meeting.

Senator BOYCE—One of the things out of the 8 October minutes was the fact that the chair was to meet with the secretary of the department of infrastructure with a view to establishing social inclusion across portfolios. Did that happen?

Mr Ronalds—The chair of the social inclusion board met with the secretary in relation to those issues.

Senator BOYCE—I do not want a long explanation, but ‘with a view to establishing social inclusion across portfolios’—what is the progress there? Where are you at with that?

Mr Ronalds—We are in the course of developing indicators across government to provide a measure of progress in relation to social inclusion issues.

Senator BOYCE—Will each department report on social inclusion?

Mr Ronalds—Certainly most departments will, any departments that are undertaking activities that are relevant to social inclusion.

Senator BOYCE—On notice could you give me the list of the departments that will?

Mr Ronalds—I would be very happy to do that.

Senator BOYCE—When will they start doing that?

Mr Ronalds—This year’s annual report.

Senator BOYCE—So, the 2010-11 annual report or 2011-12?

Mr Ronalds—The 2010-11 annual report has just been completed so it will be the one after.

Senator BOYCE—These minutes say that the board agreed to launch the board’s project and annual reports in February 2011. Has that happened?

Mr Ronalds—It is happening this week, today, yes.

Senator BOYCE—Where did that happen?

Mr Ronalds—They were tabled today with all relevant ministers. I am not aware of when any sort of public launch of these reports will actually be made.

Senator BOYCE—Have they been given to the ministers?

Mr Ronalds—They have, yes.

Senator BOYCE—But they are not public yet?

Mr Ronalds—If they have not been made public today they will be made public this week.

Senator BOYCE—The word ‘launch’ has been used here.

Mr Ronalds—I am not across the final media details in relation to those reports.

Senator BOYCE—Building community capacity has been noted as one of the core aims of the Social Inclusion Unit. Were you consulted at all about which organisations were eligible for flood and cyclone relief packages—the unit?

Mr Ronalds—The unit?

Senator BOYCE—Well, any part of the social inclusion sector, I suppose. When the decisions were being made about who would get grants or loans, et cetera, for flood or cyclone relief, was the Social Inclusion Unit or any other social inclusion sector of PM&C asked for their input?

Mr Ronalds—The decision around the activation of NDRRA is a matter for the state governments and so it is really not for the Social Inclusion Unit or for other parts to provide advice in relation to that stage of the proceedings.

Senator BOYCE—Did you note that not-for-profit organisations were not on the list of organisations to receive government grants or assistance?

Mr Ronalds—In relation to Queensland?

Senator BOYCE—Yes, in relation to Queensland.

Mr Ronalds—Yes.

Senator BOYCE—As a consequence what happened then?

Mr Ronalds—It is really a matter of policy in terms of the action that is taken from that perspective. I am not sure—

Senator BOYCE—When did you note this?

Mr Ronalds—It was known to us very shortly after the formal announcements were made in relation to the first round of NDRRA in relation to Queensland.

Senator BOYCE—Are you able to put a date on that?

Mr Ronalds—Not offhand.

Senator BOYCE—Would you be able to do that on notice?

Senator RONALDSON—I am sure we could.

Senator BOYCE—I will have some more questions on notice.

[8.05 pm]

CHAIR—My understanding is that we have dealt with program 1.1. We are now moving on to program 1.2, National Security and International Policy.

Senator TROOD—I take it you are familiar with the National Security Statement of 2008?

Mr Lewis—Yes.

Senator TROOD—In fact, you probably had an active hand in preparing it. Are you familiar with that part of the statement which related to the Prime Minister's desire that there be regular National Security Statements?

Mr Lewis—That is correct.

Senator TROOD—In relation to the part where he said there would be regular national statements rather like annual budget statements, an annual review of the state of the country. We have not seen another National Security Statement since the 2008 statement; is that correct?

Mr Lewis—That is correct.

Senator TROOD—Can you tell us whether or not there is a plan for a new National Security Statement to be published?

Mr Lewis—Whether or not there is will be entirely a matter for government. It has been incorrectly represented in the media, as I am sure you are aware, that there was an undertaking to provide annual National Security Statements. That is not the case. As you have just read from the text there, they were to be regular updates. The period between those updates is really a matter for government.

Senator TROOD—Have you been given any instructions to prepare a new National Security Statement?

Mr Lewis—No, I have not.

Senator TROOD—Are you aware of any preparations for a new National Security Statement?

Mr Lewis—We have discussed amongst ourselves what might go into a subsequent statement, if and when it is made, but really the decision is entirely one for government, as I am sure you would appreciate.

Senator TROOD—As far as you are aware, there are no plans for a new National Security Statement?

Mr Lewis—It is a matter for government whether or not there is. I am not aware of any particular arrangements that are being contemplated.

Senator TROOD—I want also to ask you about the appointment of the National Security Legislation Monitor, which has been pending for I think nearly 12 months. Has an appointment been made as yet?

Mr Lewis—No, it has not.

Senator TROOD—When will an appointment be made?

Mr Lewis—It will be a little period. I cannot be more precise than that. It has been a fairly drawn-out process, as I think your question alludes to. It is an important position and it is important we get the right person. I can confirm to you that the government has approached a preferred candidate and negotiations on the appointment are underway. There are five elements to those negotiations that need to be satisfactorily settled in accordance with the legislation that provides for the monitor's appointment. The first of those issues goes to matters of remuneration, which it has been agreed will be settled by regulation; secondly, the terms and conditions of employment of the individual concerned; thirdly, consultation with the Leader of the Opposition; fourthly, the satisfactory completion of a top secret security clearance; and, finally, the appointment being taken to exco. Those steps are being worked through now. As I said, it has taken a little longer than we would have hoped, but we are making good progress and I am confident that we will go fairly uninterrupted towards an appointment now. I cannot be specific. I could not tell you whether it was a couple of weeks or a couple of months, but we are moving inexorably towards the appointment.

Senator TROOD—You would agree this is a significant appointment?

Mr Lewis—Yes.

Senator TROOD—An important appointment?

Mr Lewis—Yes.

Senator TROOD—I am encouraged by that news, except that is precisely the information that I was provided in November last year when I asked a question on notice in the parliament. I was given almost the same answer with almost the same words. On the basis of the information I received in November and what you have told the committee this evening, we have moved nowhere. Can you provide us with any assurance that we have actually made some progress between then and now?

Mr Lewis—Yes. I would not characterise it as moving nowhere. We have made progress since November. We are pushing it along as fast as we can. I can only assure you that the pushing will continue until such time as we get the individual in place.

Senator TROOD—Which of the five matters that you have mentioned to the committee have yet to be resolved?

Mr Lewis—Remuneration is still to be settled. The terms of the employment are still to be settled with the individual, and the top secret security clearance is underway. But, as you know, they take a little time to reach completion.

Senator TROOD—When you say ‘the terms of employment’, I am not quite clear what that means. Does that mean whether this person comes under the Public Service Act or whether it relates to the appointment in relation to some other statutory position? I am not entirely clear about your meaning.

Mr Lewis—The terms and conditions of the monitor's employment need to be settled and approved by the Governor-General, and under section 17 of the act provision is made for the monitor's terms and conditions to be determined by the Governor-General. It is pursuant to section 17 of the act.

Senator TROOD—That matter has not been resolved as yet?

Mr Lewis—That is correct.

Senator TROOD—How long do you think it will be before we have an announcement?

Mr Lewis—As I said, I cannot be specific. I expect that probably the short pole in the tent here is going to be the issue around the top-secret clearance. I would judge that to be the longest process, and it could be one or two months. It is very hard to be precise. It obviously depends on the information that we receive.

Senator TROOD—Is the vetting being undertaken by the new centralised vetting agency or by a particular agency?

Mr Lewis—No, by the centralised vetting agency.

Senator TROOD—You did not mention consultations with the Leader of the Opposition as being one of the outstanding matters.

Mr Lewis—It is outstanding, but I would not anticipate that it would add measurably to the length of time that the appointment will take to become firm.

Senator TROOD—So no approach has been made to the Leader of the Opposition as yet? Is that right?

Mr Lewis—No, that is correct.

Senator TROOD—So, you do not intend to consult with the Leader of the Opposition? Do you intend to advise the Leader of the Opposition about the appointment?

Mr Lewis—The act requires that the Prime Minister consult with the Leader of the Opposition on the appointment.

Senator TROOD—If that is the case, would it not be sensible, prudent and perhaps saving the Commonwealth a large amount of money if there could be agreement on the individual before you went through this extraordinarily long and complex process of undertaking a vetting, which may, on one view, perhaps not succeed?

Mr Lewis—I can see how you might think that, but you must concede, I am sure, that if the individual was, for one reason or another, not to accept the conditions that were being offered or found the remuneration package inadequate or whatever, there is not much point having gone to the Leader of the Opposition first. I think the best use of time is to get these more imponderable issues out of the way and then have the discussion with the Leader of the Opposition by way of consultation.

Senator TROOD—I see. I would have thought the Opposition Leader's views might be of some value in determining whether or not this person whom you have nominated is actually the right person for the job, but you do not take that view; is that right?

Mr Lewis—That is nothing for me to comment on. It is a matter for the Leader of the Opposition as to whether he agreed with the nomination or not. That is between him and the Prime Minister.

Senator TROOD—At what point do you think the consultation will take place with the Leader of the Opposition?

Mr Lewis—I would think it would be towards the back end of the process, that is, once most of those other provisions have been met. Obviously other than the exco issue, which must happen after the consultation with the Leader of the Opposition.

Senator TROOD—So you are saying it will be almost the penultimate decision; before it goes to Executive Council this will be the last point at which a decision will need to be made before it is signed off by the Governor-General?

Mr Lewis—I am not sure I could be so firm, but I would think it would be towards the end of the process, yes.

Senator TROOD—I would like to move on to another topic.

CHAIR—I would like to clarify if this process is any different for this appointment than what it has been in the past.

Mr Lewis—It is, because this is the first. We have not had one of these appointments in the past so we are cutting some new ground.

Senator TROOD—Which perhaps is one reason why one should take the Leader of the Opposition into one's confidence on the matter. I wanted to ask you about the formation—and perhaps you can clarify whether this is actually under your jurisdiction—of the whole-of-government taskforce on investigating WikiLeaks. Is that a matter that is being managed by your department?

Mr Lewis—Yes. We certainly have been overseeing a whole-of-government coordination around that point and, depending on your question, I will ask Dr McCarthy, the Deputy National Security Adviser, to field answers for you.

Senator TROOD—You are coordinating the taskforce. Which departments and agencies are represented on the taskforce?

Mr Lewis—It is a very wide range. Dr McCarthy has probably got a list of who was present.

Dr McCarthy—The taskforce was not conducting an investigation. It comprised representatives from the Department of the Prime Minister and Cabinet, the Department of Foreign Affairs and Trade, the Department of Defence, the Attorney-General's Department, the Office of National Assessments and the Australian Federal Police.

Senator TROOD—Is this taskforce physically in existence, that is to say, the individuals representing these agencies have come together and are performing thus far, or do they remain in their existing positions?

Dr McCarthy—Towards the end of last year the taskforce was, I think the word is, virtualised and the work is being done from those representatives' home agencies. There was a time when we had representatives from those agencies working within the Department of the Prime Minister and Cabinet, but given the reasonably slow release of material we determined that it was possible for the taskforce to conduct its work from departments' home agencies and advise their own ministers.

Senator TROOD—Was one of the responsibilities or the role of the taskforce to advise the Prime Minister as to whether or not Mr Assange had been guilty of any illegality?

Dr McCarthy—No. The AFP was the relevant authority for making that determination, and it did so. I believe it published its conclusion on the AFP website.

Senator TROOD—Did the taskforce request the AFP to undertake an assessment as to Mr Assange's illegality?

Dr McCarthy—Not that I know. Not that I recall. That is a matter for the Australian Federal Police.

Senator TROOD—Can you tell us who it was that asked the AFP to undertake an assessment as to whether or not Mr Assange had been guilty of some offence?

Dr McCarthy—I might take that question on notice. I imagine it would have been the Attorney-General.

Senator TROOD—These are questions of which you have limited knowledge; is that right?

Dr McCarthy—No, but it was not the responsibility of the taskforce to request that information.

Senator TROOD—The taskforce did not provide that information?

Dr McCarthy—No.

Senator TROOD—And you did not provide that information to the Prime Minister; is that right?

Dr McCarthy—The Australian Federal Police was the competent authority to make that determination. We would have provided information briefings to the Prime Minister, but we did not provide the advice ourselves. We did not determine that issue.

Senator TROOD—Was it a responsibility that you undertook to provide the Prime Minister with the details of the AFP's assessment?

Dr McCarthy—No, that was not the taskforce's responsibility, that was the responsibility of the Australian Federal Police.

Senator TROOD—I am trying to determine whether or not there was an individual in the Prime Minister's department that provided the Prime Minister with advice as to the AFP's conclusions, or any advice, with regard to the allegation of illegality in relation to Mr Assange. Did Mr Lewis, perhaps, brief the Prime Minister on this subject?

Mr Lewis—No. We could take that question on notice. I believe the answer is no, and if we did, in fact, provide a brief, it would have been to convey the AFP's determination.

Senator TROOD—I appreciate the point that you are putting to me. I am interested to know how the information was conveyed to the Prime Minister.

Mr Lewis—We will see if we can get a quick answer for you.

Dr McCarthy—We would have provided briefs to the Prime Minister that conveyed information about that issue, but I do not have the exact details.

Mr Lewis—Perhaps we could take that on notice.

Senator TROOD—You do not know what the information was?

Dr McCarthy—The AFP made a determination and, as I understand it, published on its own website the conclusions that it drew, so certainly—and I can check; as I said, we can take it on notice—any briefing to the Prime Minister on the conclusion the AFP drew would simply have conveyed to the Prime Minister what the AFP had concluded and itself made public.

Senator TROOD—I am under pressure of time here. I have one further question. You said that originally the taskforce was physically constituted. I think your word was that it went ‘virtual’. How much longer do you think the taskforce will be in existence?

Dr McCarthy—The taskforce is certainly not operating in the way it was before Christmas. PM&C is still coordinating the provision of information to the Prime Minister and ministers whenever information is released on the WikiLeaks website and, given the number of cables that WikiLeaks says that it has access to, it could be a long time before it finishes releasing that information. I would say that there are still officials from the departments represented on the taskforce providing advice to their ministers, but the taskforce and the members of the taskforce certainly are not operating in the way that they were in that more intense period before Christmas.

Senator TROOD—Thank you. I have some questions that I will put on notice.

CHAIR—Senator Ludlam.

Senator LUDLAM—I was hoping to speak to whoever is responsible for announcing that we have a National Security Legislation Monitor as of now. Everyone is looking at me blankly.

Mr Lewis—Yes. I am sorry you were not here. We have just been through this question at some length. Could you repeat the question again?

Senator LUDLAM—It is about the National Security Legislation Monitor. It is really just a yes or no. Do we have an appointment as yet, and if it is already on the transcript then I will refer to it later.

Mr Lewis—It is already on the transcript, but the answer is no.

Senator LUDLAM—Can you briefly describe for me why and is this the longest time it has taken to appoint a Commonwealth officer in the history of the Commonwealth?

Mr Lewis—The reason why it has taken a considerable amount of time—and I am sorry, I will have to bore members of the committee with repeating this because it is on the record—but we are obviously looking for a person of high standing with a great understanding of our counter-terrorism and national security legislation. The process was interrupted, as you know, through the course of the election and the caretaker period. There are essentially five issues which must be settled prior to the appointment, as I think you know, and we may have discussed these before. They run to the remuneration; the terms of employment; consultation with the Leader of the Opposition; the successful gaining of a top secret security clearance; and, finally, sign-off by exco.

An individual has been identified, as I think I might have mentioned to you before. An individual has been approached as a preferred candidate and that individual has, at this stage,

indicated their willingness to take on the appointment and negotiations around that appointment are underway.

Senator LUDLAM—That was what you told us in October, so there has been no change since October.

Mr Lewis—The processes are continuing. We have made progress since October, but those five issues are still to be settled.

Senator LUDLAM—If Senator Trood has trawled over this ground I will refer to the transcript. Thank you.

CHAIR—Senator Faulkner had some questions, but he is not here. Does that mean we have now concluded program 1.2? I take it that it does.

[8.25 pm]

CHAIR—We now move to program 2—official and ceremonial support.

Senator FIERRAVANTI-WELLS—On 30 to 31 October in the *Weekend Australian* I noticed this advertisement. I will just read it. It is very brief. It is titled ‘House Manager, Executive Residence, Canberra, reference 2010-52’.

Full time position is available managing the operations for a significant and high profile executive residence and providing a full range of personal domestic services. Some weekend duty will be required. To be successful you will need to have significant experience managing high profile domestic operations, excellent presentation and communication skills, the ability to work in a flexible environment and be self motivated. If you have experience in household management and domestic household duties please submit a detailed resume to 6271 5033 or by post to GPO Box 6500, Canberra, by close of business 12 November. For further information telephone Suzanne De Smet on 02 6271 5123.

What was that for?

Mr Lewis—Do you mean the advertisement?

Senator FIERRAVANTI-WELLS—When I saw this advertisement the name Suzanne De Smet struck a bell because Ms De Smet was the one that signed letters in relation to the then Prime Minister’s vegie patch and, of course, she is the assistant director of the Official Establishments Unit in your department. So when I saw that I wondered what residence this was. Perhaps somebody could explain it to me.

Mr Lewis—I am not quite sure of Ms De Smet’s current appointment. Mr Terrell may be able to answer your questions.

Mr Terrell—That advertisement was for the housekeeper at the Lodge.

Senator FIERRAVANTI-WELLS—It says house manager. Is there a difference?

Mr Terrell—House manager.

Senator FIERRAVANTI-WELLS—It is very strange wording. Who wrote it? Was it done in consultation with the occupants?

Mr Terrell—The drafting of the advertisement happened within the department.

Senator FIERRAVANTI-WELLS—It is strange because there is no logo. Was that deliberate?

Mr Terrell—I believe it was deliberate.

Senator FIERRAVANTI-WELLS—Is that the normal practice that has occurred in the past?

Mr Terrell—I will have to check. Yes.

Senator FIERRAVANTI-WELLS—Was that the normal procedure in the past and who did the interviews for this position? I am happy for the officer to just stay at the table, Mr Terrell.

Mr Terrell—If we get into a lot of these details, perhaps. The then first assistant secretary of the Ministerial Support Unit, John Cairns, chaired the panel with one other official from the support unit and I understand perhaps one other person, but I can check that, if you like.

Senator FIERRAVANTI-WELLS—When you look at the duties, it sounds very much to me like perhaps, you know, very much the butler's role. Perhaps Jeeves lives another day to serve at The Lodge and, of course, those who are familiar, Senator Fifield on this committee would remember our last foray with Jeeves. Sounds very much like a major-domo's position; is that what it is?

Mr Lewis—I think that is a misrepresentation of what we were trying to achieve through the advertisement, if I might. The advertisement was for a house manager.

Senator FIERRAVANTI-WELLS—It says 'domestic household duties'. I am just trying to explore what those duties would be.

Mr Lewis—They are spelt out in the advertisement, I think.

Senator FIERRAVANTI-WELLS—They do not spell out very much in the advertisement, Mr Lewis. Did we get lots of applicants?

Mr Terrell—I would have to check.

Senator FIERRAVANTI-WELLS—Yes, thank you.

Mr Terrell—We do not have that information; we will have to take that on notice.

Senator FIERRAVANTI-WELLS—Can you tell me why the position became vacant? Did the new occupants of The Lodge decide that they did not like the old occupant and get somebody new? How come this position became available?

Mr Terrell—My understanding is that the previous occupant decided to resign.

Senator FIERRAVANTI-WELLS—Decided to resign; okay. What was the basis of that resignation and when did that person resign?

Mr Terrell—I think I might take that on notice, but I do not think we have a reason for that resignation.

Senator FIERRAVANTI-WELLS—There must have been a reason if they resigned.

Mr Terrell—I am sure that there was but I do not think we have it.

Senator FIERRAVANTI-WELLS—Could you take on notice and perhaps if we could have a copy of the letter of resignation? If you want to take out the name, please by all means do so. So, when did this person resign?

Mr Lewis—I am not sure, with regard to the letter of resignation and so forth, whether it is proper to be sharing that. That would be a personal matter between the individual and their employer. We will check and see whether it can be released. I do not know; I just could not guarantee it.

Senator FIERRAVANTI-WELLS—Perhaps, can I just ask this one? How long had the previous occupant been in the position?

Mr Terrell—I do not think we have that information with us; we will have to take that on notice as well.

Senator FIERRAVANTI-WELLS—Perhaps you could take on notice how long they had been in the job, because it seems strange that the position was advertised after the last federal election and yet one almost begs the question, if the occupant resigned—there is a natural inference here—I am curious to know why that person has resigned so closely after the federal election. When did Ms Gillard move into The Lodge, by the way?

Mr Terrell—I believe it was 26 September 2010.

Senator FIERRAVANTI-WELLS—When did this person resign?

Mr Terrell—I have not got that information with me. We would have to take that on notice.

Senator FIERRAVANTI-WELLS—It is interesting, because in the Prime Minister and Cabinet incoming brief it is actually interesting; there is a comment here on staffing and there is a piece that refers to the current staffing levels at both The Lodge and Kirribilli, and then there is a redacted portion and then it makes reference to that the staffing levels required at the residence will depend upon your preferences. I would be interested to know if Ms Gillard and/or Mr Mathieson expressed any preferences in relation to any of those positions at The Lodge.

Mr Terrell—My understanding is that all of the people who were employed at The Lodge prior to the election, their contracts were extended post the election.

Senator FIERRAVANTI-WELLS—In addition to the person that resigned, were there other resignations?

Mr Terrell—Not that I am aware of.

Senator FIERRAVANTI-WELLS—Could you take that on notice?

Mr Terrell—Yes.

Senator FIERRAVANTI-WELLS—Mr Sterland is pointing to something there.

Mr Sterland—I have information here that a full-time chef resigned in September 2010.

Senator FIERRAVANTI-WELLS—The chef left as well? So, he's lost the chef and potentially—well, I know that—the butler, chef. Who else left from The Lodge? Is that it?

Mr Sterland—That is all the information we have. It is only six to seven staff.

Senator FIERRAVANTI-WELLS—There are only seven of them, so a third of the complement left after Prime Minister Rudd was—well, we will not go there. I do not have any further questions, thank you.

CHAIR—That is the end now of program 2 if there is no further questions. If not, thank you to the officers for appearing before us and I now call the Office of the Inspector-General of Intelligence and Security to come forward.

Mr Lewis—Just before we break, could I just read something into the record. Senator Abetz asked a question with regard to a question on notice 88H and I said I would get back to him with an answer. The answer to his question is no.

CHAIR—Thank you very much, Mr Lewis.

[8.37 pm]

Office of the Inspector-General of Intelligence and Security

CHAIR—I would like to welcome Dr Vivienne Thom, Inspector-General, and officers. Officers called upon for the first time to answer a question should state their name and position for the *Hansard* record and witnesses should speak clearly into the microphone. Dr Thom, do you have an opening statement?

Dr Thom—No, I do not have an opening statement.

Senator TROOD—Dr Thom, could I take you to your annual report for 2009-10, where on page 27 on the right-hand column, paragraph 4, there is a reference to an incomplete inquiry in relation to ASIO. You will see the last sentence there. Has that inquiry been completed?

Dr Thom—That inquiry has been completed. It was a matter of timeliness and I think there was a matter of administrative oversight, but it has been resolved now; that inquiry has been completed.

Senator TROOD—A matter of administrative oversight in ASIO; is that it?

Dr Thom—From memory, I think it was both in ASIO and in the department of immigration, but I would have to check that and get back to you.

Senator TROOD—Perhaps you would do that for me, please. Now, could you give the committee some statistics for the complaints that you have received in relation to this financial year, from 1 July 2010 to date?

Dr Thom—Are you talking about all agencies or any particular type of complaint?

Senator TROOD—Perhaps, given the time, you could concentrate your energies on ASIO, if you could.

Dr Thom—The major complaints we get from ASIO relate to visa related security assessments and delays and this financial year, for the first six months, we received 531 complaints about delays. That also includes inquiries about the status of the clearance, so it is not just about a complaint; it can also be an inquiry.

Senator TROOD—Can you disaggregate the complaints between inquiries and complaints?

Dr Thom—No, I cannot, because when people write to us, they email, they telephone, they use an online form and generally they do not make any distinction themselves.

Senator TROOD—So you have had 531 to date; is that right?

Dr Thom—That is right.

Senator TROOD—How many of these are now resolved?

Dr Thom—That is 531, not to date but to the end of December.

Senator TROOD—That is until the end of December, is it?

Dr Thom—That is right, yes.

Senator TROOD—And you do not have any more recent statistics?

Dr Thom—We, I think, got just over 100 for January. It is about the same.

Senator TROOD—One hundred for January?

Dr Thom—Yes.

Senator TROOD—And you do not have any for—

Dr Thom—No, I do not have the figures for February.

Senator TROOD—Good. Thank you.

Dr Thom—In terms of resolved, I think it depends what you mean by resolved. We follow up with the agency to see if there has been any problem with administration, but by and large these are delays due to resource allocation in ASIO and the fact of the workload that they have. So, in terms of resolve for the complainant, we do not ask ASIO to expedite these clearances, so I think it would be difficult to say what had actually been resolved, what clearances have been cleared or—

Senator TROOD—When do you regard the matter as having been settled so that you can move on to some other issue or that you can put it to one side?

Dr Thom—When we have followed up with ASIO and they have assured us that they are progressing that application.

Senator TROOD—So, how many are in that category?

Dr Thom—I do not have those figures at the moment. I would have to get back to you on that.

Senator TROOD—Am I right in saying that many of these inquiries about ASIO are about the timeliness or the speed with which ASIO is dealing with the need for security clearances?

Dr Thom—I think of those 531, only perhaps five would relate to something other than a status inquiry or a complaint about the timeliness.

Senator TROOD—Status inquiry means where it is in the process; is that what that means?

Dr Thom—Some migration agents and visa applicants have taken to routinely inquiring of us at the same time that, I think, they lodge their application. They, I think, consider that it might in fact expedite their application if they make an inquiry of us at the same time.

Senator TROOD—Do you routinely respond to those simultaneous inquiries or do you feel obliged to do that?

Dr Thom—We acknowledge them but we do not necessarily follow them up immediately.

Senator TROOD—Have you kept any statistics on the time it is actually taking for ASIO to complete security clearances?

Dr Thom—ASIO provide us with statistics but I have not got any with me. I think it is best to get them from ASIO, in fact.

Senator TROOD—I can certainly ask them for that. Can you tell us whether or not you formed a view as to whether or not these inquiries are taking too much time?

Dr Thom—Do you mean their inquiries or my inquiries? Do you mean their clearances?

Senator TROOD—The ASIO inquiries; are they taking an inordinate amount of time, in your view?

Dr Thom—They are taking a long time. Whether they are taking an unreasonable amount of time I think depends upon the number they are getting and the resources they have to allocate to it. They have a huge increase in workload. We have not found that they have acted unreasonably given the workload they have and the resources that they have to handle that workload.

Senator TROOD—Do you have any comparative statistics with regard to previous years?

Dr Thom—I can say that in the financial year 2008-09 we got 157 complaints, whereas last year it was over 1,000 and this year it is tracking the same way, so there is certainly a large increase in the number of complaints and approaches to us.

Senator TROOD—Do you keep any of the statistics about how long it is taking ASIO to undertake a security clearance?

Dr Thom—I do not keep the statistics; they have the statistics. I ask them to provide them to me quarterly. They are the source of the statistics.

Senator TROOD—So this year we are on the same trajectory for a very substantial increase in complaints?

Dr Thom—Yes.

Senator TROOD—And that, in your view, is related to the burden of work that ASIO has to bear in relation to these security clearances; is that right?

Dr Thom—I think it is the volume of clearances they have to do at the moment.

Senator TROOD—Do you regard it as part of your responsibility to assess whether or not ASIO has adequate resources to do that?

Dr Thom—I do have discussions with them about resources, but I think one of the problems is if they shift resource onto this type of work they are shifting resources away from other clearance processes, so I think it is a very difficult problem for them to resolve.

Senator TROOD—They have had to shift resources from some sections of the agency to deal with this particular burden?

Dr Thom—I think you would have to speak to ASIO about how they allocate their resources.

Senator TROOD—Do you have a view, and do you think it is within the area of your responsibilities, to determine whether or not ASIO has enough resources to adequately undertake its responsibilities?

Dr Thom—I think if they had more resources doing these tasks the time might decrease slightly or might decrease, but certainly some of the time taken for these clearances relates to time taken for overseas agencies to provide them with information and a range of other things, so extra resources would certainly help.

Senator TROOD—What about the resources of your office itself, which is modest in size, 13 or something, I think is right, is it not?

Dr Thom—I have 13 staff and myself at the moment. In terms of resources to handle these inquiries or these complaints, we are looking at changing the way that we actually handle these complaints because I think as I have indicated we do not ask ASIO to expedite the clearances in any way. At the moment all we can really do is get back to the complainant and say that we have looked into it and ASIO is not acting unreasonably. So we are looking at a systemic approach to handling this matter rather than looking at individual complaints.

Senator TROOD—But you acknowledge to the committee, do you, that you have had to make changes in the way in which you go about your work, given the burden of work that you have been asked to undertake?

Dr Thom—I do not think it is the burden of work; I think it is the fact that we are not reaching any resolution for these complainants. Even if I had more staff to allocate to this task, I probably would not allocate more staff to this task.

Senator TROOD—I wanted to move on to another issue, if I may, and that is the inquiry that you have been given from the Prime Minister with regard to Mamdouh Habib. Can you tell us when you received that request from the Prime Minister's office?

Dr Thom—I received that request, I think, on 22 December 2010.

Senator TROOD—Is that inquiry complete as yet?

Dr Thom—No, that inquiry is not complete yet. It is an inquiry that I expect will probably take the bulk of this calendar year.

Senator TROOD—What is the nature of the inquiry? What is it precisely that you have been asked to do?

Dr Thom—I have been asked to conduct an inquiry into the actions of Australian intelligence agencies and other Commonwealth agencies in relation to the arrest and detention overseas of Mr Mamdouh Habib from 2001 to 2005.

Senator TROOD—How do you intend to undertake that inquiry?

Dr Thom—It is a multistage inquiry. The first step is that I have a team of people looking at all the documentation that we have at hand from the agencies. In the first step we are looking at the material discovered by the Commonwealth in Mr Habib's Federal Court case. This covers many thousands of pages of documents which relevant Commonwealth agencies

found and compiled to comply with the order of the Federal Court. We will also be examining any other documents which appear to be relevant to the inquiry that were not included in those discovered documents. We will be examining agencies' current policies and those applicable at the time. I will be questioning persons with relevant information; I have the power to compel people to appear before me and answer questions. I will also be providing Mr Habib with an opportunity to give me any material that he wishes me to take into account, including giving him an opportunity to appear before me.

Senator TROOD—How big a task force have you created for that inquiry?

Dr Thom—I have four internal staff and myself working on it at the moment.

Senator TROOD—That is a third of your staff, more or less?

Dr Thom—That is right.

Senator TROOD—Is that affecting your resources in relation to other matters?

Dr Thom—I can reprioritise some of the other matters based on the risk, and that is what I have done. I have reduced the effort we are putting into some other tasks. I have also recruited an extra person. I have been allocated an SES position for nine months to manage the project.

Senator TROOD—Would Mr Habib be entitled to legal representation if he chooses to make representations?

Dr Thom—Mr Habib is entitled to have a legal representative with him when he is questioned.

Senator TROOD—At this stage do you know, or is it intended, that the conclusion of this process will result in some of your recommendations or findings being made public?

Dr Thom—I think any oversight agency believes that it is important that reports such as these, or some aspects of reports such as these, should be made public, certainly given the public interest in these matters and the significance of the issues raised. I think it is really important for transparency and accountability of government. Also, the public credibility of oversight agencies such as the inspectors-general and the Ombudsman also depends on public reports. There are often lessons for public administration that apply in broader ways from these public reports. But having said all of that, it must be borne in mind that there are matters of national security that could be discussed in a report such as this, so that really affects what can be published. Ultimately, it depends on what the content of the report is as to how much could be made public.

Senator TROOD—Is it your strong desire to make the findings of your report public; is that right?

Dr Thom—I think as much as can be made public should be made public, yes.

Senator TROOD—Would it be fair to say that you would be disappointed if the findings were not made public?

Dr Thom—I think it depends upon the nature of the conclusions and recommendations as to whether they can be made public, but I would hope that they would be made public.

Senator TROOD—Remind me again when you expect to have this concluded?

Dr Thom—I would hope to have it concluded by the end of the calendar year, but it is very early days in the inquiry at the moment.

Senator TROOD—I appreciate that having been given the reference in December and we are in February that it is indeed early days. I might just say I have some further questions that I will put on notice.

CHAIR—Thank you very much. I now call the Office of National Assessments.

[8.51 pm]

Office of National Assessments

CHAIR—Good evening, I would like to welcome the director-general and officers from the Office of National Assessments. Do you have an opening statement?

Mr Gyngell—No.

Senator TROOD—I want to ask about a couple of matters. The first is in relation to your new building. Have you occupied the new building as yet?

Mr Gyngell—We have not yet occupied the new building. I think the last time we spoke in this committee I said that we thought we would be in by the end of May 2011. There have been further delays since then and it now looks as though it may be September. The building owner has assured us that they will hand over the building by 30 June 2011.

Senator TROOD—Does that mean that there are cost overruns in light of the delay or are they unrelated matters?

Mr Gyngell—No, they are entirely unrelated matters. The cost will be exactly the same. The delays have been caused basically by the complications of refurbishing a 70-year old building and problems that the consultants to the building owners had, but there has been no change as a result of any alteration in the brief that ONA has given.

Senator TROOD—What do you now expect the cost to be of the new building?

Mr Gyngell—I expect the cost to be exactly what it was when we last spoke in this committee, which is a fit-out cost of \$17.5 million and asset replacement of \$8 million.

Senator TROOD—The ONA was going to share the new ASIO building, as I understand it, and a decision was made at some point that that was not to be the case. Was that as a result of another building being offered specifically to your agency?

Mr Gyngell—It was before my time but as I understand it—my colleague Mr Triffett might be able to give further details—the negotiations we had with ASIO about moving into their new building led to a conclusion that we would not have contiguous space within that building. There would be three separate areas that might be available to us but that is obviously a difficult situation for an office like ours. It was a failure on our part not to be able to reach agreement with ASIO as landlord that led us to look elsewhere and the opportunity became available in National Circuit.

Senator TROOD—They are not very generous—that is a very large building—that they could not find space for you.

Mr Gyngell—They could not find a single space for us.

Senator TROOD—Perhaps they did not try hard enough. There is one other matter I wanted to raise with you which relates to legal expenditure, if I can? I am just looking at some of the statistics that exist in relation to your costs with regard to legal services, if I may? In answer to a question of the Attorney-General's Department that Senator Barnett asked we were provided with a table which tells us that in 2008-09 your costs were \$27,000 for legal services. Or are they millions? I think they must be thousands. Is it \$27 million?

Mr Triffett—No, no.

Senator TROOD—I thought your budget suddenly increased significantly. So, \$27,000; is that right? I was reading it correctly in the first instance. But they have now in 2009-10 risen to \$147,000? This is your area of expertise; is it? What I am interested in obviously is an explanation as to why your legal costs are now so great? They have gone up five-fold or something like that.

Mr Triffett—In the last year there has been a lot of contractual work with the building where we have had to seek legal advice to do with leasing arrangements for the new building, legal advice on a number of staffing issues, legal advice on a number of MOUs that we have undertaken. It has just been almost a one-off year where there has been so much activity that we have been required to get legal advice on the agreements we were entering into.

Senator TROOD—You are not getting into legal trouble, I hope.

Mr Triffett—Not at all.

Senator TROOD—Is most of this increase related to matters with regard to the new building?

Mr Triffett—A large percentage of it is. The rest of it is to do with MOUs we may have with other agencies for sharing information and for accessing particular IT systems. It is a mix.

Senator TROOD—Would you mind perhaps providing me with a breakdown of the costs and how the \$147,000 is made up?

Mr Gyngell—We can certainly do that.

CHAIR—Thank you for appearing before us this evening. Sorry for the delay. I would like to call forward the Australian Information Commissioner.

[8.58 pm]

Office of the Australian Information Commissioner

CHAIR—I welcome Professor John McMillan, Australian Information Commissioner, and officers and apologise for the delay. Professor McMillan, do you have an opening statement?

Prof. McMillan—No, I do not have an opening statement.

Senator CORMANN—You would be aware of an agreement between the minority government and some Independents and separately the Greens referring issues of public interest disclosure when the Senate or the House votes on the floor against a decision of a minister not to release information to be assessed by the Information Commissioner, who will report to the parliament. Are you aware of this?

Prof. McMillan—Yes, I am aware of that clause in the agreement.

Senator CORMANN—Were you consulted on that clause in that agreement before it was put into the agreement?

Prof. McMillan—No.

Senator CORMANN—You first became aware of the role that was envisaged in that agreement after it was made public, like everybody else?

Prof. McMillan—Yes, I first became aware when I read of it publicly.

Senator CORMANN—Since then the Senate has sought to take advantage of the provision in that particular agreement. You have taken the view that you do not have the authority to do so. Do you still hold that view?

Prof. McMillan—Yes, I still hold to that view as outlined in a letter that I sent to the President of the Senate.

Senator CORMANN—I read that letter and of course it was subject to a detailed debate in the Senate after it was tabled. Did you read the *Hansard* of that debate?

Prof. McMillan—Yes, I have consulted the *Hansard*.

Senator CORMANN—None of these issues which were discussed in the debate caused you to change your mind?

Prof. McMillan—No, I have not changed my mind.

Senator CORMANN—The key issue that is raised by the Clerk is that the Commonwealth parliament has powers under the Constitution that exist independently of the individual statute that governs your statutory agency. Do you disagree with that proposition?

Prof. McMillan—Yes. My view is that one cannot look at it solely from the perspective of the powers that the parliament may assert or exercise to require production of documents or information. It is necessary in our constitutional and legal context to take account of the legislation establishing an office such as mine to see, firstly, whether I do have the function to respond and, secondly, whether it would cause any inconsistency with the legislation establishing my office.

Senator CORMANN—The power that has been given to the Senate and the House of Representatives by section 49 of the Constitution may only be modified by express statutory declaration. That is a requirement of section 49 of the Constitution. There is of course no such limitation in the Australian Information Commissioner Act 2010. What then causes you to take the view that you are not bound to respect the Senate's powers under the Constitution?

Prof. McMillan—With respect, my view is that it is an erroneous view of the scope of the Senate's powers to assume that it can issue an order of a kind such as that to an independent statutory officer. Taken to its logical conclusion, the Senate could issue that order not only to me but to any other statutory authority or indeed to a private citizen—

Senator CORMANN—If I may just interrupt you there: you are quite right that the Senate may, and indeed it has, issued this sort of order to other statutory agencies which have been established at the end of the day by the parliament. You are a statutory agency, as you have

mentioned, established by an act of parliament, funded by taxpayers. Of course, under both the Keating and Howard governments there is a long history of statutory agencies like yours complying with very valid orders of the Senate like this one. This is quite a new precedent, with respect, that you are establishing. All of these orders of the Senate in the past were initiated either by opposition or crossbench senators at the time but got the support of a majority in the Senate. Statutory agencies like the ACCC, the Auditor-General and others—the Productivity Commission—have complied with these sorts of orders of the Senate. It is quite unusual—in fact, I am not sure whether it has happened before—for a statutory agency like yours to disregard the constitutional authority of the Senate to issue these sorts of orders and expect a report back to the Senate within the time frame that is prescribed.

Prof. McMillan—I have not done an exhaustive analysis of all the instances in which orders have been issued to independent statutory authorities, but the only examples of which I am aware in the Commonwealth parliament are orders issued to statutory authorities to prepare a report when it fell within their statutory function to prepare that report. That is my simple but important legal point: that I can only comply with the order of the Senate if it otherwise falls within my statutory function to prepare a report. If the scope of my statutory function is not a relevant consideration then the order issued to me could be issued to any other statutory authority or person to prepare the very report that I have been asked to prepare.

Senator CORMANN—I assume you do agree that the agreement the minority Labor government entered with Independents and the Greens envisaged for you to fulfil exactly the role that the Senate sought to have you exercise in the orders that were passed?

Prof. McMillan—I acknowledge that point, but of course that agreement cannot confer legal authority upon me as a statutory officer to discharge a function that I do not otherwise have.

Senator CORMANN—For your benefit I will table all of the precedents over the last 20-odd years under both Labor and coalition administrations where statutory agencies like yours have complied with orders of the Senate to provide reports on all sorts of issues outside of the responsibilities conferred on these agencies by the relevant statutes, as we can. That is for your benefit. But I guess I would just make the general point that it is very unsatisfactory from the Senate's point of view in relation specifically of the mining tax issues that we, as a Senate, raised with you. The Senate has sought to get access for seven or eight months now to information from the government about how much of the mining tax revenue was to come from iron ore production versus coal production. It is information the government has refused to provide to the Senate without a proper explanation in the public interest. Of course last week it was released to a media outlet under freedom of information legislation. It is completely unacceptable to the parliament to be in a lesser position to get access to information from government than the media, given our constitutional responsibilities to hold the government to account. I would just urge and invite you to reflect on that and have another look at it.

Prof. McMillan—I have no comment to make on those points, but can I say that my letter to the President did spell out in some detail the legal and practical difficulties that I would face in preparing a report for the Senate without a statutory function of doing so, not least

because I did not have copies of or access to any of the documents on which the Senate asked me to prepare a report as to whether those should be released on public interest grounds.

Senator CORMANN—Neither do you in relation to freedom of information requests on which you arbitrate. You do not have access to the documents in question.

Prof. McMillan—Yes, I do. The Freedom of Information Act provides that I can exercise enforceable statutory powers to require an agency to provide me with the documents that are claimed to be exempt. As a standard practice I would not reach a determination as to whether a document is exempt—

Senator CORMANN—I need to be very quick. Essentially you are dealing with documents in your freedom of information function, yet at the time when you need to go about your process of making a decision as to whether appropriate decisions are made you do not hold—

Prof. McMillan—I do obtain access to those documents before I make a decision on whether they meet exemption criteria.

Senator CORMANN—You obtain access to them.

Prof. McMillan—Yes.

Senator CORMANN—I put it to you that what is envisaged in the agreement between the government, the Independents and the Greens is that you would equally obtain access.

Prof. McMillan—But on what legal basis would I obtain access?

Senator CORMANN—On the legal basis of the Senate.

Prof. McMillan—The Freedom of Information Act is quite clear that the powers of access that I have are conferred for the purposes of an IC review, that is the phrase used in that act. I have no legal power to obtain access to the documents that the minister has declined to give to the Senate.

CHAIR—Final question.

Senator CORMANN—And, of course, the Clerk of the Senate, again, even after your detailed letter respectfully disagrees with that proposal. The Clerk of the Senate has argued that by virtue of section 49 of the Constitution we have the power to empower you to obtain access to the information you require to make these reports to the Senate. This is obviously an issue that we will continue to pursue.

Prof. McMillan—With respect, I would find that to be a novel proposition because it assumes that the Senate can require a minister to provide me with documents that the minister has declined to provide to the Senate.

CHAIR—Your time has come to an end.

Senator CORMANN—I will leave it here, but I note that this aspect of the agreement between the government, the Greens and Independents continues to be completely ineffective and that is not satisfactory from the Senate's point of view.

Senator BOYCE—My questions relate to NEHTA, the National E-Health Transition Authority. NEHTA appeared in the 2009-10 annual report appendix as one of the organisations that was covered by the Freedom of Information Act 1982. Is that correct?

Prof. McMillan—Yes. I have seen a statement to that effect.

Senator BOYCE—Subsequently, when I have sought to access information from them, either through estimates or through a freedom of information request, I have been advised that they are exempt from the Freedom of Information Act.

Prof. McMillan—Yes.

Senator BOYCE—How do you reconcile these two?

Prof. McMillan—I will ask my colleague, Dr James Popple, the Freedom of Information Commissioner, to address that as Dr Popple has been looking at it, but in summary, the act spells out agencies which are subject to it and agencies which are not, and it does not fall within the category.

Senator BOYCE—It was in the category of being the subject of freedom of information on the list that came out in an annual report.

Prof. McMillan—That is right. The statement in the annual report was erroneous.

Dr Popple—As Professor McMillan stated, the Freedom of Information Act applies to ministers and agencies. Agencies are defined as departments and prescribed authorities. Prescribed authorities are defined in paragraph 4.1 of the act, crucially to mean a body corporate or an unincorporated body established for a public purpose. There is an exception and one of those exceptions is an incorporated company or association. I understand that the National E-Health Transition Authority is a public company limited by guarantee, so Professor McMillan is correct that NEHTA is not covered by the FOI Act.

I understand the report to which you refer lists a number of agencies and has a footnote down the bottom that says that this is a disclaimer as to the completeness of the list. It is our view that NEHTA is not covered by the FOI Act.

Senator BOYCE—How did they get on the list?

Dr Popple—That report was prepared by the Department of the Prime Minister and Cabinet. My understanding is that they sought advice from the relevant departments and agencies. At some stage someone decided that NEHTA was covered by the FOI Act, but in our view it is not. I should say that it has never been. This is not a consequence of any amendments that commenced on 1 November.

Senator BOYCE—How does the general public, who have contributed over \$200 million in the last five years to NEHTA, access information about the activities of NEHTA?

Dr Popple—I do not know anything about NEHTA except what it is called. I have no idea how it deals with the public. All I can tell you is that it is not covered by the FOI Act.

Senator BOYCE—The shareholders are the federal and state health departments, or government.

Dr Popple—That could be right; I really do not know.

Senator BOYCE—That is right. Do you have any concerns about organisations such as this being structured so that they cannot be subject to FOI requests?

Dr Popple—I do not know that it is for me to say anything about the policy behind that. You say that it has been structured so that it is not subject to FOI. The reason it is not subject to FOI is that it has been incorporated. There are, of course, many government and intra-government bodies which are incorporated and unless they are listed in the regulations as being subject to the act, they would not be.

Senator BOYCE—Do you have a list of the government bodies that are not subject to FOI?

Dr Popple—The department of finance maintains a list, which is thought to be the canonical list of all agencies within the Commonwealth, and it indicates whether or not they are incorporated or how they might have been set up.

Senator BOYCE—Should I be seeking that here or should I ask the department of finance for that list?

Dr Popple—It is a public document. They publish it once every year or so.

Prof. McMillan—We worked off the same list that you worked off when we first commenced operation and assumed that it was an accurate list. We now know that it is not a completely accurate list.

Senator BOYCE—How many others are wrong?

Prof. McMillan—We hope there are no other errors in the list. Certainly, that is one of the challenges that we face. Ultimately, these issues are determined from case to case, just because of the large number of bodies out there. Any documents of the authority that are held by the Commonwealth in its capacity, for example, as a shareholder, are subject to the FOI Act. Any document in the possession of a government agency or government minister, from wherever that document came, is a document that is subject to the FOI Act. That is a partial answer to your earlier question, but it clearly does not address the concern that you raised in full.

I can add that one of the requirements of the FOI Act is that my office is to do a review of the FOI Act within two years. Clearly, the issues of inclusion and exclusion will arise in the meantime. It is really policy responsibility of the Department of the Prime Minister and Cabinet to decide whether amendments should be sponsored to move agencies under the act.

Senator BOYCE—I have just one clarification. When you say ‘within two years’, do you mean by 2013?

Prof. McMillan—Yes, by 2013.

Senator BOYCE—Thank you.

CHAIR—Thank you Professor McMillan and the officers for appearing before us this evening. Before we adjourn for the tea break I need the committee to accept tabling of the document provided by Senator Cormann: *Orders for the production of documents, statutory agencies or office holders*. As it is the wish of the committee it is so tabled.

Proceedings suspended from 9.17 pm to 9.32 pm

Australian National Audit Office

CHAIR—I would like to welcome Mr Ian McPhee, the Auditor-General, and officers. Mr McPhee, do you have an opening statement?

Mr McPhee—No.

Senator BERNARDI—I have four minutes for my interrogation of you. You have responded to a letter to which I was a co-signatory. It was a formal request for an audit of the Bureau of Meteorology and CSIRO climate data and a justification thereof. I understand you have responded to that saying you are considering the request. Can you tell me the status of that?

Mr McPhee—We received that correspondence and in the light of it I have written to the Director of the Bureau of Meteorology, Dr Ayers, asking him for his perspective on the issues raised in the correspondence. Dr Ayers has replied to me just this last Friday and spoken to me, so I expect to be in a position to be able to consider our position and reply in the next week or so.

Senator BERNARDI—When you say ‘reply’, to whom do you mean?

Mr McPhee—Reply to the signatories to the letter.

Senator BERNARDI—When will the ANAO be announcing its strategic obligations for the year?

Mr McPhee—We generally do that in a formal way in July, but if you are particularly interested in this matter I would be happy to write to you directly on my decision on this matter.

Senator BERNARDI—That eases up our time. I would just stress upon you what I would regard as the significance of this, given the taxpayer dollars and policy decisions that are at stake. I think about \$3 billion a year has been spent on greenhouse gas abatement already. We owe something in the order of \$870 million or \$900 million as a result of the Kyoto protocol. I see that you are nodding, Ms Cass, which I hope is in agreement? That means I am right with my figures.

We have got a renewable energy scheme which is estimated to cost \$1.1 billion per annum. There is a significant policy agenda that is based on this research, so I cannot overstate the importance of making sure that it is entirely accurate not only for the government’s decisions but for taxpayer dollars, which is what we are here to be the custodians of. I look forward to hearing from you directly if that is okay.

Senator HEFFERNAN—Likewise tonight we have only got limited time, so before I start I would like to invite your office to come to the Senate inquiry which I am chairing into the Murray-Darling Basin to provide some back-up. From Audit report No. 27, which is into the purchasing of water, it seems to me—to read what is behind the report—that there is a lot of tidying up that can be done in water purchasing. It raises a whole range of questions.

On the question of Toorale, it seems to me that the government of the day and Senator Penny Wong, as the minister of the day, had the hard wood put on them by the New South Wales government in that the national parks decided to buy the place and then decided to flick

the water to alleviate the costs. As I understand it from the manager of the station at the time, where I had cattle on agistment many years ago, there was only one visit by the New South Wales departmental people, who went out there after they had agreed to buy the place as a national park to inspect the goods and chattels for sale. No-one understood—so the Commonwealth did not understand, I do not think, when it was put upon them—that the water was actually still tied to the land, so you have the complication of buying the land to get the water and you have 8,000 gigalitres or 9,000 gigalitres up the Warrego and 8,000 gigalitres or 9,000 gigalitres up the Darling. As soon as this happened a family further up the river bought a whole lot of sleepers which would probably cut off the water that was going to get down to this place anyhow. In terms of an efficient, transparent process, do you think that there are lessons that the National Audit Office could teach government in terms of getting it tidier than this particular purchase?

Mr McPhee—Let me answer the high level issues then I will ask Ms Cass to help us with some of the details. Firstly we would be happy to appear before your committee. Secondly, one of the great benefits of our work is to encourage agencies to improve their own administration, so I have no doubt that there are opportunities for the department to improve its performance here. We have made a number of suggestions in the report to that effect. I will ask Ms Cass if she would like to add to the detail of the question.

Ms Cass—The department was aware that the land and the water came as a package. One of the things that we did note is that they recognised this as being quite a severe and high risk, so they have put in place strategies to attempt to deal with it. The first one is the fact that—as you may or not be aware—there is still not a water sharing plan in place. That probably will not come into play until about 2014.

The second one, as I just said before, was that they could not be separated legally. To try to mitigate these risks the department has agreed with the New South Wales government that all water entitlements will be transferred to the Commonwealth as soon as practical but, again, that will not be until 2014. New South Wales has agreed to implement the necessary action to protect environmental flows into the Darling River.

To back this up a little bit further, they have actually entered into a memorandum of understanding with the New South Wales government. I think it is fair to say, as we have said in here, that, yes, there are lessons that can be learnt. I think the department would be the first to recognise that.

Senator HEFFERNAN—Rather than get into the technical side of things—I presume you would not be up tonight for a shot at it—if the New South Wales government had not decided to buy this place—which is a beautiful property, I might say—for a national park then the water that has been acquired from the Commonwealth probably would not have been acquired in any other circumstance. Their hand was forced a little by the New South Wales government purchasing the property?

Ms Cass—I think it would be fair to say that the Commonwealth contributed to this because they saw it as an opportunity to purchase this station.

Senator HEFFERNAN—I can assure you the Commonwealth did not know about it until the New South Wales government put it upon them. In your summary and also in your report

you say that all the water purchased from Twynam was by the tender system but it actually was not, was it? The \$303 million worth of water from Twynam was decided over a couple of meetings over two weekends. There does not seem to be any real due process other than the failed tender. We will go into that technical detail at another time and another place. There was a tender price—and obviously the allocation water was discounted at \$8.5 million—and then there was a 10 per cent premium able to be paid, which was \$25 million. Without going into commercial-in-confidence, was that added onto or already in the price? If we need to, at the other committee we can go in camera, but was that 10 per cent a way of getting what was the failed tender to an agreeable position with the government?

Ms Cass—I think we would be better off to discuss that in the other committee.

Senator HEFFERNAN—Okay. Did you get a feel for what is a benchmark in the water market?

Ms Cass—When it came to the way they sort of looked at it, the department put in place a number of strategies to actually get an idea of the valuation of the market out there. In terms of benchmarking, the department actually puts the average prices that have been paid up on their website. Obviously, for commercial-in-confidence reasons, they can only put the average up there. That is their way of giving some indication of what the pricing strategies are likely to be.

Senator HEFFERNAN—This is a market that really could do with some regulation because there is no real supervision of the water market. There are no registered agents. Some are real cowboys. Others are decent operators. As to the benchmark, to give you an idea of the vagaries and the fact that we are likeable rogues in the bush—and I declare an interest in being a likeable rogue—for tax purposes when someone sells the property there is often a serious variation to what they sell the homestead, the stock and the water for, for a tax benefit. To give you an idea of what we are up against in the present market to establish a benchmark, on the Lachlan River—and I declare a further interest; I have a property with water licences on the Lachlan River so I do not need a brief to understand this—on 6 July 2010 someone, not the government, purchased 1,000 megalitres of high-security water and paid \$1,600 a megalitre, which is a good price. On 4 August someone sold low-security water for \$1,648 a megalitre. In between those two dates, on 7 July, someone sold general-security water for \$675. So that gives you an idea of the chaos in the water market for which you are trying to establish a benchmark.

I would be interested to know something else, and you may not be able to tell me today—I can only say that my summary of your report in gentle language is a well constructed report that says to me that the process needs a lot of improvement. I note that you say there was no letter on file to show that Twynam's original application tendered for the tender had been rejected, so my concerns that will go to another place and another meeting were whether the decision to negotiate with Twynam was taken before the decision to cancel the tender, which I do not think you have articulated in the report. It seems to me that dealing with \$303 million worth of water over a couple of beers in two meetings is a strange way to conduct business, given the vagaries and the lack of supervision of the water market.

CHAIR—I apologise for the delay and I thank you and your officers for appearing before us tonight. We now call the Department of the Prime Minister and Cabinet back to the table.

[9.46 pm]

Department of the Prime Minister and Cabinet

CHAIR—I welcome the Minister for Sport, representing the Minister for the Arts, Senator the Hon. Mark Arbib; Mr Richard Eccles, Deputy Secretary; and officers of the department. We are moving onto outcome 2, Arts and Culture. Officers and senators are familiar with the rules of the Senate governing estimates hearings. If you need assistance, the secretariat 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:

The extract read as follows—

Order of the Senate—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).
 - (d) requires the Procedure Committee to review the operation of this order and report to the Senate by 20 August 2009.

(Agreed to 13 May 2009.)

(Extract, Journals of the Senate, 13 May 2009, p.1941)

CHAIR—The committee has set Friday, 15 April 2011, as the date by which answers to questions on notice are to be returned. Do you have an opening statement?

Mr Eccles—No, I do not.

Senator HUMPHRIES—Can I ask about national cultural policy? We discussed this at the October estimates and were told that there was work going on in that respect. Where has that work reached at this point in time?

Mr Eccles—The national cultural policies we mentioned at the last estimates were announced by the Prime Minister at the national literary awards. Work is continuing on that. We are working across a number of portfolios. We will be working and will continue to work across a number of portfolios with a view to having detailed consultations with the arts sector throughout 2011.

Senator HUMPHRIES—There was an interactive blog that was launched some time ago, was there not, about arts policy?

Mr Eccles—I am not sure which blog you are referring to. It is certainly not one that I was associated with. There is a blog that the Office for the Arts—

Ms Bean—There was a blog that was run over the summer period last year by Minister Garrett. It has a bit of a distance to it now, but it was inviting comments and submissions. There were some discussions on the blog and there were also some formal submissions. All of those have been analysed and the policy advice has been given to ministers, which will be fed into the mix.

Senator HUMPHRIES—That process ended. Did that blog close down more than a year ago?

Ms Bean—It was almost exactly a year ago. I think it was very early February or very late January.

Senator HUMPHRIES—So in the intervening year there has not been any other public consultation about the cultural policy?

Ms Bean—Not conducted by the department.

Senator HUMPHRIES—Who else would conduct it, if not the department?

Mr Eccles—There have been ongoing discussions with a whole range of stakeholders over the past year.

Senator HUMPHRIES—Apart from other departments?

Mr Eccles—There have been external stakeholders. I have held discussions with a number of agencies and certainly a number of the stakeholders forecasting the development of the national cultural policy, giving them assurances that they are going to be very heavily involved.

Senator HUMPHRIES—That they are going to be heavily involved?

Mr Eccles—We have already started seeking their advice and they have certainly been forthcoming in giving me advice on what they see to be—

Senator HUMPHRIES—Can you name some of those stakeholders?

Mr Eccles—I would have raised it in discussions with each of the major agencies that are here tonight.

Senator HUMPHRIES—Apart from government agencies?

Mr Eccles—We have held initial discussions with each state and territory government.

Senator HUMPHRIES—What about arts providers or peak arts organisations? Which of those have been consulted?

Mr Eccles—I would have to take it on notice, but it has been a topic of discussion with every stakeholder that I have met with. Over the last few months I have met with a large number of them. I would need to take it on notice to provide you with information about each of the organisations that I have met with.

Senator HUMPHRIES—All the organisations that I speak to say that they are awaiting contact from the government. Not one has yet been approached for input on this new cultural policy.

Mr Eccles—I have raised it in discussions with them. There has not yet been any formal approach, if you like, seeking a formal input into the national cultural policy. It has been a topic of discussion with all of the stakeholders that I have been discussing things with.

Senator HUMPHRIES—You flagged that there is going to be some discussion, but they have not been invited to make submissions as yet?

Mr Eccles—No, I have certainly gone further to outline some of the key things that we are interested in getting people's views on, including the links between the arts agenda and emerging technologies; between arts and broadband; and the links between arts, education and training. There has been a lot of those sorts of general discussions seeking input.

Senator HUMPHRIES—Do I understand that what you are saying to us is that you have flagged orally to those external non-government stakeholders and that you are going to ask them to make comment about various aspects of cultural policy, but as yet nobody has been invited to make a submission, have a formal meeting with the minister or engage in any forums or consultation groups? Nothing has happened other than a few top-of-the-head ideas in corridor conversations.

Mr Eccles—I am not sure I would agree with your characterisation of it, but there has been no formal call for submissions. I am very confident that the issue of the cultural policy has been discussed by the minister when he met with stakeholders as well.

Senator HUMPHRIES—When this process ramps up what will the form of consultation be?

Mr Eccles—These issues are still being finalised within government, but there will be significant consultation with the sector. The precise nature and timing of that are matters that are under consideration by the government.

Senator HUMPHRIES—We will wait with bated breath to see what comes out of that. Can you tell me about progress with the resale royalties scheme? How many qualifying sales have there been under the scheme to date?

Mr Eccles—At 31 January there had been 467 qualifying resales of artwork.

Senator HUMPHRIES—How many artists have received a royalty? Is it 467?

Mr Eccles—I am not sure whether or not there might be some artists that have multiple pieces.

Ms Bean—It would be close to that, but it is not necessarily one piece.

Senator HUMPHRIES—If you can take that on notice it would be useful.

Ms Bean—Yes.

Senator HUMPHRIES—Can you tell me the total value of payments made to artists?

Mr Eccles—It is approximately \$90,000 in royalties.

Senator HUMPHRIES—Is that \$90,000 each?

Mr Eccles—No, in total.

Senator HUMPHRIES—That does not seem very much out of 467 resales. What is the average? If you do not have the figures, then you do not need to worry about it.

Mr Eccles—Someone behind us has a calculator.

Senator HUMPHRIES—I can do the calculation too because I do not have the time to wait for an answer. We spent \$1.5 million in advertising to educate people about the new scheme. How long has it been in operation?

Ms Bean—The \$1.5 million has been allocated over three years, so this is year 2. The \$1.5 million has not yet been spent.

Senator HUMPHRIES—At the present rate are we looking like we are going to spend more on promoting the scheme than we are actually going to hand over to artists?

Ms Bean—The point of appropriating money for that purpose was because it will be a slow lead-in time due to the nature of the scheme.

Senator HUMPHRIES—I appreciate that. You explained that last time and I understand that, but my question still stands. At the present rate it would be fair to assume that we are going to spend more promoting the scheme than the scheme actually delivers to artists, aren't we?

Ms Bean—To date that is certainly the case.

Mr Eccles—We are expecting a ramping up.

Senator Arbib—It is a very new scheme.

Senator HUMPHRIES—It is going to have to ramp up an awful long way to get anywhere near that amount of money. I look forward to the next set of estimates to see how much we are producing there. I am sorry to race through issues, but we do not have much time.

We had some discussion on the previous occasion about the minister's view that he wanted to consider replacing the Australia Council with another arts funding body. You are looking quizzical, Mr Eccles.

Mr Eccles—No, I recall the discussion.

Senator HUMPHRIES—I was quoting from the article in the *Age* on 9 October in which the minister is reported to have said this:

His priority is to produce a cultural policy and to consider the push for a new body to replace the Australia Council that would be better equipped to deal with the contemporary arts scene.

Where does that stand at the moment? Has the minister progressed with that discussion?

Mr Eccles—I do not know because that has not been raised with me.

Senator HUMPHRIES—You head up the area that he would surely talk to about this if he was going to replace the Australia Council.

Mr Eccles—Yes. I am not aware of any plans by the government to replace the Australia Council.

Senator Arbib—Nor did what you read out actually say that.

Senator HUMPHRIES—I think it did, with respect. He is quoted in the article as saying—

CHAIR—Senator Humphries, would you like to table that document?

Senator HUMPHRIES—It was tabled on the last occasion.

CHAIR—We do not have it before us.

Senator HUMPHRIES—I have tabled it before the committee. I will give you another copy if you wish.

CHAIR—That would be most helpful.

Senator HUMPHRIES—He was quoted as saying there that he was considering a push for a new body to replace the Australia Council. Was there a correction or clarification

published in the *Age* in the subsequent days as the minister read, in his own home town newspaper, that he had been misquoted or misrepresented in some way?

Mr Eccles—I do not know.

Senator HUMPHRIES—I put it to you that there was not.

Senator Arbib—I do not think that is what it said. I am happy to see it, but I do not think that is what it said. I am happy for you to put words in the minister's mouth, but I certainly will not be agreeing with your interpretation.

Senator HUMPHRIES—The words have been placed there by the *Age* and I do not think the minister has objected to them. Minister Arbib, can you take it on board for the minister to clarify what he meant by the statement that was attributed to him in the *Age*? It would be useful, rather than going through this at every estimates, if we have a clear statement from the minister about whether he does or does not intend to initiate some process to replace the Australia Council. He was quoted as saying that he was considering a push for a new body to replace the Australia Council in the *Age*. If that is inaccurate, a clear statement from the minister saying, 'I have no intention of doing this,' would be useful. I will table that document again.

CHAIR—Thank you.

Senator HUMPHRIES—I have other questions that I will place on notice. It might be useful to go to the particular agencies concerned.

CHAIR—There are no further questions so we will go to Screen Australia. Thank you, officers.

[9.59 pm]

Screen Australia

CHAIR—I would like to welcome Dr Ruth Harley, Chief Executive Officer, and officers. Dr Harley, would you like to make an opening statement?

Dr Harley—No.

Senator HUMPHRIES—I assume I can ask you questions about the recently produced review of screen production.

Dr Harley—Yes.

Senator HUMPHRIES—I was not sure as to what extent this was being done in the department and separate from Screen Australia.

Dr Harley—It is being done in the department, separate from Screen Australia.

Senator HUMPHRIES—We had some discussion about this issue at the last estimates and I raised questions about criticism of the lack of a policy on the government's part at the 2010 election on film. The criticism was made by the film sector that there was no government policy on film. Mr Eccles, you said in response to those criticisms:

... it is important to bear in mind that there is a review of the viability of the independent screen production sector, which is underway at the moment and is on track to be delivered by the end of the year.

That appeared to be the response to that concern. The report was tabled to the government at the end of the year in December. It was not produced for the public to see until February, though. Why the delay?

Mr Eccles—I think it was to give the minister time to be briefed on it appropriately. It is not unusual for there to be a slight time frame between the presentation of a report such as this to the minister and it being released publicly. It was released on 17 February.

Senator HUMPHRIES—He took two months to consider the report before it was tabled.

Mr Eccles—It was the end of December.

Senator HUMPHRIES—So it was six weeks or so?

Mr Eccles—Approximately, yes.

Senator HUMPHRIES—I am sure he would have noted that the review that obviously was so important for filling in the gaps on the government's policy on screen arts contained no recommendations. Given that there is clearly considerable concern inside this very critical sector about what happens, from this point, on film production in Australia, what do you say to the concern that this much-touted review does not deliver any positive outcomes or proposed changes to improve the position of the film industry in Australia?

Ms Basser—The review examined how the sector was fairing and identified a great deal of success in the sector and also highlighted some areas for the government to consider. Whilst it is not stating recommendations, in that sense, there are issues highlighted in the review that the government can consider. It also shows that support for the film sector is at the highest level that it has been and that the offsets are, by and large, very successful. Yes, there are issues that the government will consider and is currently considering, but it also provides a consolidated amount of data and information to do a snapshot of the sector.

Senator HUMPHRIES—But—given that what the sector was complaining about before the election, at the election and subsequently, was a lack of an agenda for this sector—is it surprising that people like Michael Bodey, the film writer for the *Australian* says, ‘Privately, some producers, agency heads and filmmakers were scathing of its ambivalence.’ The head of Rising Sun Pictures says, ‘What’s painful is the lack of action.’ The submission from Free TV Australia, back in May of last year, says:

- ... no further reviews into the availability of the Offset to television productions should be scheduled for the immediate future.
- Commercial broadcasters and film investors require as much certainty as possible in order to make forward planning decisions ...

They have not got that, have they, out of this review?

Ms Basser—You have quoted certain views about the review. There have equally been a number of commentators and stakeholders, including SPAA, and other media commentators, who have welcomed the review and assessed that it has identified a number of areas of strength and provided valuable data and information, in terms of assessing a way forward.

Senator HUMPHRIES—I would suggest to you that privately they are all saying that they want to know what is going to happen and what the next step is. Can someone tell me what

the next step will be? How does the government, with a review that does not make recommendations, proceed to decide what it is going to do to deal with the challenges faced by the sector? The report identifies challenges. How is it going to deal with those challenges?

Mr Eccles—As you would appreciate, this is not an unusual approach. The government is currently considering—

Senator HUMPHRIES—I beg to differ. I do not remember ever seeing a review tabled in this place that does not have recommendations. Every review, down to a one-day committee inquiry, issues recommendations.

Mr Eccles—That was not the point that I was making. The point I was making is that it is not unusual for the government to consider its response to a review and make its decisions in the context of the information that was provided in the review. As Ms Basser outlined, the review provided a significant amount of information, with a significant amount of data. It outlined a range of opportunities for further action, and the government is currently considering its response.

Senator HUMPHRIES—Will there be some response in the budget?

Mr Eccles—That is a matter for the government.

Senator HUMPHRIES—Will there be public consultation of any sort on the government's next step?

Senator Arbib—My understanding is that the minister is consulting with the sector at the moment.

Senator HUMPHRIES—I will pass that back to the secretary. I hope that they are happy about that. I have other questions of Screen Australia, but due to the time, I will put those on notice.

CHAIR—There being no further questions, thank you, Dr Harley, and your officers, for appearing before us. Again, I apologise for the delay. I call forward the Australia Council.

[10.08 pm]

Australia Council

CHAIR—I would like to welcome Ms Kathy Keele, Chief Executive Officer of the Australia Council, and officers to the table. Would you like to make an opening statement, Ms Keele?

Ms Keele—No.

CHAIR—Senator Humphries, I believe you have questions.

Senator HUMPHRIES—Yes. Is the Australia Council being consulted by the government or the minister on the government's new cultural policy?

Ms Keele—I do not think the official process for developing the policy has begun. We have had, in our governance meetings and other meetings with the minister and his office, and with the department, various references to policy, but I do not think it has progressed to a formal process yet.

Senator HUMPHRIES—The minister has also made clear his view—and again this was discussed at the last estimates committee—that the NBN is a resource which should be capitalised on by the arts. Ms Basser, you said at the last estimates, ‘We are at the table discussing content and the opportunities that are there, for example, for the collecting institutions,’ and you flagged the possibility of progress in that respect. It seems to me, with respect, that money is tight in this sector, as it often is. Is it the expectation or intention of the Australia Council to dedicate resources towards funding the kind of extra work that will be necessary in arts organisations to take advantage of the opportunities created by an NBN?

Ms Keele—For the past three years a strategic priority of the Australia Council has been—amongst four others—arts content in the digital era. It became apparent that this was an area where there was a lot of opportunity. We started three years ago helping arts organisations to develop content that can be used in that environment, so we have been into it for quite a while.

Senator HUMPHRIES—Are any arts organisations being specifically funded extra to digitise, or to use in an online sense, the product that they create?

Ms Keele—Yes, we have helped or supported a number of productions to be put through the digital channels. We also have a program called Geek in Residence, which is placing resources in arts organisations to help them develop various digital projects. We have another program called Digital Culture Fund, which actually does fund specific projects. So, those are pilot programs—they are not permanent programs—to help arts organisations to develop not only content but also their infrastructure so that they can participate.

Senator HUMPHRIES—Could I ask you to take on notice the tabling of information about the specific additional funds that have been provided to the organisations that you fund that are designed to help them take advantage of opportunities like the NBN?

Could I come to the question of funding? We discussed on the previous occasion the question of how much was being quarantined of the funds that the Australia Council administers from the efficiency dividends. We were told that, I think, 58 per cent of the total funding that the council administers was for major performing arts organisations and was not subject to the dividend; that they were offsetting funds made available so the dividend was not payable on those amounts. I think we also had an answer provided on notice that suggested that the effect of the dividend would be \$800,000 on—

Ms Keele—Depending on what the level of the dividend was.

Senator HUMPHRIES—Can you give us any more information, now that the financial year is mostly more than half over, of how that \$800,000 will be delivered?

Ms Keele—The first thing that we do is to, obviously, look for efficiencies within our own administration because over many years what we have tried to do is take the net amount of the efficiency dividend and apply it to our administration, thereby not impacting programs and artist grants. We look for as many efficiencies as possible and over, I would say, three or four years, we have had some significant efficiency improvements—for example, 150 employees down to 120 and we have changed our infrastructure systems so that they are much more efficient and things like that. The thing after that are programs that are discontinued. For example, the digital programs are only scheduled to go for a period of time, so as those come

off that helps us with our efficiency dividend. Finally, it really does have an impact on the amount of indexing we can give our organisations and our arts grants programs. We are down to where we are only partially indexing at this point in time, but that will be the next place where we have to look.

Senator HUMPHRIES—So, of the amount that you allocate to organisations or individuals other than major performing arts organisations, which are exempted, how much has the total amount available for those funding decisions been reduced as a product of the efficiency dividend?

Ms Keele—I am not sure how to answer that. They have not been reduced at all, but what has happened is we—

Senator HUMPHRIES—Sorry; with respect, you said that indexation was being reduced, so that is somehow reduced.

Ms Keele—We are not required to pass on indexation to the small to medium organisations.

Senator HUMPHRIES—I appreciate that.

Ms Keele—So, their funding has not been reduced; it just has not had the total amount of indexation that we do get on a net basis after the efficiency dividend.

Senator HUMPHRIES—Could you provide us on notice with more information about how that \$800,000 is likely to be divided up, please? Again, I have other questions; I will put those on notice.

CHAIR—Thank you. Do we have any further questions? If not, thank you, Ms Keele, for appearing before us tonight.

[10.15 pm]

National Film and Sound Archive

CHAIR—Welcome, Mr Steve Vogt, General Manager of the National Film and Sound Archive, and officers. Mr Vogt, would you like to make an opening statement?

Mr Vogt—No, thank you.

CHAIR—Senator Humphries.

Senator HUMPHRIES—I only have one question; I have other questions but I will put them on notice. We were told at the last estimates by you, Mr Vogt, that, ‘Storage is a critical issue for the organisation. We have exceeded our capacity to store all our nitrate film.’ Can I just ask you, with the impending passage of the Screen Australia (Transfer of Assets) Bill, there will be the transfer of the library of Screen Australia to the National Film and Sound Archive; what will that do to the challenge that you are facing to store all of your nitrate film?

Mr Vogt—It will certainly put on more pressure. The amount of spare capacity we have is very limited.

Senator HUMPHRIES—Sorry to cut in there. You implied last time that there was no spare capacity; you said, ‘We have exceeded our capacity to store all our nitrate films.’

Mr Vogt—In relation to nitrate films. There is a range of material; some would be nitrate and other material that we are accepting would not be nitrate. Nevertheless, in all of our categories we have nearly exceeded capacity and in many we will this year.

Senator HUMPHRIES—This year as in this financial year?

Mr Vogt—2010-11. We are right in the process now of negotiating a lease arrangement to acquire another storage facility, which will give us a greatly expanded capacity. With that extra facility we would be looking to make arrangements to best utilise that space, including relocating the Screen Australia material to Canberra long term.

Senator HUMPHRIES—That is, I assume, quite expensive space, because you have got to air-condition it and control the humidity and so on in that space.

Mr Vogt—That is correct.

Senator HUMPHRIES—Are you being supplemented for the extra costs associated with leasing that new space? Is your budget being supplemented?

Mr Vogt—No. The lease costs would come out of our operating budget. The capital fit-out costs, which would be in the order of \$1.5 million, will be funded through our capital reserves.

Senator HUMPHRIES—I would like to ask you more about how that will work, but I will have to leave that to take on notice. Thank you very much, Mr Vogt.

CHAIR—As there are no further questions, our apologies again for the delay in your appearing before us and thank you.

[10.18 pm]

National Museum of Australia

CHAIR—Good evening and welcome, Mr Andrew Sayers, director and officer. Mr Sayers, do you have an opening statement?

Mr Sayers—No, I do not.

Senator HUMPHRIES—Mr Sayers, we discussed last time in estimates the challenges you and other institutions are meeting in trying to balance your budget given the reduction caused by the efficiency dividend. I think you foreshadowed that you were going to have to look at staffing at the museum. Was an email sent to all staff of the National Museum on 1 February this year regarding options for redundancies?

Mr Sayers—Yes, we sent an email to all staff asking for expressions of interest in staff taking up voluntary redundancies.

Senator HUMPHRIES—Do you have a target number of voluntary redundancies that you hope to achieve through this process?

Mr Sayers—We do not have a specific number. The process that we have undertaken, which is still going on, was to ask the staff to express interest in taking up voluntary redundancies and, depending on decisions made about the quantum of the voluntary redundancies and their operational impact—in other words, if we were able to offer that

position up as a voluntary redundancy—we would then need to review the remainder of the budget.

Senator HUMPHRIES—Do you have a target figure for what you hope to achieve through voluntary redundancies?

Mr Sayers—We do not have a specific target figure. We are currently going through the process of assessing the voluntary redundancy expressions of interest and, really, the intention is to assess the impact of those voluntary redundancies on our budget bottom line and then take further action if required in other parts of the budget.

Senator HUMPHRIES—What is the size of the efficiency dividend amount you need to produce this financial year?

Mr Sayers—The impact of the efficiency dividend in this financial year is directly \$523,000, but the one-off two per cent efficiency dividend applied in 2008-09 was also applied to the outyears, so the cumulative effect is \$1.357 million in 2010-11.

Senator HUMPHRIES—\$1.357 million in 2010-11?

Mr Sayers—Yes.

Senator HUMPHRIES—That is an enormous amount of money.

Mr Sayers—That is the current efficiency dividend of \$526,000 added to the one-off efficiency dividend which was applied to the outyears in 2008-09.

Senator HUMPHRIES—Has it been suggested to staff that there will need to be something like an average of 26 expressions of interest for voluntary redundancies for a target to be reached?

Mr Sayers—At the staff meeting where the offer of voluntary redundancies was made, no specific number was mentioned. Staff may have made their own calculations as to what was required to meet the budget in 2010-11, but specifically—

Senator HUMPHRIES—With a target of \$1.357 million, that is probably a conservative estimate, though, is it not?

Mr Sayers—That is roughly equivalent to that figure.

Senator HUMPHRIES—If you lost 26 positions, what percentage of your workforce would that constitute?

Mr Sayers—Twenty-six positions would constitute precisely 10 per cent of our staff, because we have a current full-time equivalent of 260-odd staff.

Senator HUMPHRIES—I put it to you that you cannot maintain core business of the museum with a loss of 10 per cent of your staff in one year.

Mr Sayers—We are currently looking at what we are able to do in 2011-12 and in future years, and there is no doubt that we will have to cut programs and rephase programs and find different ways of achieving our core objectives.

Senator HUMPHRIES—The director of the Australian War Memorial probably is not helping you because he was recently asked why the memorial did not have any displays or do any work with respect to what he called ‘the frontier wars’—the wars between Indigenous

Australians and white settlers—and he, perhaps unhelpfully, suggested that the appropriate place for such memorials or such displays was the National Museum. Are there any plans by the museum to create any exhibitions or collect material in relation to such conflicts?

Mr Sayers—Since the National Museum opened its building 10 years ago, in March 2001, the museum has had an ongoing display, or series of displays, which relate to frontier conflict between Indigenous Australians and settler Australians.

Senator HUMPHRIES—So, Steve Gower was right; you should be doing this work?

Mr Sayers—If I could just clarify an impression that may have been conveyed, which is that the National Museum should somehow memorialise, as opposed to presenting this history in terms of displays, then certainly in terms of the latter—in terms of addressing this part of our history—the museum certainly has a role, and it is a role that we have taken on and we will continue to take on.

Senator HUMPHRIES—I suppose, given the state of your budget, you are not planning a birthday party for reaching 10 years old, are you?

Mr Sayers—We would love to celebrate the 10th anniversary of the museum but we are not planning on any wild celebrations. The anniversary does coincide with the opening of our exhibition *Not Just Ned: A True History of the Irish in Australia*, which we will open, and that will have to be our celebration for the 10th anniversary as well as some media discussion about future plans for the museum.

Senator HUMPHRIES—I will put the other questions on notice, thank you.

CHAIR—As there are no further questions, thank you very much, Mr Sayers, for appearing before us.

[10.28 pm]

National Gallery of Australia

CHAIR—Welcome. Dr Radford, would you like to make any opening comments?

Dr Radford—No.

Senator HUMPHRIES—Dr Radford, could you tell us what is happening with staffing at the gallery at the moment? I think it was flagged at the last occasion that you had expanded the gallery with the new wing that was opened but you had no extra staff to staff that wing and that you were making do by reorganising your staffing allocation. In the time since then, have you made any other decisions about staffing the gallery?

Dr Radford—Yes. We have long said that, with the successive efficiency dividend and the successive governments, we are going to lose staff by attrition and then have to restructure.

Senator HUMPHRIES—More specifically, have you lost staff by attrition this financial year?

Dr Radford—Yes.

Senator HUMPHRIES—How many staff?

Dr Radford—I would have to take that on notice, but something like six so far.

Senator HUMPHRIES—Do you anticipate that the loss of staff by attrition will see you through to the number you need to deliver for the efficiency dividend?

Dr Radford—No.

Senator HUMPHRIES—How will you make up the shortfall?

Dr Radford—We will have to look at program cuts as well.

Senator HUMPHRIES—You have not considered involuntary redundancies?

Dr Radford—No.

Senator HUMPHRIES—Do you have any idea what programs will need to be cut? We are two-thirds of the way through the financial year.

Dr Radford—We will have to look at both our travelling exhibitions and our current exhibitions and we will look at freezing travel and other such matters, yes.

Senator HUMPHRIES—Could you take on notice a list of what travelling exhibitions the gallery has undertaken this financial year?

Dr Radford—Yes.

Senator HUMPHRIES—If you have any indication of which travelling exhibitions will have to be reconsidered, that would be helpful, but I appreciate that you might not be able to tell us that.

Dr Radford—Thank you.

Senator HUMPHRIES—One your exhibition on street art, I suppose you are aware of the debate about the very fine distinction between graffiti and street art.

Dr Radford—You are going to ask me the meaning of art in a minute, are you not?

Senator HUMPHRIES—In the time I have available, no, I will not ask that question. I want to ask you this question. Granted that street art can qualify as art under any reasonable definition and that this exhibition was fairly targeted at younger people, because of the nature of the exhibition, what did the gallery do to ensure that younger people who saw the exhibition understood the distinction between graffiti and street art? In other words, that they were not tempted to go out and decide to create their own street art/graffiti on public places of our—

Dr Radford—There are public places in Canberra, Melbourne and in other places where street art is actually encouraged and areas are set aside.

Senator HUMPHRIES—Yes, we know that, but they are dwarfed by the number of places where councils and governments spend hundreds of millions of dollars a year removing graffiti and what might be called street art because it is not welcomed in those locations. How have you made the distinction between, ‘Yes, it is all right to do it there, but it is not all right to do it there’?

Dr Radford—I suppose having it in the National Gallery of Australia makes its own distinction, does it not? We are not actually a street, are we?

Senator HUMPHRIES—Is there anything else that you have done to enforce that distinction?

Dr Radford—We have explained how some of the works were transferred into ownable art. Obviously, they are all works that can be owned by the National Gallery, in fact paid for by our oldest donors and youngest donors. All of those are not on the actual wall are on paper—and so they can actually be owned. That in itself is part of the distinction.

Senator HUMPHRIES—There is a philosophical discussion to be had here, but we do not have time for it tonight. Thank you very much, Dr Radford.

Dr Radford—It is a good discussion, though.

CHAIR—Senator Moore.

Senator MOORE—I was restraining myself, Doctor, but I can not resist that last question. I know that the gallery has a system for feedback. You have processes where patrons can feed back.

Dr Radford—Yes.

Senator MOORE—Are you aware, in the recent exhibition on street art, whether anyone raised the issue that was raised by Senator Humphries, that is, concerns about how people may be confused by street art and the art that is done in public places?

Dr Radford—We thought there might be that argument, but coming to the National Gallery was a new thing for a lot of people. We have a new, young audience whom we have never had before. At the opening, which had 1,000 people, there were people who had never stepped foot in the National Gallery before and they were forced to go through our Asian galleries and look at Asian art. I heard them say things like, ‘Gosh, we must come back here and see all that. I didn’t know all this stuff was here’, as they finally found the street art. I was expecting something along those lines, but we have not had it yet. It has been extremely popular with younger people and it has been really gratifying. They sometimes come back bringing their friends. This has been really good for us.

Senator MOORE—Thank you.

CHAIR—Thank you very much.

[10.35 pm]

National Library of Australia

CHAIR—Welcome, Dr Cathro. Do you have an opening statement?

Dr Cathro—No.

Senator TROOD—Dr Cathro, I understand that the library has appointed a new director-general. Can you tell the committee when that director-general will take up her position?

Dr Cathro—Yes. Her name is Anne-Marie Schwirtlich. She will be taking up the position on Friday, 11 March.

Senator TROOD—What state will she find the library’s budget in for 2011-12 when she takes up her position?

Dr Cathro—Since the last estimates committee the corporate management group of the library has made decisions about the 2011-12 budget. We are in quite a tight situation with our budget. We will be reducing staff numbers. We have to respond to not only the efficiency dividend and the estimated three per cent increase in employee expenses, subject to the enterprise agreement, but also our need to invest in digital library infrastructure. Taking those things into account, we have had to make significant reductions in operational lines in our budget. In addition to reducing staff we will naturally be reducing a number of services.

Senator TROOD—At this stage do you know how many staff you may have to reduce?

Dr Cathro—If you take as your baseline the second half of 2010, where we averaged 444 staff, we will be reducing next financial year by 17 staff.

Senator TROOD—Is the efficiency dividend contributing to that difficulty? How much of a difficulty is it contributing?

Dr Cathro—The efficiency dividend—if you put it in dollars terms—in the current financial year, I think my advice is its value is \$684,000. That is part of what we have to take into account.

Senator TROOD—Have you decided how you are going to lose the staff at this stage?

Dr Cathro—Our aim is to entirely reduce staff through attrition. We have a turnover of around 10 per cent or 11 per cent per year. Management believes that it is possible to overwhelmingly deal with the reductions through attrition and through then redeploying staff laterally into the priority positions, leaving the lesser priority positions vacant.

Senator TROOD—Does the loss of these staff involve the closing down of any programs or parts of the library's activities?

Dr Cathro—Yes, there are a couple of examples I could give you. There is what we call retrospective cataloguing of the collection; that is, cataloguing material acquired in the past but not adequately catalogued. That effort will be reduced. We will be reducing our level of newspaper digitisation and relying more on external funding for that activity. We had an online reference service—I can ask a librarian—that we ran collaboratively with the state libraries. That service has now ceased. We will be increasing significantly the charges that we impose on other libraries for interlibrary loans. They are just examples of some of the budget measures. We are also making significant reductions in travel and other supplier expenses.

Senator TROOD—We do not have much time and I would like to explore these matters a little more fully but perhaps, just finally, can you briefly outline the challenge that you are facing from the digitisation revolution that we are facing?

Dr Cathro—We believe that if we are going to properly document 21st century Australia we have to collect information in digital form. We have so far built quite a rich and complex set of digital collections both through digitising and through collecting what we call born digital information. But many of the systems we have to manage this are now 10 years old. They need replacement. We are going to invest—we feel we have to—in some essential minimum activity in the next four years to replace those systems. In fact, that is one area where we will actually be increasing staff, to work on the replacement of those essential digital management systems. We do aspire to digitise more of our collection in the longer

term. But to date I think we have only digitised about two per cent of our collection after 10 years of effort.

Senator TROOD—Two per cent?

Dr Cathro—Yes.

Senator TROOD—I would like to ask more questions, but unfortunately we do not have any more time.

Senator HUMPHRIES—The then Acting Secretary of the Department of Parliamentary Services a couple of weeks ago, in commenting on the lack of space in this building, said that the Parliamentary Library could be forced to move some of its research archives to the National Library. Where would you put them?

Dr Cathro—I was contacted by the Parliamentary Librarian, who suggested that the interpretation of that report should not be relied on. I can only say that we are due to run out of physical space some time in 2014, so that would be a problem for us.

CHAIR—Thank you for appearing before us.

[10.42 pm]

Department of Prime Minister and Cabinet

CHAIR—We will go back to the Department of Prime Minister and Cabinet and progress on to outcome 3, Sport and Recreation. Minister, do you have a statement?

Senator Arbib—No.

CHAIR—I will just foreshadow that Senator Xenophon has some questions for the Australian Sports Anti-Doping Authority. We can allow some time for that at the end.

Senator KROGER—I want to ask a few questions in relation to the World Cup bid—surprise, surprise. I want to ask you firstly about the campaign video that was put together and broadcast to FIFA. What was the cost of production of that campaign video?

Mr Eccles—I will find that figure for you in just a moment. You are asking about the final presentation to the FIFA executive committee?

Senator KROGER—Yes, the campaign video that was presented to promote Australia's bid.

Mr Eccles—The final presentation was \$2.429 million.

Senator Arbib—That was for the whole final presentation, not just the video.

Mr Eccles—Yes, that included preproduction, cast, crew, travel, the fee charged obviously by Phillip Noyce, animation, post-production, music—a whole range of things.

Senator KROGER—Did that include the travel costs of people going over there?

Mr Eccles—No, I think that included—

Senator KROGER—What does the \$2.429 million include?

Mr Eccles—It includes the travel costs referred to for taking a number of people to a number of locations around Australia. I am not sure if you saw the presentation. There was footage shot in the centre of Australia, around Uluru, and also in a number of iconic Australian locations.

Senator KROGER—So the full costs involved in the production of that video?

Mr Eccles—Of the final presentation, of which the video was a component.

Senator KROGER—Whose decision was it not to have professional footballers star in it?

Mr Eccles—The artistic decision around the final presentation was a matter for the FFA in collaboration with the people that they employed to do it, including Phillip Noyce.

Senator KROGER—The department did not have any engagement in the creative side? That was all between the FFA and the production crew.

Mr Eccles—Yes.

Senator KROGER—Was it tested with focus groups before it was put to air?

Mr Eccles—I do not know. That is something that we would need to check with the FFA.

Senator KROGER—If you could take that on notice that would be great.

Senator Arbib—In the end—I do not know if they did or did not—but they were only pitching it at 23 voting delegates, so I hardly think it would be worth testing on focus groups because in the end it was just the executive members of FIFA. I know there was a lot of discussion at home about whether it was a relevant video, but in the end it was only targeted at the voting delegates, of which there was a small number.

Senator KROGER—Can the department provide a list of government attendees who went to Switzerland for the decision?

Mr Eccles—Yes, I can provide that. It is very simple; it was just me from the department along with the minister and the acting chief of staff.

Senator KROGER—Were your costs included in the \$45.6 million that we have heard was spent on the actual bid.

Mr Eccles—No, the costs of my travel were covered through the department's funding and the costs of the minister's travel were covered through the standard arrangements for ministerial travel through the Department of Finance.

Senator KROGER—I am interested to know what was the relationship between the department and FFA during the whole process? Did you have regular briefing meetings? Were you given updates, business activity reports on where the bid was at? What was the process?

Mr Eccles—I took Senator Ronaldson through some of this earlier in the day. As to the process for discussions with Football Federation Australia, as you can imagine, preparing to host an event such as the World Cup required a great deal of collaboration between the FFA, state and territory governments as well as the Commonwealth in looking at the government guarantees that were required and in looking at providing the technical specifications that needed to underpin the bid. There was daily consultation on those technical aspects with the FFA and we certainly worked closely with them. The relationship was governed by a contract

that we had with the FFA, which prescribed the purposes of funding, the specific deliverables that were required, and it essentially imposed on them some reporting requirements around those deliverables.

Senator KROGER—I will not go through all of that if you have answered those questions earlier on. I was not here for that particular part.

Mr Eccles—I think the *Hansard* might be able to help you with that.

Senator KROGER—I will have a look at that and if there are further things that I wish to ascertain, I am happy to put them on notice.

Mr Eccles—Certainly.

Senator KROGER—I do not know whether you covered with Senator Ronaldson that there is an outstanding amount of \$9 million in that total figure that had not been spent.

Mr Eccles—I did cover that. I think you might be referring to some media reporting earlier this year about money allegedly missing. I hope I was able to satisfy Senator Ronaldson that was absolutely not the case. The journalist, in error, was drawing the conclusion that at that point in time when we provided the information to the journalist \$34 million had been provided to the FFA. I think there was an erroneous conclusion that the remainder was unaccounted for. Every cent that went to the FFA was subject to the controls that I took Senator Ronaldson through, which included very tight reporting requirements, all against the contract which outlined what the specific deliverables were.

Senator KROGER—Do you have a breakdown of that and have you provided that or are you able to provide that breakdown?

Mr Eccles—Yes. I read it into the record.

Senator KROGER—If you have read it into the record I am happy with that.

Mr Eccles—Importantly, we undertook at the final reconciliation that that would be provided as well.

Senator KROGER—Were there outstanding subcontractors that still had to be paid or have all payments been finalised?

Mr Eccles—No. There is still a little bit of work being undertaken by Football Federation Australia relating to the Asian Cup, which Australia will be hosting in 2015. In addition, there are a small number of staff working on tidying up the World Cup bid process and preparing for the final reconciliation and the final audit that we will subject the Football Federation to.

Senator KROGER—In closing, how do you think this has affected the appeal of soccer and their continuing development of it in Australia? I will call it soccer, but my sons call it football. Do you think that it has in any way affected it?

Mr Eccles—You are asking for an opinion. What the bid process was able to do was to highlight the very real potential of Australia to host an event like this; significant support that came from all governments, both sides of politics, and a range of football codes in support of football in Australia. I will not speculate on the reasons why the bid ended up as it did and the decision that was made in Zurich, which I think is puzzling to a lot of people, but I think that football in Australia was enhanced by the bid, and in particular the unbridled support shown

by all governments—both sides—as well as a number of other football codes, who could all see the benefit to Australia.

CHAIR—Minister?

Senator Arbib—I would like to make a quick correction to something that was said earlier. Senator Ronaldson made a couple of comments and there was also a response from one of the officials regarding the Governor-General on when she received notification and the invitation to present on behalf of the Australian people. My understanding is that she received two weeks notice. We will check on that for you, but one of the officials said it was a couple of days, and that certainly is not correct. I think two weeks was the time frame. Also, Senator Ronaldson quoted me in terms of the bid and also whether it was worth while to bid. I will quote from the Opposition Leader, Tony Abbott, who responded to a question, ‘Do you think the \$45 million was well spent?’ Mr Abbott said:

I certainly thought that it was a good thing for Australia to bid to host the soccer World Cup. I share peoples’ disappointment with the outcome. I thank Frank Lowy and everyone associated with the bid for their hard work and I congratulate them for their hard work, and I think our bid deserved a better reception than it seems to have been given.

I thought that was quite appropriate.

CHAIR—Thank you. If there are no further questions then we will move on.

[10.54 pm]

Australian Sports Anti-Doping Authority

CHAIR—I would like to welcome Ms Andruska, the Chief Executive Officer of the Australian Sports Anti-Doping Authority, and other officers. As there is no opening statement, we will go to Senator Xenophon. You have precisely five minutes.

Senator XENOPHON—I am acutely aware of that. I will try to get through as many questions as I can and I will have to put others on notice. ASADA was established in the wake of the Mark French case and given enhanced powers in investigations to supplement its existing intelligence-led testing programs. How can ASADA assure the Australian public that its lead athletes, including its highest paid athletes, are not cheating? In other words, what protocols do you have in place in terms of dealing with that? You may want to take it on notice.

Ms Andruska—ASADA runs a world-leading process in terms of looking at anti-doping. In particular, we use testing, both as targeted testing and for deterrence, but we combine that with work that we do through our intelligence gathering and also through our results management process. It is a process where one thing feeds into the other and it means that the work that we do is highly targeted in terms of the testing.

Senator XENOPHON—You may want to elaborate on notice in relation to the whole issue of the testing. As I understand it, ASADA has a fee-for-service program known as a user-pays program. Is that right?

Ms Andruska—That is correct.

Senator XENOPHON—And the sports tell ASADA when, where, who and what substance should be tested for; is that right?

Ms Andruska—No.

Senator XENOPHON—So there are random tests on a regular basis?

Ms Andruska—We undertake tests that are government funded and user-pay tests. The user-pay tests are done under a contract arrangement. Within that there are a range of different arrangements where they could be targeted or could be random. If, for example, a sport like the AFL did not have a contract with us, we would still do some testing under the government funded arrangements.

Senator XENOPHON—Could you provide on notice details of how many tests are undertaken, under what circumstances those tests are undertaken and whether it is under the user-pays or government funded arrangement?

Ms Andruska—I can give you those figures now.

Senator XENOPHON—Perhaps not. If they are on the record then that is fine. I am happy to get them on notice because I am conscious of time. There is a concern as to whether ASADA is merely providing a service to professional sports rather than being a regulator. In other words, are you satisfied as to the rigour of that testing regime? Is it sufficiently random to appropriately assess the level of doping in sports or to ensure that you are catching the cheats? You give notice of some tests, do you not?

Ms Andruska—We do not give advanced notice of testing. If you look at our results over 2009-10, 40 per cent of those listed on the register of findings were due to the intelligence work that we did, so what we call a non-analytic finding rather than a testing finding. If we look at the results as we are going through this year, we are also finding that percentage will increase. We are using our intelligence to work out where we are going to target or we are using intelligence to look at other importation of prohibited substances and so forth. It is not just about the actual testing, in terms of the results that we are getting. That process is not restricted to whether it is a user-pay or a government-funded sport that we are working with.

CHAIR—Your final question?

Senator XENOPHON—An issue raised with me is how ASADA can claim to be providing an independent, robust and transparent anti-doping program when sports have the power to decide what their program looks like. Is that a fair accusation? To what extent can the actual sporting code determine the nature of any testing regime or program?

Ms Andruska—I do not believe that is a fair accusation, and I would be happy to give you some more detail about that. I do not know if one of the team want to talk about the issue of the contract and so forth.

Senator XENOPHON—You can provide that on notice. I will put some further questions on notice as well. The ruthlessly efficient chair will shut me down because time is up!

CHAIR—Thank you for your cooperation. There are no further questions. Any further questions can be put on notice. Thank you, Minister and officers. We will stand adjourned until tomorrow morning when we will move on to Medibank Private.

Committee adjourned at 11.00 pm
