



COMMONWEALTH OF AUSTRALIA

# Official Committee Hansard

## SENATE

ENVIRONMENT, COMMUNICATION, INFORMATION  
TECHNOLOGY AND THE ARTS LEGISLATION COMMITTEE

ESTIMATES

**(Consideration of Budget Estimates)**

WEDNESDAY, 28 MAY 2003

CANBERRA

BY AUTHORITY OF THE SENATE



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**SENATE**

**ENVIRONMENT, COMMUNICATIONS, INFORMATION TECHNOLOGY  
AND THE ARTS LEGISLATION COMMITTEE**

**Wednesday, 28 May 2003**

**Members:** Senator Eggleston (*Chair*), Senator Mackay (*Deputy Chair*), Senators Bartlett, Lundy, Tchen and Tierney

**Senators in attendance:** Senators Carr, Eggleston, Faulkner, Greig, Lundy, Santoro and Tchen

**Committee met at 9.03 a.m.**

**COMMUNICATIONS, INFORMATION TECHNOLOGY AND THE ARTS  
PORTFOLIO**

Consideration resumed from 27 May 2003

**In Attendance**

Senator Rod Kemp, Minister for the Arts and Sport

**Department of Communications, Information Technology and the Arts**

**Executive**

Ms Helen Williams AO, Secretary

Dr Alan Stretton, Executive Director, Arts and Sport Division

Ms Fay Holthuyzen, Executive Director, Communications Division

**Corporate**

Mr Craddock Morton, Chief General Manager

Mr Frank Nicholas, General Manager, Knowledge & Information Services

**Legal**

Mr Don Markus, General Manager

**Financial and Business Services**

Ms Jennifer Gale, Chief Financial Officer

**Telecommunications**

Mr Chris Cheah, Chief General Manager, Telecommunications

Mr Colin Lyons, General Manager, Telecommunications Competition & Consumer Branch

Mr Brenton Thomas, General Manager, Enterprise, Infrastructure Branch

Mr Simon Bryant, General Manager, Regional Communications Policy Branch

Mr James Barr, General Manager, Networking the Nation Branch

Mr Colin Oliver, Acting General Manager, International Branch

Ms Jane Hanna, Manager, Postal Policy Section

**Broadcasting**

Mr James Cameron, Chief General Manager, Broadcasting

Mr Gordon Neil, General Manager, Licensed Broadcasting

Mr Rohan Buettel, General Manager, Public Broadcasting

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Mr Simon Pelling, General Manager, Digital Broadcasting & Spectrum Management

**ICT IIP**

Ms Beverly Hart, Chief General Manager, ICT Industry Division

Mr Philip Allnutt, General Manager, ICT Industry Development Branch

Mr Michael Sutton, General Manager, ICT Innovation Branch

Ms Kylie Browne, General Manager, Intellectual Property

**Arts and Sport Division**

Ms Karen Gosling, A/g Special Adviser, Arts and Sports Division

Mr Peter Young, General Manager, Film and Digital Content Branch

Ms Megan Morris, General Manager, Arts and Regional Branch

Ms Sally Bassar, General Manager, Sport and Private Sector Support Branch

Mr Kevin Isaacs, General Manager, M2006 Taskforce

Mr Peter Rush, Acting General Manager, Collections and Governance Branch

**Old Parliament House (OPH)/National Portrait Gallery (NPG)**

Mr Mike Perryman, Manager, Property

Mr Michael Richards, Acting Manager, Public Programs

Mr Andrew Sayers, Director, National Portrait Gallery

Mr Simon Elliot, Assistant Director, National Portrait Gallery

**ScreenSound Australia**

Mr Ron Brent, Director

Ms Mary Durkin, Deputy Director, Corporate Services and Public Programs

**National Science and Technology Centre—Questacon (NSTC)**

Professor Graham Darrant, Director

**Australian Communications Authority (ACA)**

Mr Tony Shaw, Chair

Dr Bob Horton, Deputy Chairman

Mr Allan Horsley, Member

Dr Ros Kelleher, Senior Executive Manager, Telecommunications

Mr John Haydon, Executive Manager, Universal Services Obligations Group

Mr John Grant, Executive Manager, Spectrum Marketing Group

Mr John Neil, Executive Manager, Telecommunications Analysis

Ms Maureen Cahill, Executive Manager, Customer Services Group

Ms Gill Kempton, Manager, Customer Services Coordination

Mr Darren Hooper, Manager Finance, Corporate Management Group

**Telstra**

Mr Bill Scales AO, Group Managing Director, Regulatory, Corporate & Human Relations

Mr John Stanhope, Director Finance

Mr Darian Stirzaker, Chief, Consumer Sales and Service

Dr Paul Paterson, Director Regulatory

Mr Don Pinel, Regional Managing Director, Telstra Country Wide, Queensland

Mr Anthony Rix, Executive General Manager, Service Advantage

Mr Dennis Mullane, Manager, Big Pond Network Capability

**Australia Post**

Mr Michael McCloskey, Corporate Secretary

Mr Peter Meehan, Chief Finance Officer

Mr Mark Howard, General Manager, Corporate Infrastructure Services

Mr Gary Lee, Group Manager, Letters

Mr Mel Jackson, Group Manager, Retail

Mr Stephen Walter, Group Manager, Corporate Public Affairs

Mr Terry Sinclair, Manager, National Logistics

**Australian Broadcasting Corporation (ABC)**

Mr Russell Balding, Managing Director

Ms Sue Howard, Director ABC Radio

Ms Sandra Levy, Director ABC Television

Mr Colin Knowles, Director Technology & Distribution

Mr David Pendleton, Director Finance & Support Services

Ms Lynley Marshall, Director New Media & Digital Services

**Australian Broadcasting Authority (ABA)**

Professor David Flint, Chairman

Mr Giles Tanner, General Manager

Ms Andree Wright, Director, Industry Performance & Review

Ms Jonquil Ritter, General Counsel

Mr Fred Gengaroli, Acting Director Planning

Mr Richard Fraser, Content Assessment, Assistant

**Special Broadcasting Service Corporation (SBS)**

Mr Nigel Milan, Managing Director

Mr Phillip Williams, Acting Head of Policy

Mr Jon Torpy, Manager, Finance

Mr Will Berryman, Head of New Media

Mr Tuong Quang Luu, Head of Radio

**National Office for the Information Economy (NOIE)**

Mr John Rimmer, Chief Executive Officer

Dr Rod Badger, Director/Chief Executive Officer

Mr Patrick Callioni, Chief General Manager, Strategy & Programs Group

Mr Keith Besgrove, Chief General Manager, Regulatory & Analysis Group

Mr John Grant, General Manager, Govt Services & Info Econ Group

Mr James Shaw, General Manager, Channel Development Branch

Ms Michelle Kinnane, General Manager, Business Strategies Branch

Mrs Anne-Marie Lansdown, General Manager, Access Branch

Mr David Kennedy, General Manager, Analysis Branch

Mr Ashley Cross, General Manager, eBusiness Branch

Mr Tom Dale, General Manager, Regulatory Branch

Ms Robyn Fleming, General Manager, Information Framework Branch

Mr Steve Alford, General Manager, IMSC/CIOC

Mr Tim Field, General Manager, Corporate & Governance Branch

Ms Kylie Carrett, Manager Finance

Mr Tony Judge, Manager Budget & Performance

**National Library of Australia (NLA)**

Ms Jan Fullerton, Director-General

Mr David Toll, Deputy Director-General

**National Archives of Australia (NAA)**

Mr Ross Gibbs, Director General

Mr Steve Stuckey, Assistant Director-General, Collection Management

Mr Peter Meadley, Acting Assistant Director-General, Corporate

**National Gallery of Australia (NGA)**

Dr Brian Kennedy, Director

Mr Alan Froud, Deputy Director

**National Museum of Australia (NMA)**

Ms Dawn Casey, Director

Mr Adrian Brocklehurst, Manager, Finance, Business Planning and Commercial Development

**Australian National Maritime Museum (ANMM)**

Mr Quentin Howarth, Assistant Director, Corporate Services

Ms Joan Miller, Finance Manager

**Film Finance Corporation (FFC)**

Mr Brian Rosen, Chief Executive Officer

**Australian Film Commission (AFC)**

Mr Kim Dalton, Chief Executive Officer

**Australian Film, Television and Radio School (AFTRS)**

Ms Annabelle Sheehan, Acting Director (Head of Film and TV)

**Australia Council**

Dr Catherine Brown-Watt, Acting Chief Executive Officer

Mr Ben Strout, Executive Director, Arts Development

Mr John Wicks, Executive Director, Finance and Services

**Australian Sports Commission (ASC)**

Mr Mark Peters, Chief Executive Officer

Mr Michael Scott, Director, Australian Institute of Sport

Mr Brent Espeland, General Manager, Sport Performance and Development

Ms Lois Fordham, General Manager, Business Operations

**Australian Sports Drug Agency (ASDA)**

Mr John Mendoza, Chief Executive Officer

Mr Kim Terrell, General Manager, Strategy and Support



**CHAIR**—Good morning. I welcome you to this hearing, which is a continuation of the estimates hearings for the Communications, Information Technology and the Arts portfolio. I welcome officers from the Australian Sports Drug Agency and the Australian Sports Commission, the Minister for the Arts and Sport, Senator Rod Kemp, and again Ms Williams. This morning we will be going through the sports section of the portfolio.

**Australian Sports Commission**

**Australian Sports Drug Agency**

**Senator LUNDY**—Thank you. I would like to start with the World Anti-Doping Agency, WADA, and ask the Australian Sports Drug Agency what role you will play in the adoption and implementation of the WADA code, which the government accepted—I think it was Minister Kemp himself—on 5 March this year.

**Senator Kemp**—I will ask Mr Mendoza to answer, but let me just say as a preliminary comment that this is an extremely important development in sport. A great deal of work went into drafting the code. The code requires the accession of all sporting bodies, but there is also a role for governments. Following the meeting in Copenhagen, a declaration was signed by a large number of governments. I am not sure what the final total was and I suspect more are signing as they go back and go through their final processes. I think we will look back on this period and say this was a very important development. It is pretty important for Australia because we are very keen to make sure that we are competing on—as the old cliché goes—a level playing field. Mr Mendoza, you might like to now respond to Senator Lundy's question.

**Mr Mendoza**—Before I comment specifically on ASDA, I just echo the minister's comments that this is a good news story for sport and it is a good outcome from Australia's perspective generally. As you know, we have taken a lead role for a number of years in the international antidoping area. Throughout that period, our objective has always been to provide a firmer base for harmonisation of sports policies, sports antidoping policy, and the code is testimony to that result. Australia has played a very significant role in the development of the code and subordinate documents.

ASDA specifically has played a role in the development of the testing standard. I chaired the working party on that component of the code. The other area in which we have been major contributors has been therapeutic use. I am pleased to say that the Australian model, which is embellished in the ASDA legislation that established the Australian Sports Drug Medical Advisory Committee—ASDMAC—has been the basis for the therapeutic use exemption standard, as it is known, that sits under the code.

The third area in which we have been a major contributor has been the development of the list of prohibited substances. While that is yet to be seen—the first draft is due out shortly from WADA—I am confident that we will have a list that is a commonsense approach to the issue. What does this mean in terms of ASDA as we go forward? Clearly, as one of the parties under the code that is required to be a signatory, we will need to be code compliant by the deadline, which is a couple of weeks before the opening of the 2004 Athens Games. Presently, ASDA, under the stewardship of the department and in collaboration with the Sports Commission, is assessing very carefully and comprehensively the detail, if you like, of deploying the code from the legislative and policy perspectives, and program perspectives, to

ensure that by that deadline, if not before, we will have all of the elements of the program—the policy, the legislation—in line with the code.

**Senator LUNDY**—You say ‘under the stewardship of the department and in collaboration with the ASC’. Can you just clarify ASDA’s role within that and how those relationships are managed from ASDA’s perspective.

**Mr Mendoza**—The department has the responsibility of chairing the task force, the working group, which we have had in place since Copenhagen. We are working through the detail. Quite obviously, there is a lot of detail in assessing the impact on our legislation. We are one of the few likely signatories to the code that operate under legislation. That is a complexity that we have to work through. We are doing that in a very constructive way and ensuring that we are not merely looking at the legislation that ASDA operates under but looking at the complete antidoping framework. By necessity, it requires the department to play that stewardship role and for the commission in its role to be a partner.

**Senator LUNDY**—A partner—what does that mean?

**Mr Mendoza**—We are simply engaged in an interagency assessment and we will report to the minister in due course as to the extent of changes that are necessary to ASDA legislation. At this juncture, we are confident that that will not be extensive, because of that very detailed involvement that Australia generally, and ASDA particularly, have had in the development of the code. I would be confident that the legislative changes are not extensive.

Secondly, we need to ensure that the legislation marries up well with the revised policy that will need to be deployed through the Sports Commission and to ensure that national sporting organisations in receipt of funding are code compliant. So it is essential that we take that collaborative approach. I might add that the broader government implications of the code need to be assessed, and that is certainly a responsibility of the department. Alan Stretton or Helen Williams may wish to comment on that.

**Senator LUNDY**—Can you run through the membership of that working group for me, please.

**Mr Mendoza**—Certainly. The working group is chaired by Sally Bassar, the General Manager of Sport and Private Sector Support. The membership includes Kim Terrell; Brett Espeland from the commission; Catherine Rule, another ASDA officer; Nadine Cohen, in her manager role for doping and ethics issues at the commission; and some support staff from the department. That is the list to the best of my knowledge, but the department may be able to elaborate.

**Senator LUNDY**—I will come back to that committee in a second. You mentioned revising policy, contemplating any amendments to legislation. Would this committee also be looking at the programs necessary to ensure compliance with the code?

**Mr Mendoza**—Indeed. In fact, I see that there are three key areas that the working party is reviewing. One area is legislative issues. Another is policy framework issues: quite clearly, under the code there are requirements for signatory bodies to ensure that they have deployed through their own policy. The third area is programs issues—and this extends to not only the drug testing area but also importantly to the education and information services. It is important, in order to get it right, that we look at the full suite of programs that will be

affected by the code. The task force will go to a certain level of detail in that work, but it will be incumbent upon ASDA and the commission, as the two key relevant authorities, to ensure that we go through the development and redefining of programs in the context of the code and report back to the government, to ensure that we are fully compliant by or before that date.

**Senator LUNDY**—I will talk a little more about compliance shortly. Has ASDA been provided with any additional funding to support these required changes to ensure compliance by the due date?

**Mr Mendoza**—Indeed we have. In the most recent budget, the PBS reveals, ASDA'S funding has increased from this year. The total government appropriation will be in the order of \$5.9 million as compared with this year's \$5.3 million. They are rounded figures. Specifically, within that funding is a requirement that ASDA ensure that we meet the code requirements, and we have identified the area of providing facilities for athletes to be providing their whereabouts information: we see that as an important area that makes it easier for athletes to meet their obligations under the code. That has specifically been identified as one of the projects that we will implement in the coming year.

Quite obviously, there is going to be an impact across a lot of educational areas as well, because there are many implications for athletes, NSOs and so forth under the code. An example of that activity is that this week the commission and ASDA are holding a series of seminars around the country—they are happening as we sit here—with NSOs. That is probably only one of a series of seminars and information programs that we will have for sports organisations. There will also be direct information programs for athletes.

**Senator LUNDY**—In ASDA's lobbying of the minister for funding—and I am sure of the minister's fierce lobbying within cabinet—is that \$600,000-odd enough to do what ASDA wanted to do or felt was necessary in the lead-up to the full adoption of the code? I ask that, obviously, in the context of those significant additional pressures. Also, my understanding is that the WADA funding provided to ADSA concludes at the end of this financial year.

**Mr Mendoza**—As we recently discussed, every CEO of a statutory authority would like to have a few more dollars in their budget.

**Senator LUNDY**—Absolutely. They are very tight, you know.

**Mr Mendoza**—Our view is that with the quantum of money we have what we are being asked to deliver is doable. We will be able to meet those requirements and continue to demonstrate that Australia's antidoping program is equivalent to, if not better than, any commensurate program in the world.

**Senator Kemp**—I am sure that if there is a difficulty Mr Mendoza will be coming back to me.

**Senator LUNDY**—Indeed. I guess what I am trying to work out—and perhaps you can tell me, Minister—is whether ASDA were looking for more money than you were able to give them, understanding of course that there have clearly been compromises right across the government in the challenging times of this year's budget.

**Senator Kemp**—We work very closely with our authorities on these budgets and we were very keen to make sure that ASDA's programs were funded. The budget negotiations are

really always around what we require of ASDA and what ASDA wishes to achieve, and we arrive at the budget process in agreement. As Mr Mendoza said, there has been a rise in ASDA's funding and I am sure that if there are any problems—and we have no hint that there are—Mr Mendoza will come back to me.

**Senator LUNDY**—Do you expect that between now and when the code is implemented ASDA's functions will be changed or modified in any way? Will you be able to maintain your averages—I do not know the best word to describe it—in the testing of athletes and other functions? You have mentioned seminars, education and whereabouts information. Can you tell me how that is changing in the lead-up to the Olympics—additional things you are required to do and any impact on things you have done in the past?

**Mr Mendoza**—I do not want to pre-empt the work that is currently going on through the task force I referred to. We are doing an assessment of all of those issues. We are confident that the roles that ASDA has performed will continue to be performed. There are new issues, which we have to work through under the code. There are issues relating to the types of antidoping violations which will be need to be recognised in either a policy or a legislative context. We have not made decisions on how we will do that and the most effective mechanisms for doing that.

**Senator LUNDY**—Do you have funding identified from the next financial year for those contingencies as they emerge and as those issues are ironed out?

**Mr Mendoza**—In terms of those issues that are obvious—and I use the issue of athletes whereabouts as a good example—within the appropriation that ASDA has been given for the next year we have identified a figure that we think can bring the project in on time and on budget and which can provide a very user-friendly mechanism for Australian athletes, wherever they are in the world, training or competing, to be able to access a system or variety of systems that can ensure they meet their code obligations. So, in that context, absolutely. We have a quantum of funds that we have identified for conducting the necessary education programs with both NSOs and athletes. We are not at the detailed stage of planning to really go much beyond that here today, but at the moment we are working through the areas of policy and how we deploy those new requirements that are in the code. That will then be put to the minister for his consideration of the options—if there are options—or of a preferred model if we have identified one.

**Senator LUNDY**—Can you tell me whether or not your current funding will allow you to increase the frequency of testing commensurate with the build-up to the Olympics? Over the years we have established that there is a build-up to the Olympics—for obvious reasons. Does your budget allow for the necessary increased frequency of testing in the lead-up to the Olympics?

**Mr Mendoza**—We have identified that within that \$5.9 million for next year—and next year really is the lead-up year for Athens; the Athens games happen only six weeks into the 2004-05 financial year—

**Senator LUNDY**—I understand that it is quite a crucial year, particularly for your testing budget.

**Mr Mendoza**—Indeed. But there are other years that have crucial events around the world in which athletes in both Olympic and non-Olympic sports compete where we have a focus.

**Senator LUNDY**—But this is qualification for the Olympics year.

**Mr Mendoza**—We understand that explicitly. In our test distribution planning for next year we have put a much greater emphasis on the Olympic sports so that Australia can be confident that our athletes going to Athens are doing it under fair means and that we have done all that we can to deter the use of any banned substances. We are aiming to deliver 3,800 tests next year. The bulk of those will go into the summer Olympic sports, particularly those sports where Australia has a high international ranking. They have already been identified as priority sports areas for us.

**Senator LUNDY**—You still did not answer the question. Does the number of 3,800 tests represent an increase from this current financial year?

**Mr Mendoza**—The simple answer is yes.

**Senator LUNDY**—By how many?

**Mr Mendoza**—By around 500. That is in the government funded program. This year the government funded program will deliver in the order of 3,300 tests. We are into the final month or so of that program, but that is our expectation. Next year our target is 3,800, which will in fact be the largest ever government funded program. That includes urine testing and what we would describe as ‘EPO and like-product testing’—that is, through blood testing.

**Senator LUNDY**—Is that adequate, in your view, particularly in the context of the lead-up to the code? You said you were not going to anticipate the impact of the code, but I want to come back to that.

**Mr Mendoza**—I think that is a different issue.

**Senator LUNDY**—Yes, you said that. Back to the question: is 3,800 tests enough for the task at hand, in your view, given the context of the WADA code, the heightened focus on these issues and the fact that Australia has played such a leading role—it is a global role model, in many respects.

**Mr Mendoza**—Yes. It terms of ensuring that Australia continues to have a leading program with a very significant number of tests for the pool of athletes we are talking about, 3,800 tests will keep us in that arena. There is no hard science to say that that is absolutely enough tests or that it is less than enough. The best measure—

**Senator LUNDY**—I am relying on your professional assessment.

**Mr Mendoza**—And my professional judgment on this is based upon the surveying of athletes that we do to measure deterrence—so what is the deterrent effect of that testing program, the education programs and the visibility of ASDA’s programs. We have consistently got ratings of higher than 90 per cent. That is a very high rating. In fact, the most recent results are around 98 per cent. I would be confident that, as we go forward into the Olympic lead-up year, we will sustain that sort of rating. Athletes have a very high degree of confidence that what we are doing is deterring any other athlete—not themselves, but any other athlete—who might be inclined to use a chemical enhancement.

**Senator LUNDY**—I am still not feeling completely satisfied with your response, but I do not think I am going to get any more.

**Mr Mendoza**—It is a difficult thing to provide hard science on.

**Senator LUNDY**—I think it is okay to say that it would be better to do more, but I appreciate your comments.

**Senator Kemp**—I think the *Hansard* record will show that he has given, as we always expect from Mr Mendoza, a very comprehensive answer. I think, as Mr Mendoza pointed out, there is no great science which says, 'This is the required number.' But, on the various tests that we have in the surveys, as mentioned by Mr Mendoza, it shows that the recognition rate of what ASDA is doing is very high. That is the critical measure in the deterrence area. I think you got a very good answer, actually.

**Senator LUNDY**—Thank you, Minister—I am glad you think so. Just on the number of tests, they are the government funded tests—the tests that you actually have funding for?

**Mr Mendoza**—Yes.

**Senator LUNDY**—What about the user pays tests? How do you anticipate the number of those increasing in the pre-Olympics year?

**Mr Mendoza**—I am just looking at the figures. We have indicated in the PBS around 1,900 tests for user pays in this year. The vast bulk of those have in fact nothing to do with Olympic sports—they are the AFLs and the NRLs. This year, as you would know, Australia is hosting the Rugby World Cup, which is the third biggest sporting event in the world, so I am told. That will be a significant focus for us as well.

**Senator LUNDY**—Out of that 1,900, what percentage or proportion do you think will be associated with the Olympic summer sports?

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

**Senator LUNDY**—Any?

**Mr Mendoza**—Certainly some. There would be user pays components coming from sporting organisations like Athletics Australia to support testing at, say, their grand prix meets. There would be some coming from other international federations that are holding events in Australia. But it is—

**Senator LUNDY**—So all of those NSOs can choose to supplement the government program with user pays in accordance with their sports policy?

**Mr Mendoza**—Yes. NSOs and event organisers—sometimes it has nothing to do with the NSO—including the event organiser of any international level event, are certainly encouraged to contribute, if not in fact fund the bulk of, the tests at that event, because they are obliged to under their international policy. That is a policy that we have pursued for a number of years.

**Senator LUNDY**—Hence the ARU example that you used.

**Mr Mendoza**—The ARU is conducted under the Rugby World Cup Pty Ltd. In fact, I can confirm that yesterday I was advised that we have won the contract for that. It is a significant number of tests—just under 300 tests. The government funded contribution to that is less than one in 10 tests. So the RWC, as it is known, will be funding just over 90 per cent of the tests

for the Rugby World Cup. In the forthcoming year there are no international championships, world championships, other than the rugby, that I am aware of that are being conducted here. So in the Olympic sports our expectation is there will not be, out of that 1,900, anything more than a small number—probably around 100 to 150. But, as I said, I will take it on notice to give you an exact answer as to user pays testing in those sports.

**Senator LUNDY**—Can you take it on notice to provide me a graph or a table showing the increase in the number of both public and user pays tests over time with ASDA?

**Mr Mendoza**—Certainly.

**Senator LUNDY**—You may well have such a graph in your annual report. It is the trend I am looking for.

**Mr Mendoza**—Sure. I just make the comment that the user pays numbers that are not from the professional domestic leagues vary quite considerably. They vary because it depends on what international events Australia is hosting.

**Senator LUNDY**—So it fluctuates quite a great deal.

**Mr Mendoza**—It fluctuates substantially. In the year that we are in it looks like there will be a substantial number—more so than the 1,900 going forward—but the numbers do change as we go through the year as new contracts are signed. The estimate in the PBS is generally the known number. In fact, where we have three-year contracts with particular clients we can be confident that that is the number.

**Senator LUNDY**—I am sure you can work out a way to make that very clear on paper.

**Mr Mendoza**—Sure. Just a simple line graph will give you that information.

**Senator LUNDY**—Thank you. Just going back to the working group, based on the membership you told me before—chaired by the Sports Commission, two Sports Commission members, two ASDA members—I am concerned about ASDA's role being effectively subservient to, or working to, the Sports Commission. My particular concern is about the independence of ASDA. I know this was an issue debated passionately and widely through the years, particularly around the establishment of ASDA, and the decision was made, quite appropriately, to create a body completely independent of the Sports Commission, for a whole range of reasons, including potential conflict of interest with the Sports Commission. Perhaps I could direct my question to the minister in the first instance. Don't these changes represent a diminution in the independence of ASDA's role in pursuing their objectives under the act?

**Senator Kemp**—No. I think those of us who work with ASDA know that it is a fiercely independent body, as it should be actually. We have got to be very careful when we reflect on bodies like this. They do have a very important role. Confidence in those organisations is very important. It is an independent body. Of course, it has to relate to other bodies around the place. It has to talk to other bodies. From time to time, it will work with them. But the committee you are referring to is not chaired by the Sports Commission; it is chaired by the department.

**Senator LUNDY**—I am sorry, yes. You are correct.

**Senator Kemp**—So it is not that ASDA is working to an ASC chairman. It is in the nature of our sporting system that there will be constant contact by ASDA with the department, as

there should be; there is constant contact with the minister, as there should be; and there is contact with the ASC, as there should be. You cannot read into that that ASDA is not an independent body.

**Senator LUNDY**—Obviously the agenda for that working group is comprehensive, but it does cover policy and legislation and it is also looking at a program review. Policy and legislative matters certainly—but I put it to you that surely it is up to ASDA to determine the most suitable program and then it is your responsibility to fund the program they feel is necessary to enforce the code at arm's length from how you support the commission.

**Senator Kemp**—If ASDA came to us and indicated that they were not happy with it, I can assure you that, as the minister for sport, I would take particular notice. ASDA play a key role in advising on issues relating to drugs in sport, and they will continue to do it. But in the implementation of those and the legislative requirements and the wider issues—not only affecting legislation which may be under my portfolio but also under others—of course the department has to play a role. Obviously in the implementation of some of these things—the education programs and so on—the Sports Commission will play a role. You want bodies to work in a cooperative fashion together, but I can assure you that if ASDA are unhappy with any aspect they will come and tell me.

**Senator LUNDY**—Thank you for that reassurance.

**Senator Kemp**—I can give you that assurance, Senator.

**Senator LUNDY**—Perhaps ASDA can tell me then, just briefly—you mentioned that you do not anticipate that any amendments to the ASDA legislation as a result of the implementation of the code will be extensive—where there will possibly be legislative amendment, based on your preliminary assessment?

**Mr Mendoza**—Just to make the public record clear, what I said is I do not anticipate significant changes to the legislation; not that there will not be any. I think we recognise at this stage there will need to be some changes to ensure code compliance. As regards the extensiveness of that, it is too early to say. In fact, right now there is an assessment by a legal firm to provide advice to me—and through me to the task force and the minister—on what is the extent of that legislative change.

Why we have confidence, as I said before, is that if you take the area of ASDMAC's work, as covered under the act and regulations, it formed the basis of WADA's own therapeutic use standard, which has been issued and in fact will be before the WADA executive committee next week for sign off. Ken Fitch, the chair of ASDMAC, played a central role in the development of that standard. I would not anticipate, other than cosmetic change, that we would need to do much in relation to TUE.

Without pre-empting—as I have said before, there is a detailed assessment—there are issues of significance in the way the code has to be deployed. Whether we do that through legislative means or we do that through policy—and ensuring that NSOs are compliant with that policy—is a question that we are working through. It would be too early to say that we will deal with some of the antidoping violations, the athlete whereabouts requirements—all of the issues involved in those—within the legislation. It may be more effective—more timely—



to deal with it in other ways. Those are the sorts of issues that the task force has to work through.

**Senator LUNDY**—Violations, whereabouts—what was the other thing you mentioned?

**Mr Mendoza**—They are two of the more significant areas coming out of the code that we know we have to address and which our current system in Australia—legislation and policy—does not address in the same way the code does.

**Senator LUNDY**—As we step forward from the current regime, ASDA's role is obviously the conduct of those tests and the management of the testing program per se. What is your relationship with the ASC in terms of compliance and reporting of any violations?

**Mr Mendoza**—Can I just clarify whether you mean under the current regime or the future one.

**Senator LUNDY**—Under the current regime—and then how that is going to change.

**Mr Mendoza**—Australia is probably one of the only countries in the world that, through its public policy and funding of sport, has a set of requirements on sport. That has come about as a direct result of the commission and ASDA working together to put in place the NSO assessment process. We discussed this briefly at our recent meeting. That process is just on a year old and has been applied to all sports in receipt of government funding.

**Senator LUNDY**—Take me back a step. The government's Tough on Drugs policy has been going for a bit longer than that. When did it start, Minister? Can you remind me.

**Senator Kemp**—In May 1999, I have been advised. That is a little bit before my time in this portfolio. I think it was announced by the former minister.

**Senator LUNDY**—I am sure you would have argued vehemently for it in cabinet. I think you were Assistant Treasurer at the time, so you would have had a bit of a say about how the money was being spent.

**Senator Kemp**—As you know, I am always supportive of policies which are tough on drugs.

**Senator LUNDY**—Indeed. Perhaps you could tell me why a system was not put in place then to ensure compliance until last year.

**Senator Kemp**—I might seek some advice from Mr Mendoza, who was there at the time. Let us just hear from Mr Mendoza, and then I may make an additional comment.

**Mr Mendoza**—I can advise that the Tough on Drugs strategy announced by Minister Kelly in May 1999 had no NSO assessment component in it. That was a component identified coming out of the post 2000 policy review, which was conducted by the department at the time, the ISR. It was identified in the Backing Australia's Sporting Ability policy, which, as you know, was really reorienting sports policy post the Olympics. We had identified in that review that this was an area in which we had to do better, and hence we have deployed that policy.

**Senator LUNDY**—Can you explain how that works. ASDA do the tests and, if you find violations, what are you required to do?

**Mr Mendoza**—The two specific violations that we can report to the NSOs and ultimately to the commission are in relation to positive drug tests and failures to comply, which are both defined in the act. There are other incidents which occur—

**Senator LUNDY**—What does ‘failure to comply’ mean?

**Mr Mendoza**—That is where we attempt to notify an athlete about a drug test and they refuse to comply with that request.

**Senator LUNDY**—They do not turn up or they do not do the test?

**Mr Mendoza**—The act is very specific. This is where an ASDA drug control official formally notifies, either by phone—which is decreasingly the case—or, more likely, in person, and reads the athlete their rights. They warn them of the consequences of failing to comply if they are showing signs that they are not going to comply and then they give the athlete basically every chance to provide a sample. If at the end of the day the athlete refuses to, that constitutes an alleged failure to comply. We then go through an internal process to determine whether that is a notifiable event. If so, we notify the sport and the Sports Commission that that has occurred. They then hear the case under their policy. So results from testing are specifically about athletes and whether they are complying with the antidoping policy of the sport in these two matters.

**Senator LUNDY**—Just to get this clear, you said that there was a compliance program put in place a year ago.

**Mr Mendoza**—That is right. It is called the NSO assessment program and it is an assessment of the extent to which national sporting organisations are meeting terms and conditions of funding.

**Senator LUNDY**—And you are managing that, so you are tracking—

**Mr Mendoza**—It is a joint project with the commission.

**Senator LUNDY**—Why is the commission involved?

**Mr Mendoza**—The commission is involved here clearly because they have the responsibility of assessing at the end of the day the terms and conditions under which they are providing funding, but they rely upon input data to ASDA.

**Senator LUNDY**—There is a grey area between your role and their role. I would have thought that an assessment of whether NSOs were complying would be your assessment based on the results of positive tests and failure to comply and then you would complete that report and hand it over to the commission. Are they actually involved? What is their role in the NSO? This comes back to the issue of independence, in my humble view.

**Mr Mendoza**—The NSO assessment is much broader than us reporting to the commission on positives and failures to comply. I think it would be a retrograde thing if we were punishing sport or taking action against sport simply because they had four or five athletes in a particular period who had been reported for a positive or a failure to comply. In fact, that might demonstrate that the sport is getting on top of the problem and going through that change process—changing a culture, changing some behaviour. If I can step you through the process so that it is very clear: in the NSO assessment process, the sports are required to complete self-assessment against a set of criteria which are clear performance measures. They

complete that on a six-monthly basis. They provide that report to ASDA. ASDA's role is, in a sense, to audit that self-assessment in the same way that we have borrowed from the ATO the way they ask each of us to send in a tax return.

**Senator LUNDY**—That is not going to inspire my confidence, Mr Mendoza, as I am sure Minister Kemp would understand.

**Mr Mendoza**—I thought it might. It is a self-assessment, which we then audit. We provide a report to the commission and the commission takes on board that assessment. Collectively, because we have joint responsibilities, we then map out what actions are necessary—and they may be simply to say to the sport, 'Well done,' and the vast majority of them in the most recent round fall into that category—and what other strategies we are going to use to enable them to meet the requirements.

**Senator LUNDY**—My understanding of the Tough on Drugs strategy was that it was all about the government ensuring compliance and making sure that sports delivered, the implication being—and we have heard a lot of this lately with respect to other sports such as soccer, not in relation to drugs—that, if sports do not comply, they will not get their funding. Are you telling me that there was no mechanism to allow government funding to be withheld for non-compliance before one year ago? That is my interpretation of what I have just been told.

**Mr Mendoza**—No, and that would be putting a perspective on it which I think is not accurate. There has not been the sort of detailed process that I have elaborated on a six-monthly self-audit, with an auditing by ASDA and with a joint review by commission and ASDA staff on it. It has not been to that degree of rigour. There has always existed the requirement, as I understand, that sports have to meet the terms and conditions of their funding from the commission, but these are issues that Mr Peters can comment on more specifically.

**Senator LUNDY**—I will follow it up with the commission. You said before that, when there is a violation, a failure to comply or a positive test—obviously, you know because you have done that test—the commission is formally notified of that in every case.

**Mr Mendoza**—That is right. In every case of a government funded sport, the commission receives advice at the time we place the athlete's name on the register—not any earlier because the relationship is ASDA to athletes at that stage.

**Senator LUNDY**—Yes, and you have to make those assessments.

**Mr Mendoza**—That is right.

**Senator LUNDY**—So when it is placed on the register it becomes a notifiable incident under the act and the Sports Commission is always notified. Can you tell me—I will follow this up with the Sports Commission—how many publicly funded sports have notifiable incidents or events under the act. What is the correct term?

**Mr Mendoza**—I would not be able to answer that.

**Senator LUNDY**—I have not asked the question yet. I am just trying to find the right language.

**Senator Kemp**—I think Senator Lundy is wanting you to help her frame her question.

**Senator LUNDY**—Yes, help me frame my question.

**Senator Kemp**—I would just like to advise the officers at the table that it is not generally our role to help senators frame their questions.

**Senator LUNDY**—You are always so forthcoming.

**Senator Kemp**—Having said that, Mr Mendoza, see what you can do.

**Mr Mendoza**—A notifiable event under the act is only related to failures to comply in positive drug tests. The commission is simply notified of that at the appropriate time.

**Senator LUNDY**—So it is called a notifiable event. I am trying to ascertain that, leading up to a year ago when you put a new process in place of self-audit and all the rest of it, the commission would have been aware of failures to comply and positive tests for government funded sports on an ongoing basis.

**Mr Mendoza**—Since the inception of ASDA.

**Senator LUNDY**—And how many of those were there?

**Mr Mendoza**—I would have to take that on notice. Since 1990 it would be in the hundreds of notifiable events. I think at last count it was over 550 notifiable events and 95 to 98 per cent of those would be in sports where the government is providing funding. As a consequence, ASDA advises the Sports Commission at the appropriate time. So nothing has changed there in over a decade.

**Senator LUNDY**—In the last 12 months how has the self-assessment refined that process?

**Mr Mendoza**—The self-assessment issue is not in the ASDA Act. This is purely a policy deployment initiative coming out of Backing Australia's Sporting Ability.

**Senator LUNDY**—And the Sports Commission.

**Mr Mendoza**—We and the commission, as the two implementing authorities, have put in place the initiative to ensure that the intent of what the government envisaged under Backing Australia's Sporting Ability is occurring. We made the rubber hit the road in terms of policy deployment on this issue and we have done that through an NSO assessment process, of which we have done two rounds. The third round is coming up in August. That looks at the whole gamut of antidoping responsibilities that NSOs have. Notifiable events under the act purely relate to an individual athlete and the finding of a positive or a failure to comply.

**Senator LUNDY**—With NSOs previously, the commission is, as you said notified of the individual result. Were you aware of any mechanisms that existed between the NSO of that sport, where there was a notifiable event, and the Sports Commission to, I suppose, ruminates or contemplates the implications for the sport and to assess specifically whether or not that sport was complying with their own policy and with government policy?

**Mr Mendoza**—I am certainly aware that the commission had in place a mechanism, and I can point to an example where that mechanism was used with a particular sport in 1998.

**Dr Kemp**—What we are doing here is building on what previous governments have done. Of course, your party was in power up to 1996 and I think you would agree—I am not trying to score a political point—that this government has upgraded the drug-testing arrangements from those which were considered appropriate by the Labor government. We have also

significantly increased funding to sport and we are continuing to improve on those arrangements that were put in place by the previous government. I think that Mr Mendoza has indicated that we have brought this whole procedure forward.

I know that it may not be your intention to imply any critical comment on what the government has done here, because the government has taken what you did in government and improved it—I was not in the sports portfolio prior to 1998 but, if you reflect back to then, I assume that the procedures which were broadly in place were endorsed by the Labor Party—but I would like the record to show that this government has not sat on its hands on the drugs issue. We have actually taken a very strong lead. We have built on the arrangements—

**Senator LUNDY**—You must have a guilty conscience—I was not trying to imply that at all.

**Senator Kemp**—I was a bit worried that you were saying that the government had not anything or that a procedure was not in place.

**Senator LUNDY**—Was I implying that? I think you do have a guilty conscience.

**Senator Kemp**—What I am really trying to do is put this into a historical context.

**CHAIR**—That is widely appreciated.

**Senator Kemp**—Thank you very much, Chair. Our completely unbiased chair has found my reflections—

**Senator LUNDY**—I am obviously not asking you enough questions. I will try to do better.

**Senator Kemp**—One of the few privileges of being a minister is that, from time to time, you are able to intrude and make a comment and an observation.

**Senator LUNDY**—Indeed. Thank you so much for your commentary.

**Senator Kemp**—Always happy to help.

**Senator LUNDY**—Mr Mendoza, can you walk me through what happened in 1998?

**Mr Mendoza**—There was a sport in which we were having difficulties undertaking our drug-testing program. The sport had also had a number of positive drug tests—roughly one every three months for a 15-month period.

**Senator LUNDY**—Can you tell me what sport it was?

**Mr Mendoza**—It is on the public record. It is weightlifting. It is on the public record in that it is reported in the ASDA annual reports. What we did was sit down with the commission and develop together a strategy response. As a consequence of gaining the commission's agreement, and also the endorsement of the AWF board, we implemented a strategy which all three parties physically signed off on. I am pleased to say that that has brought about a significant change in the AWF's management and response to this issue in their sport. Unfortunately they are a bit alone, in the international context, within that sport. I am pleased to say that the AWF in this instance has demonstrated a focus on their antidoping responsibilities and that we have seen a very significant turnaround in that sport.

**Senator LUNDY**—That is good to hear. As you say, it is an example of how the parties can work together to help everyone to comply with the policy. I think you said the new assessment process was implemented a year ago. Can you give me the exact date of the start of that process?

**Mr Mendoza**—To give you the actual day I would have to take it on notice, but I am aware that the sports were advised in May. Mark Peters and I wrote to all sports advising them of the direction we were taking. That commenced the process and, as I have indicated, there have been two rounds. One was conducted in July-August, which was difficult for a number of sports involved in the Commonwealth Games—and we recognise that.

**Senator LUNDY**—Is that the date of the first report or is that when the process started for the first six months?

**Mr Mendoza**—Yes. The sports were required to complete their self-assessments—

**Senator LUNDY**—By July or August?

**Mr Mendoza**—By July. We gave a number of them, those who were involved in the Commonwealth Games, extensions because of the difficult circumstances. I think we have refined the process considerably through the feedback from sport and we have now settled on a six-monthly cycle, which will see these assessments in February and August each year. The third round will be done in August this year.

**Senator LUNDY**—So you had another round in February this year?

**Mr Mendoza**—Yes.

**Senator LUNDY**—How many sports are involved in this and how many sports get government funding? Do you know off the top of your head?

**Mr Mendoza**—Mr Peters will have to provide you with an answer as to the exact number.

**Senator LUNDY**—I would like some details about the responses to this process from NSOs. With respect to that first assessment round in July and August last year—and I note that you have already said that some were late—did any NSOs fail to comply with their requirements in that first process?

**Mr Mendoza**—I would have to take on notice if there were any sports that were late. We recognised the difficult situation that a number of Commonwealth Games sports were in, with key staff overseas in Manchester, and we provided extensions. We accepted that.

**Senator LUNDY**—So you did not constitute that as a failure to comply?

**Mr Mendoza**—No, not at all. We looked at the circumstance of particular sports and the project team, which is made up of ASC and ASDA staff, said, 'Lets provide an extension to those sports directly affected.' It is fair to say that, with the introduction of a new initiative like this, there is a learning process that had to be undertaken by the NSOs—

**Senator LUNDY**—Can you tell me whether any sports failed to comply?

**Mr Mendoza**—As I said to you at our recent meeting, it is not about whether there was a group of sports that failed or did not meet all requirements 100 per cent. What we have done through the process, I think, is facilitate a significantly greater understanding by the NSOs of

their antidoping responsibilities. This is prior to the introduction of the code, which all of them will have to fulfil.

**Senator LUNDY**—I appreciate that, Mr Mendoza. I do have a specific question—

**Senator Kemp**—Senator Lundy, the questions you ask sometimes require fuller answers. They are obviously well drafted questions—

**Senator LUNDY**—Thank you!

**Senator Kemp**—That is one of the rare compliments I have given, so I would record that one. Having said that, it is important that the officer at the table, Mr Mendoza, be able to respond fully to that question, because people do read *Hansard*. If you would not mind, having asked a question, could you just restrain your enthusiasm and allow Mr Mendoza to fully respond.

**Mr Mendoza**—I would just continue by saying that the result to date from the two rounds has been that with all of the NSOs involved—and there were 60 in round 2; I would not be able to tell you, without putting it on notice, how many were actually assessed in round 1, but I think it was around 50—we have seen a significantly greater understanding by the NSOs of their antidoping responsibilities. It has enabled each organisation to assess to what extent they are meeting those responsibilities. It is pleasing to say that the vast majority of the sports have demonstrated that they are committed to making improvements in the areas where they might have fallen short of a 100 per cent rating. They are currently implementing or planning to implement strategies to address those issues. The commission and ASDA are working with them to enable that to occur. There is no sport that is actually saying, ‘We do not agree with you; we’re not going to cooperate with you.’ There is 100 per cent compliance in terms of commitment. I think that is the most important issue here, along with that increased understanding of the sports and their responsibilities.

**Senator LUNDY**—Can you tell me whether any sports in round 1—I will start with round 1 and then I will ask the same question in relation to round 2—did not complete or comply fully with their requirements that you are now engaged in discussions with? Can you tell me those sports?

**Mr Mendoza**—All sports that were sent assessment forms completed them. Some had exceptional circumstances, as in the CEO was replaced or significant staff were overseas with a team, and we acknowledged those and enabled them to fulfil their reporting requirements at an agreed time. I do not think it would be helpful for me to name here today a sport that might be deemed not to be 100 per cent compliant. I think that would damage the reputation of that sport.

**Senator LUNDY**—I think they have brought it on themselves, haven’t they?

**Mr Mendoza**—That is a judgment that some may make, but I think it is fair to say that this is a new process, one that will occur worldwide under the code. We are ahead of the game here in implementing this level of scrutiny and accountability. I am not sure what WADA propose in relation to public reporting on this; that is still to be announced by them. We are certainly not at the stage now of publicly announcing a sport that has issues that it needs to address in terms of antidoping requirements.

**Senator LUNDY**—You are not publicly announcing it. I am asking a question at Senate estimates.

**Mr Mendoza**—If I am to name sports here, that is publicly announcing them, as I understand it.

**Senator LUNDY**—No. It is responding to my questions, which, as the minister knows, you are required to do.

**Senator Kemp**—Senator, people are—

**Senator LUNDY**—Was there any sport that did not have an adequate—

**Senator Kemp**—Just hold on, Senator, I am speaking. People are required to respond to questions, and we are responding to questions. Sometimes you may not like the answers, but that is a different issue. We are not required to provide an answer that you are happy with—that is an entirely different issue.

**Senator LUNDY**—I appreciate that, Minister. I certainly recognise the sensitivity that Mr Mendoza is expressing. I think he is expressing it out of a dedication to make a change for the better in these circumstances. But I also have the right to know which sports are not satisfying the rigours and requirements of your government's policy.

**Senator Kemp**—Senator, you have asked a question and Mr Mendoza has indicated that he does not feel it would be helpful at this time. As you are pressing the point, we will reflect on that to see whether there is any further information that we are able to sensibly provide to you. This is a new process and, as Mr Mendoza said, there has been 100 per cent compliance in the sense of returning the forms. There are clearly some sporting bodies, from what Mr Mendoza has said, that need some further improvement. These are ongoing discussions, so we will see. You have asked the question and we will see what further information we are able to provide to you.

**Senator LUNDY**—I guess I am intrigued. Obviously Mr Mendoza's responses indicate that the first round was obviously quite a trial.

**Senator Kemp**—It is a new process.

**Senator LUNDY**—It was a phase, it was a new process, and that is understandable. But I think it is reasonable to formally ask the question whether in round 2, for example, there was any subsequent failure by any sport to comply with the assessment process or whether any sport did not have an acceptable explanation for any delayed response. I am intrigued to the extent that I am pretty sure there is a sport there, if not more, and I want to know which ones they are.

**Senator Kemp**—Mr Mendoza has indicated that at this stage he does not feel it would be helpful, because of the ongoing nature of the work with the sport. Mr Mendoza will reflect to see whether there is any further information that he is able to provide. A new process has been put in place here, which the former government never thought about and never did.

**Senator LUNDY**—It has been in place a year.

**Senator Kemp**—They never did. Why they did not think about it and never did it, I do not know. That is something that you would have to pry into your conscience about. But we are



determined to bring about a new process. Mr Mendoza is leading this issue. He has brought into place a new procedure, and Mr Mendoza is working closely with the sports to make sure that they fully comply with that procedure. There are ongoing discussions, obviously, with some sports, and they will continue. Rather than having a debate about each particular sport, we will see what further information can be provided and if we can provide further information we will.

**Senator LUNDY**—I have asked the question—

**Senator Kemp**—Sure. You have asked that, and that is the response.

**Senator LUNDY**—and I am asking you if you are refusing to let Mr Mendoza respond to the question.

**Senator Kemp**—No. I am not refusing to let Mr Mendoza answer. Mr Mendoza is entirely free to respond to questions.

**Senator LUNDY**—Then I insist that he answer.

**Senator Kemp**—He has responded to your question, and as you kept pressing the same question I then came back to you and reiterated his response. Then I said that, on top of that response, we will see whether there is any other information that we can provide to you.

**CHAIR**—The question has been answered, Senator.

**Senator LUNDY**—No, it has not. The question is—

**CHAIR**—You want to dictate the content of the answer. You have had an answer, and that is all that is required.

**Senator LUNDY**—I will ask another question. Can you tell me the sports that have not satisfied the second round process of the NSO assessment program to ASDA'S satisfaction? What are those sports?

**Mr Mendoza**—I would prefer to not name the sports. There are, as I have said, some sports which we in the commission have identified as needing further work. We are in the process now of one-on-one discussions—not public forums or anything of that nature—with those sports to implement the strategies, with their agreement. It is their responsibility, but we seek a partnership approach in this in order to deliver the best outcomes. Those sports, in all cases, are getting on with the job; and I think that to name them here today would in fact undermine that process.

**Senator LUNDY**—I have asked you to do it. You are now refusing to, on the basis of that explanation, and I would ask the minister to intervene at this time and ask the officer to answer the question. I understand the sensitivities. Now I am just fascinated to know who it is. I do not want to have to start accusing you—

**CHAIR**—What about the sensitivities of it?

**Senator LUNDY**—I actually do not understand why you are trying to cover this up. A sport has not complied with your policy.

**Senator Kemp**—Senator, let me just make a point to you. In the first hour you have been worried about the independence of ASDA. Now you are instructing me to tell ASDA to do things.

**Senator LUNDY**—I am actually finding out—

**Senator Kemp**—You have now reversed your position. You have about-turned on this. You have been worried about the independence of ASDA and then, on the first issue that comes up that you are not happy with, you say, ‘Minister, could you please tell ASDA to give me the information.’

**Senator LUNDY**—You are accountable to the parliament for government policy and the expenditure of taxpayers’ money.

**Senator Kemp**—I need no lecture from you, Senator Lundy, about my responsibilities. I need no lecture from you about those responsibilities. What I said—and I thought it was actually quite helpful, because I added to the comment that Mr Mendoza had responded to you with—was that he felt that it would not be helpful at this stage. We will take that question on notice to see whether there is any further information that we are able to provide. This is entirely the call of Mr Mendoza, as an independent officer. It is entirely his call. He will note your interest, and we will take on notice those questions to see whether there is any further information that we can provide to you.

**Senator LUNDY**—Thank you. It does concern me greatly, though. I think it is a pretty straightforward question, and you have created a mystery out of it.

**Senator Kemp**—No, we have not created a mystery.

**Senator LUNDY**—I am now in a position where I will pursue a similar line of questioning with the Sports Commission, because they are obviously aware of it as well.

**Senator Kemp**—You can do that. It is an interesting argument, isn’t it? This is where, I must say, there is a degree of frustration sometimes about your performance at Senate estimates. You pursue one line of questioning deliberately to determine whether the minister has intruded or directed or whether the Sports Commission is intruding into the affairs of ASDA—

**Senator LUNDY**—Hang on, we are at the estimates table.

**Senator Kemp**—Let me finish. For the last hour you have been so concerned about the independence of ASDA, and now you are demanding that I take immediate action and instruct ASDA on this issue. What I have said to you is perfectly reasonable. Mr Mendoza has indicated that it may not be helpful to the process that they are going through, and that is his response. My response is to say, ‘Let’s take your questions on notice and see whether we can provide you with any further information.’ I am not saying no; I am just saying that we will see what can be done.

**Senator LUNDY**—Thank you. My concern was that you were preventing Mr Mendoza from answering that question.

**Senator Kemp**—I am not preventing him.

**Senator LUNDY**—That is why I asked you to change that situation by telling Mr Mendoza to—

**Senator Kemp**—That is a little bit of rewriting of history

**Senator LUNDY**—answer the question. That was certainly my understanding. If you are telling me that you were not instructing Mr Mendoza not to answer the question then that is a different matter.

**Senator Kemp**—I was not instructing Mr Mendoza not to answer the question.

**Senator LUNDY**—Can you assure me of the fact that Mr Mendoza is under no instruction not to answer that question?

**Senator Kemp**—I can tell Mr Mendoza that if he feels that he would like to answer that question then he can answer that question as far as I am concerned.

**Senator LUNDY**—Thank you. I am reassured.

**Senator Kemp**—I have no problem with that but, on the other hand, I have said that if Mr Mendoza thinks that on reflection he would provide that information to you that is entirely his call.

**Senator LUNDY**—It must have been the way you leapt in after Mr Mendoza's first response. It very much looked like you were trying to prevent Mr Mendoza from responding.

**CHAIR**—With respect, we have canvassed this issue pretty well and it is time we moved on. We have a lot of ground to cover and we only have until one o'clock.

**Senator LUNDY**—With that reassurance from the minister, Mr Mendoza, have you reconsidered?

**CHAIR**—That is unfair, Senator. You have been through this about four times.

**Senator LUNDY**—I am asking a question.

**CHAIR**—No, you are just being repetitious now.

**Senator LUNDY**—No, I am not. I am asking a question.

**CHAIR**—And putting the witness under unfair strain —

**Senator LUNDY**—Does it make any difference to your response, Mr Mendoza?

**Mr Mendoza**—As the minister said, we will take it on notice. I am not under any directive from the minister or anyone else not to answer that. My line, as I said, is that at this point in the process—and there is a process of working with the sports—I do not think it would help if we were to just drop some names of particular sports into this context. We will provide the information about those sports we are working with and in that give you a sense of the complexity of the issues. It is simplistic to simply name whatever number of sports and say, 'We have got problems with these sports.' It is not that easy. This is a detailed assessment process. It is a collaborative project between the commission and us. It is collaborative with sports and every sport—100 per cent—is working with us to ensure that they meet their antidoping requirements, because they want to. They understand the value of doing that and, subject to any confidentially issues that might be contained in correspondence, we will give you a sense of those. But we will take that on notice.

**Senator LUNDY**—Thank you for that. I am sure you appreciate that the issue here is the sports and the level of compliance with the policy and the program that you, the government and the commission have put in place. It is not my intention to pursue individual athletes. It is

about the sport and it is about the enforcement of a government policy. That is the motivation for these questions and—in my own defence—it is entirely reasonable as a member of this parliament to ask the government and their representatives whether or not a sport is complying with government policy. I am happy to move on, Minister, unless you would like to prolong it.

**CHAIR**—Very good. This has occupied 15 minutes.

**Senator LUNDY**—On that issue of individual testing, my understanding is that individual athletes are not obliged to publicly reveal the return of a positive test upon notification of either the A sample or the B sample, or in fact even after the result is placed on the register of notifiable events. Can you confirm that?

**Mr Mendoza**—The athlete is under no obligation, neither from the act nor from the commission's model policy. But under the code there will be requirements in terms of greater transparency. We have to work through what is the most appropriate means for that.

**Senator LUNDY**—I am talking about how it is now. At what point is the NSO notified about an athlete returning a positive result or a failure to comply?

**Mr Mendoza**—At the point where the athlete concerned has indicated to us that they wish either to exercise particular rights that are enshrined in the act or to write those away. An example is that athletes have the right to provide a submission to ASDA, be it medical information, circumstantial information or procedural issues. They bring that to our attention and we have to take that into consideration in arriving at a decision. They can do that at any point in the process.

**Senator LUNDY**—That is a relationship between athlete and ASDA only?

**Mr Mendoza**—Absolutely. We cannot reveal the positive drug test result at the A-stage to anybody other than the athlete, if they are operating under scheme A of the act. There have been examples in recent times where athletes have given us the right to proceed very rapidly—in fact within 24 hours—to make a decision on the veracity of a test result, the analytical result, or in other cases to waver some of the submission results, such as the right to a B-sample and so forth. That has enabled us to notify the sport and the commission in almost all cases of that fact.

**Senator LUNDY**—So once that has become a notifiable event—that is, you go through all of that process—is the NSO notified?

**Mr Mendoza**—Yes.

**Senator LUNDY**—And the Sports Commission is notified, if this involves a publicly funded sport? Does that occur at the same time?

**Mr Mendoza**—Yes.

**Senator LUNDY**—So it is an independent process: you tell the sport, you tell the commission.

**Mr Mendoza**—That is right.

**Senator LUNDY**—Is the result then made public?

**Mr Mendoza**—That is a matter for the sport to report publicly. Some sports choose to do that at the time ASDA notifies them. The NRL and ARL are examples of that. Other sports will endeavour to keep the hearing and the lead-up to the hearing in camera because of media interest and public scrutiny issues.

**Senator LUNDY**—So it is the NSO's choice—I presume in accordance with their own policy or practices—whether or not to notify the public or make a public announcement about the presence of that positive test or failure to comply or whatever?

**Mr Mendoza**—Broadly speaking, under the current policy arrangements that is right.

**Senator LUNDY**—Is it conceivable that an NSO can choose not to proceed to a tribunal or a formal assessment of the matter and that the positive test result or failure to comply result stays on the register of notifiable events with no action being taken by the NSO?

**Mr Mendoza**—It is possible, but the process we have here is that two things would happen. One is that ASDA, through its annual report, would continue to report that there is an outstanding result which has never been to hearing.

**Senator LUNDY**—That effectively means that no sanction is meted out or there is no determination of whether a sanction is appropriate under that sports policy. It is just not considered.

**Mr Mendoza**—Let me finish, Senator. The second thing is that the commission would take specific action if it were a government funded sport with that organisation and follow that up.

**Senator LUNDY**—If the sport does nothing, because it is on that register, the Sports Commission is aware of it, so that is the point at which the Sports Commission would intervene with the NSO?

**Mr Mendoza**—That is right.

**Senator LUNDY**—What monitoring role do you have of that process? Do you keep an eye on your register of notifiable events and cross-reference that with actions taken by the Sports Commission?

**Mr Mendoza**—We are more than keep an eye on it; we publicly report on it in the annual report. We are notified of the results of hearings from the sport. They will send us a notice saying that the outcome of the hearing involving athlete X is a sanction of Y. That would then be included in our annual report. As you would know, our annual reports do not contain the name of the athlete, but they contain all the other details in terms of the substance, the sport, the date and the sanction.

**Senator LUNDY**—Yes. So have there been any cases where an NSO has failed to convene a tribunal and the ASC has been forced to intervene, to your knowledge? And you would know, from what you have just said.

**Mr Mendoza**—What time period are we talking about?

**Senator LUNDY**—Forever.

**Senator Kemp**—Forever?

**Senator LUNDY**—Since 1996, since the coalition—

**Senator Kemp**—Nothing prior to that?

**Senator LUNDY**—I asked an open question.

**Senator Kemp**—We could carry out some research into what happened under the previous government, if you would like us to do that.

**Mr Mendoza**—Since 1996, I can say that with Australian sporting organisations I do not believe there are any sports where a tribunal has not been convened. Mr Peters would be able to answer the question in terms of what action the commission has taken with some sports which have been a little slow in getting to the task. There are examples where that has occurred and the commission has acted. But Mark would be able to respond to the specifics of it. I am not aware—but I will take it on notice, because my answer is somewhat equivocal—of any result that is outstanding for more than 12 months.

**Senator LUNDY**—Thanks for that. It is certainly something I will follow up more directly with the Sports Commission. So you are not aware of any current outstanding notifiable events?

**Mr Mendoza**—Mr Terrell has just reminded me that there are results where we have registered notifiable events, passed them to the sports, and those sports are in the process of conducting hearings, or in some cases an appeal. But they are ones that are happening now. I am not aware, in the Australian context, of any results from, say, the last financial year that have not been acted on. But we will confirm that in a response on notice.

**Senator LUNDY**—The Sports Commission would be aware of those as well, wouldn't they?

**Mr Mendoza**—I would think so.

**Senator LUNDY**—I would hope so, because they get told when it goes on the register.

**Mr Mendoza**—Yes. I just emphasise that the commission would be aware of those that are on government funding where we have advised them. So the NRL, for instance, as a proprietary limited company, is a different matter.

**Senator LUNDY**—I understand the distinction. What recourse, or what opportunity, does ASDA have to pursue compliance with non-government funded sports? I will have to work in the hypothetical, because you have said that are not any obvious examples and, from previous experience, you probably would not tell me the sport anyway. But if there were a notifiable event and the commission does not know about it, because it is not a government funded sport, and that sport just takes no action to convene a tribunal and impose appropriate sanctions in accordance with their sport, where is the accountability for that sport under Australian law? Who knows about it and what gets done about it?

**Mr Mendoza**—In those circumstances—and there are a few—the responsibility, I believe, resides with the international sporting organisation. It is very difficult, when there is no relationship between the government through the Sports Commission and a sport, to ensure that they comply—in the sense that there is a positive drug test, they have a policy and they are not acting on that policy.

**Senator LUNDY**—Sorry to interrupt, but I am just trying to clarify this. Is there a mechanism then in the department or anywhere else that can enforce compliance? It gets

pushed out to the international federation, organisation or whatever, and it is up to them to apply their own sanctions in accordance with their policy or to take some action? I am not having a go at the government, Minister, because this has obviously always been the case, but I think it is very important to understand the crucial role that international sporting bodies have in taking that next step—and I am hoping you will tell me that the WADA code is designed to increase compliance and enforceability from the international sporting organisations' perspective.

**Mr Mendoza**—I should have mentioned a little earlier that, in notifying relevant sporting organisations under the act, we have some discretion in a sense. If you take the example of a sport that is not funded through the commission—and, therefore, the commission is not going to receive notification of a result—but is a member of the Australian Olympic Committee, then ASDA will notify the Australian Olympic Committee of that result. There are examples.

**Senator LUNDY**—So there are Olympic sports that are not funded by the Sports Commission?

**Mr Mendoza**—The winter sports in particular.

**Senator LUNDY**—So that is the case if it is an Olympic sport but not a publicly funded sport?

**Mr Mendoza**—With all Olympic sports, the AOC are notified. Whether it is publicly funded or not, the AOC receive notification.

**Senator LUNDY**—Definitely—every time?

**Mr Mendoza**—Yes.

**Senator LUNDY**—I will let you proceed. What does that mean for compliance?

**Mr Mendoza**—In the current context, precode, the AOC under their policy can hold those sports accountable. They have a by-law that they can apply to that sport. I think under the code we will see a greater level of transparency on all these issues in terms of the public reporting. It will not be left to the sport to decide if it is going to publicly provide advice about a sanction or the result of an antidoping violation; that will actually be a requirement.

**Senator LUNDY**—Just to make the distinction between actually doing something and making it public, are you telling me the AOC has a policy or a by-law that makes those results public?

**Mr Mendoza**—Indeed—but not necessarily in all cases.

**Senator LUNDY**—They have some discretion?

**Mr Mendoza**—The AOC have a by-law, but it is a question for them as to whether they in fact implement that policy 100 per cent for all of their members.

**Senator LUNDY**—Where does the accountability chain there lead to—the IOC?

**Mr Mendoza**—One would presume so, given they are a member of the IOC, but I have not seen any evidence of it.

**Senator LUNDY**—That was a bit of a sidetrack down the path of non-publicly funded Olympic sports and non-Olympic sports. Perhaps I am better off asking questions about the

international federations of the Sports Commission, but does ASDA have any communication with those international sporting federations, and in what circumstances would that occur?

**Mr Mendoza**—Again, because of the provisions of the ASDA Act, we can notify the international sporting federation of a result on an Australian athlete. In fact, the Sydney laboratory, under ASDTL as part of its IOC and soon to be WADA certification, is required to report all analytical positive findings to the IOC and soon to WADA. So there are some crosschecks in the system here.

**Senator LUNDY**—Presuming there was will at least on the part of the international federation to enforce the policy, if not the local federation.

**Mr Mendoza**—That is the issue. We have had examples of foreign athletes testing positive to samples we have collected and the international federation not acting and we have had an example of Australian athletes in non-commission funded sports testing positive—in one case at least that is an AOC member sport—and neither the AOC or the international federation has held the Australian body to account.

**Senator LUNDY**—Which sport was that? It begs the questions.

**Senator Kemp**—Do you want to take it on notice?

**Senator LUNDY**—Minister, you are not telling him to take it on notice, are you? I heard that.

**Senator Kemp**—Senator, your ears are just—

**Senator LUNDY**—They are very sharp this morning.

**Senator Kemp**—I will have to be far more careful in future, I can see that.

**Senator LUNDY**—Pass him a note, for God's sake.

**Senator Kemp**—I think you are a lip-reader, actually, Senator.

**Senator LUNDY**—I heard it from here: 'Take it on notice!' No, don't take it on notice. Tell me which sport. I am starting to get paranoid that you are covering something up. Goodness me!

**Senator Kemp**—I know, Senator, but we do not cover things up. As you know, we try to help you as much as we can, but we do have to take other interests into account.

**Senator LUNDY**—Mr Mendoza does not need to take it on notice. He knows which sport it is, and I would like him to tell me, please.

**Mr Mendoza**—I know which sport, and we will publicly report on that in our annual report.

**Senator LUNDY**—I do not want to wait until then.

**Mr Mendoza**—I think in the context of—

**Senator LUNDY**—Cover up, cover up! Come on, tell me.

**Mr Mendoza**—Never can such a thing be said about the Australian system because it always publicly reports.



**Senator LUNDY**—It is a great system. This is a unique opportunity to put some pressure on the sports that are clearly not respecting the very comprehensive initiatives that this government, through the commission and ASDA, are taking. That is a very, very serious matter. I am being a little light-hearted about it, but I do believe it is a very serious matter, as I am sure the minister does as well.

**Senator Kemp**—The reason we put Tough On Drugs in place is because we take it so seriously. The reason we are funding it at record levels is because we take it so seriously. There is an organisation called ASDA which is set up to administer this, and the people at ASDA take their jobs particularly seriously. They are regarded as world leaders. Mr Mendoza will answer the questions as he wishes to. There are some issues you have raised which he will reflect on. Mr Mendoza is entirely free to respond to any question that you have.

**Mr Mendoza**—Again, to add to the minister's statement, the sport concerned has recently had a complete change of its leadership team. Most of these people are doing it in an honorary capacity. This is not a government funded sport. It receives, as I understand it, some support—financial and otherwise—from the Australian Olympic Committee. That sport has had a complete change of leadership. The leadership team are now aware of this outstanding case. I am confident that they will address it in due course. By the time ASDA reports to the parliament through the annual report in October when that is tabled, if they have responded to it, that will be there; if they have not responded to it, that will also be clearly evident. But I think at this juncture that to name the sport might be unhelpful. That is all I am flagging at this stage.

**Senator LUNDY**—Okay. We will move on. I will revisit these issues with the Sports Commission nonetheless. Going back to where I started with these questions and the discretion of the NSO as to whether they convene a tribunal and it is a publicly funded sport, who holds the NSOs responsible for failure to take that action?

**Mr Mendoza**—Just to clarify, the only discretion that exists—and it generally stems back to their IF policy—is when they announce either the result of a tribunal hearing or that they are convening a hearing. There is no discretion in terms of whether a sport in Australia that is receiving government funds chooses to conduct or otherwise. They are duty-bound to conduct. As I said before, I am not aware of any Australian sporting organisation that is in receipt of Sports Commission funding that has a result outstanding for more than 12 months.

**Senator LUNDY**—Thank you for that clarification. Would it in effect be the Sports Commission—not ASDA—that would pursue the sport if it did not convene a tribunal?

**Mr Mendoza**—Yes. I think 'pursue' is an appropriate term, and ASDA would publicly report.

**Senator LUNDY**—ASDA would publicly report, and the Sports Commission would pursue?

**Mr Mendoza**—Yes.

**Senator LUNDY**—I am presuming that if an investigation by the Sports Commission found that the sport had breached their policy, that would allow the Sports Commission to withhold funding or take some sanction against the sport. Is that your understanding?

**Mr Mendoza**—That is my understanding. But in the context of the six-monthly audits there is going to be no possibility for a sport to slip through the cracks on such an important issue.

**Senator LUNDY**—Are you aware of any results currently on the Register of Notifiable Events, the RNE, which have not been made public and which therefore are technically failing to meet the requirements of the framework?

**Mr Mendoza**—We release the RNE results every quarter, approximately two months after the end of the quarter in question. In fact, tomorrow we release, on an announced schedule, the results from the January-March quarter this year. They will identify all the notifiable events—positive drug tests and failures to comply—by sport, date, substance et cetera. If the sport has convened a tribunal, the result of that tribunal—which could be no sanction imposed, no doping offence found, or a sanction imposed—will be recorded there. One can understand that, if a result was only handed to the sport towards the end of March, it would be a challenge to wrap up the entire proceedings within an eight-week period. So, naturally, there will be some that may not have announced this at this point. But I would have to take on notice the specific question you have asked: am I aware—

**Senator LUNDY**—Just clarify for me whether there is at any point an obligation to publicly notify.

**Mr Mendoza**—I am saying that there is not a universal obligation on sport.

**Senator LUNDY**—So it is only through your accountability mechanisms that it could become public?

**Mr Mendoza**—That is right. That is how it currently exists, but we see some changes happening in this area under the code.

**Senator LUNDY**—Are you aware of any sports having had their funding withheld by the ASC as a result of their failure to meet requirements?

**Mr Mendoza**—That is a question you would have to put to Mr Peters.

**Senator LUNDY**—Sure, but are you aware of any?

**Mr Mendoza**—No, I am not aware of any, and it is a question you would have to put to Mr Peters.

**Senator LUNDY**—I would just like to refer to a *Canberra Times* article, dated 20 March, in relation to the Matildas. The reason I do is that there was a newspaper article about it, but it did report on a member of the Matildas who had tested positive for a banned substance but Soccer Australia had failed to take any action for two months. Are you able to provide information about the circumstances of that particular newspaper report?

**Mr Mendoza**—Yes, I can. The report was wrong.

**Senator LUNDY**—It was wrong.

**Mr Mendoza**—Yes.

**Senator LUNDY**—What was the correct circumstance? It is very important to know.

**Mr Mendoza**—There are no results outstanding that Soccer Australia has not acted on. There is a case in process at the moment, subject to appeal, involving a Matildas player, but that newspaper report was 100 per cent wrong on that issue.

**Senator LUNDY**—Does that happen often?

**Mr Mendoza**—Newspapers getting it wrong? Every day.

**Senator LUNDY**—In relation to your field of expertise, is it a constant frustration for you that you see things misreported?

**Mr Mendoza**—Sure. Inaccurate reporting and inappropriate reporting—

**Senator LUNDY**—We know all about ASDA's experience with respect to that, too. I am referring to Alan Jones.

**Mr Mendoza**—Media frequently get these things wrong. We have endeavoured to cultivate relationships with key journalists in the sport arena—in fact we started this process under Tough on Drugs in Sport prior to the Sydney Olympics—because we recognise how critical it is to public confidence and athlete confidence in the Australian antidoping program, and as an aspect of deterrence, that these journalists—and there are about eight of them—understand this issue. Invariably we do not find the misreporting and inaccuracies coming from that group.

**Senator LUNDY**—That understands how it works.

**Mr Mendoza**—They understand the issue.

**Senator LUNDY**—That is good to hear.

**Mr Mendoza**—The Patrick Smiths—and I am happy to name these journalists—get it right. It is invariably the journalists that only sporadically engage on this issue—and we had an incidence of this with the Ben Tune case last year where the journalists involved are not regular commentators or investigators of this particular issue and they got it substantially wrong.

**Senator LUNDY**—I want to ask some questions about some of the public commentary. When Shane Warne publicly announced that he had been notified of a positive test result, it was his choice to make that public, wasn't it? He did that off his own bat. He did not have to do that, did he?

**Mr Mendoza**—That is absolutely right. He elected to notify his team management within a very short time of ASDA waking him up in his hotel in South Africa. He alone—in consultation, as I understand, with the senior management of the team—decided to remove himself and return to Australia to undertake the hearing. They were entirely his choices. He has rights under the act, which means he could have stayed in South Africa and he could have played several competitions, but he—in my view quite wisely—elected to forgo those rights and remove himself from the team so that the team could get on with the business of what it was to do in South Africa.

**Senator LUNDY**—And that action stands in contrast, I would imagine, to other choices athletes have, such as to just keep on with business as usual—whether or not they use their

rights under the act. Theoretically, if a tribunal was convened and no sanction was applied, no-one would ever know until your report was published, would they?

**Mr Mendoza**—That is right.

**Senator LUNDY**—I think it is an interesting observation, with the choice of sports, that individual athletes have their own personal levels of responsibility and accountability. The Shane Warne case led to a far less commendable experience, in my view, than the personal decision by Shane Warne to stand up and deal with the issue and that was the comments made by Alan Jones at the time. Obviously it was a big issue. There was a lot of controversy surrounding it. But I would like to ask you specifically about the criticism levelled at you by one commentator in particular, who also happens to be deputy chair of the Australian Sports Commission and a radio commentator who launched an attack on ASDA in relation to the Ben Tune case and then again with respect to Shane Warne in February this year. Have you informed the minister and the Sports Commission about the harsh and unfair reflections of Mr Jones on the role of ASDA and the work that ASDA has been doing?

**Mr Mendoza**—I have informed the minister and had discussions with Mr Peters on this matter.

**Senator LUNDY**—In your view, is there anything—and I think I know the answer to this but I want to ask it—in those attacks that Mr Jones was able to substantiate? What was your defence to that attack? What action could you take to defend yourselves against those quite vicious attacks by Mr Jones on ASDA?

**Mr Mendoza**—Our response was the same as it would be for any media commentator that gets it wrong. We will determine a strategy that fits the circumstance. By that, I mean we consider very carefully what is going to produce the right result in correcting the public record and ensuring that ASDA's position is understood. So we took actions, as we saw fit, in the context of what was a media melee surrounding the whole Warne case. It was a period of sustained and unprecedented scrutiny of antidoping issues in this country and Alan Jones's comments were just one set in an array of comments that came from every media outlet. Were we aware of them? Yes. Did we act on them? We considered appropriate action. We countered the message through our own engagement with the media and corrected the public record. Did we inform the minister? Yes.

**Senator LUNDY**—Can you take on notice and provide the committee with all correspondence on the issue with Alan Jones in both the Ben Tune case and the Shane Warne case either to or from you and Mr Jones or the commission.

**Mr Mendoza**—We will take that on notice.

**Senator LUNDY**—Finally, I would like to turn to some more general questions about funding. First of all, I would like some clarification about wording contained on page 6-39 in Budget Paper No. 1. The wording is slightly different to that concerning the section on sport and recreation in Budget Paper No. 1 for the previous budget year. Last year funding was delivered through both ASDA and the ASC, and both ASDA and ASC were referred to as separate entities. This year ASDA has been referred to as a subfunction of the Sports Commission, hence fuelling my concern about this independence issue. Minister, I am sure

that you can appreciate this. Is this an issue? Has something changed or am I getting paranoid about drafting?

**Senator KEMP**—Can I just make an observation here—I want this to go on the record. ASDA is independent. ASDA will make statements as it sees fit and it will answer questions as it sees fit. I do not want there to be any reflection or hint that ASDA does not operate in an independent fashion. We are justifiably proud of the lead we have taken in relation to being tough on drug taking in sport. I do object to the continual reference to the lack of independence of ASDA. From my point of view, and I would hope from yours, we need to have an independent body which can deal with these sensitive issues as it sees fit. I do not seek to undermine in any way—in fact I seek to enhance—the independence of the body. I hope that that would be your view as well.

**Senator LUNDY**—As I said, it is a concern I have. I am sure that if you delved into the previous history of your portfolio you would understand the sensitivity of this matter and the sensitivity surrounding the role of the Sports Commission in regard to ASDA. It is in that historical context that I continue to pursue it. I certainly accept your explanation.

**Senator Kemp**—You have a particular bugbear against the Sports Commission and we understand that. We understand you do not like some of the things that the Sports Commission has done, and you are on record as saying that. Despite any political campaign you may run, I think there is a public interest here, and the public interest issue is that the authority and standing of bodies like ASDA should not be undermined by you or by me. That is why I have come back at a number of questions you have asked. You should not confuse a political attack—which I may deplore but which you are entitled to make—on the Sports Commission with seeking to leverage some public reflection on ASDA.

**Senator LUNDY**—I thought I was being very polite in reflecting on the historical context of this issue. I am doing my very best to give you an opportunity to clarify this subtle change in the budget papers.

**Senator Kemp**—The secretary of the department would like to make a statement.

**Ms Williams**—It is really a question. We do not have Budget Paper No. 1 with us—that is obviously not produced by us—but we are a bit puzzled by what you are saying.

**Senator LUNDY**—If that is the case, perhaps you could take on notice to provide me with an explanation of the subtle change in wording. It may be a drafting issue.

**Ms Williams**—It could well be.

**Senator LUNDY**—If it is a drafting issue, I will be reassured 100 per cent.

**Ms Williams**—Could you tell us the page again, please.

**Senator LUNDY**—I am referring to Budget Paper No. 1, page 6-39.

**Ms Williams**—Perhaps we could get back to you on that one.

**Senator LUNDY**—Thank you. It is comparing the description of sport and recreation in those budget papers with the previous years. It could be a drafting issue. You will appreciate that my forensic exploration of Budget Paper No. 1 trawls up little issues like this from time to time.

**Senator Kemp**—It is a very impressive performance!

**Senator LUNDY**—Thank you, Minister.

**CHAIR**—We might have a break here.

**Proceedings suspended from 10.59 a.m. to 11.22 a.m.**

**Senator LUNDY**—I would like to clarify that there appears to be a drafting issue, so my suspicions are unfounded.

**Senator Kemp**—To hear that is a great relief.

**Senator LUNDY**—I would like to thank the secretary for pointing that out.

**Senator Kemp**—You are dealing with a very efficient department here, Senator.

**Senator LUNDY**—Indeed. You must be very proud of them, Minister.

**Senator Kemp**—And a very efficient minister, if I say so myself!

**Senator LUNDY**—On page 370 of the PBS, it says there is a decrease in resourcing to ASDA and a line item for ASDA says:

The Government has identified savings of \$0.5 million into 2003-04 which will be effected across the portfolio.

Is that just ASDA's proportion of that half a million dollars across the department?

**Mr Terrell**—That issue is probably better referred to the department for a response.

**Ms Williams**—There is a one per cent cut to running costs across the department which is apportioned across all agencies in the portfolio.

**Senator LUNDY**—So it ends up as 0.006 in ASDA. Is there any impact on your operations as a result of that across-the-board cut?

**Mr Terrell**—We have lost \$6,000, but we will be able to do what we need to do next year.

**Senator LUNDY**—\$6,000 is quite a few tests nonetheless. I want to go back to the questions I was asking before about the cost of testing, particularly in the lead-up to an Olympic year. It crossed my mind that not only do you need to be doing more tests in Australia in world events but also there is the obvious cost of having to conduct testing overseas. Does ASDA incur the costs of having to test athletes who are competing overseas? How does that work?

**Mr Mendoza**—In some cases, we engage a private firm which is a certified company for the collection of tests overseas. In other cases, we have what we call reciprocal testing agreements. We have about 20 of these with, again, generally high-quality programs. We can engage those on a no-cost basis. They will collect the tests for us in accordance with our instructions and have the tests analysed in a laboratory overseas. Wherever possible, we do that on a no-cost basis. In some cases, because we might have more Australian athletes in the US than the US has here, there may be an exchange of funds as well. But through that we do it cost effectively.

**Senator LUNDY**—I am sure you do. Nonetheless, when all is said and done, in the reciprocal arrangements is there an additional burden of a travel requirement on your officers that is abnormal in a non-Olympic year or in a year that does not lead up to an Olympic year?

**Mr Mendoza**—We envisage doing more tests overseas in the next 12 months than we have in the past 12 months, as we lead up to Athens, given that a number of Australian elite athletes will be basing themselves in Europe. But, as to actual additional travel burden for ASDA staff, we would not envisage that to be the case. We will use the most cost-effective solution, which is invariably another national antidoping agency in the relevant vicinity.

**Senator LUNDY**—I do not know if I am asking the question in the right way to get the answer I want. Is there a net deficit to your budget, or a net impact on your budget, because of that overseas testing? With all of your reciprocal arrangements and efficiencies, does it cost you more because more athletes are overseas? Is that the bottom line?

**Mr Mendoza**—There is no doubt that it is a factor in the cost of drug tests. If we compared it to, say, five or six years ago, we would find that it is a larger cost factor. But we use the reciprocal agreements in order to defray that cost.

**Senator LUNDY**—I understand that, but is the bottom line that it is going to cost you more?

**Mr Mendoza**—There is no question that in this pre-Olympic year we will spend more money than we did in the last year on testing Australian athletes overseas. Have we got the resources to do it? We have got the resources to do it. We have got a target figure of numbers of tests, and we are confident that through the various mechanisms we have got we will be able to do that.

**Senator LUNDY**—I am sure that if you had any shortfalls your cooperative and understanding minister would be the first to—

**Mr Mendoza**—He would be the first to know.

**Senator LUNDY**—facilitate a solution to the problem—wouldn't you, Minister?

**Senator Kemp**—A very wise comment.

**Senator LUNDY**—Mr Mendoza is going to hold you to that.

**Senator Kemp**—I am sure he will.

**Senator LUNDY**—I have a final series of questions, again relating to a newspaper report. I will identify the specific athlete: Stuart Rendell. Can ASDA outline their involvement in the circumstances surrounding the Stuart Rendell case? According to the news reports, it was alleged importation and consequent seizure by Australian Customs of a banned substance, anterior pituitary peptides, a performance-enhancing drug. What was your involvement?

**Mr Mendoza**—I would just preface my comments here by saying that there are proceedings under way, investigations under way, into the matters surrounding this case. I think we have to be mindful of that.

**Senator LUNDY**—I certainly do not want to compromise those investigations. So could you just answer to the best of your ability, with that in mind?

**Mr Mendoza**—ASDA was advised by the Australian Customs Service of this seizure of substances on 9 May this year. We received formal notification from Customs and in the usual way we took account of that in terms of our test distribution planning—

**Senator LUNDY**—So you were notified by Customs?

**Mr Mendoza**—That is right, on 9 May, relating to a matter that occurred in 1999. Part of the reason for that delay—delay in the public being aware of this issue, which occurred I think on Easter Tuesday, 22 April or thereabouts—in ASDA being notified was the fact that this seizure predated the ACS legislative changes that came through under the Tough on Drugs in Sport policy, so it was related to that. It also related to the question of whether these were banned substances or suspected as being banned substances. I understand there was considerable legal advice that the ACS had to examine before passing that formal notification to ASDA.

**Senator LUNDY**—So has ASDA advised the AIS of any of these matters? I presume it would be post 9 May when you were formerly advised.

**Mr Terrell**—The actual information exchange occurred prior to that between Customs and the Sports Commission. The Sports Commission can, I am sure, give you all the details. But the Sports Commission was advised on or about the time that the press article that was referred to was in the *Canberra Times*.

**Senator LUNDY**—I am just trying to remember all of the processes that are supposed to be in place. Mr Mendoza said that there were some legislative changes that could impact on whether or not the correct notification procedures took place. Could you just clarify for me what the normal circumstances are for Customs to advise of an occurrence of this type? How should it happen under the current regime?

**Mr Terrell**—Under the legislative regime which is in place between Customs and ASDA, we have a protocol which outlines what information they can give to us. Basically, the information relates to any substances which are banned substances, as per our schedules, which are detected at the border. It is at the point of seizure that they can notify us.

**Senator LUNDY**—So the thing that is a bit grey here is that the seizure occurred before that legislative requirement?

**Mr Terrell**—That is right.

**Senator LUNDY**—What was the previous legislative requirement in relation to these matters?

**Mr Terrell**—I am sorry, it predates me. You would probably have to ask Customs that question. They actually did have regulations in place which, I understand, have been repealed since then.

**Senator LUNDY**—Are you able to tell me whether there was theoretically a mechanism in place that would have required them to notify at least ASDA and the Sports Commission—or at least ASDA?

**Mr Terrell**—My understanding is that there was a mechanism in place—

**Senator LUNDY**—And that is one of the issues being investigated?



**Mr Terrell**—The question that Customs had to satisfy themselves of, because it predated the current protocol, was whether or not they could actually pass us that information.

**Senator LUNDY**—Did the legislation deal with any retrospective matters of that type?

**Mr Terrell**—Not to my knowledge.

**Senator LUNDY**—Given that the Sports Commission became aware on or around the time of the newspaper article, why wasn't ASDA officially informed until some two or three weeks later? What happened there?

**Mr Terrell**—My understanding is that the protocol between Customs and the ASC is slightly different in terms of what information they can or cannot provide the commission, as opposed to what information Customs can provide ASDA.

**Senator LUNDY**—It would seem to me that ASDA is the one with the legislative mechanism to be formally notified, and it strikes me as a little odd that the Sports Commission was notified before ASDA. That is not in accordance with the prescribed procedures that we went through an hour or so ago or the rights of the athletes to go through certain processes and appeals. I do not know if that pertains in this case.

**Mr Terrell**—Basically, the information provided to us by Customs is to inform our drug-testing program. My understanding is—and maybe the commission can clarify this—that the information they get from Customs goes more to the policy issues about allegations and suspected importations and trafficking. So that becomes a policy issue that the commission can then pursue with individual sports.

**Senator LUNDY**—What role do you have in this inquiry currently being undertaken?

**Mr Terrell**—We do not have a role.

**Senator LUNDY**—You will be called as a witness, I presume.

**Mr Terrell**—No. We have not been invited to participate, nor have we felt the need to participate.

**Senator LUNDY**—So will you be providing evidence to say when you were formally notified and that sort of thing?

**Mr Terrell**—We would be happy to talk to anyone conducting an investigation into the matter, but we understand that the information we have received from Customs is exactly the same information that Customs has provided to the Sports Commission.

**Senator LUNDY**—Is the way you receive information in accordance with the current legislation?

**Mr Terrell**—It is.

**Senator LUNDY**—Has Athletics Australia ever contacted ASDA in relation to this matter, in particular to notify them that Customs had told them of the seizure?

**Mr Terrell**—We have not spoken to Athletics Australia about this issue.

**Senator LUNDY**—Correct me if I am wrong, but my understanding is that Athletics Australia would be obligated, at least under their own policy, to notify ASDA of the seizure having occurred.

**Mr Terrell**—I do not think so, no.

**Senator LUNDY**—Would that be a matter of the NSO's policy? Is it linked in any way to the act or to the Customs protocol?

**Mr Terrell**—It goes back to the NSO's policy and the relationship it has with the Sports Commission.

**Senator LUNDY**—So it is really up to the Sports Commission and the NSO to determine whether these sporting organisations should notify ASDA of anything seized at customs. Is that what you are saying?

**Mr Terrell**—That is correct.

**Senator LUNDY**—Have the AIS or the Sports Commission ever contacted ASDA in relation to the Stuart Rendell situation?

**Mr Terrell**—I spoke to the Sports Commission on or about the time the press article was released, and I have spoken to them several times since then about the issue.

**Senator LUNDY**—How would an event such as the seizure of a prohibited substance emerge in your public reporting requirements, in your annual reports and your quarterly reports?

**Mr Terrell**—We would, I think, indicate that we were being given information and that the protocol was in place and working—in fact, we do receive information from Customs on a reasonably regular basis. I do not think we would go into the details of the reporting, because the matters that would be referred to us would be to inform our testing program, and that would be reported separately as part of our testing statistics.

**Senator LUNDY**—But what we are dealing with here is an example where, for whatever reason—including, I appreciate, the complexities of this having occurred before the legislative change—ASDA did not become aware of this seizure until it had hit the newspapers on 22 April.

**Mr Terrell**—We actually got notification just before the article was released, and that came from the Sports Commission. As far as formal notification is concerned, I think it is important that you look at the context. The athlete involved has been a prominent Australian athlete for many years and was within ASDA's program coverage for that period of time. We knew this athlete to be a highly prominent athlete and a very successful athlete, and we therefore incorporated that athlete within our testing programs.

**Senator LUNDY**—I appreciate that. I would think it would be a fair comment to make that information such as this would further inform that testing program.

**Mr Terrell**—That is why we have the protocol in place.

**Senator LUNDY**—That is why you have the protocol in place, but that element of that protocol failed on this occasion.

**Mr Terrell**—No, because the protocol came in after the interception.

**Senator LUNDY**—Are you aware of any other occurrences of failure in the protocol since it has been in place?

**Mr Terrell**—I would not call this a failure.

**Senator LUNDY**—Have there been any failures in the protocol since the legislation has been put in place?

**Mr Terrell**—No, we are not aware of any instances where information that Customs collect should have been passed onto us.

**Senator LUNDY**—And has not been?

**Mr Terrell**—And has not been.

**Senator LUNDY**—What subsequent contact have you had with the AIS or the Sports Commission since that initial time in relation to the Stuart Rendell situation?

**Mr Terrell**—We have not had any contact with the AIS. We have spoken to the commission in general about their handling of it and the approaches they have put in place with Athletics Australia to investigate it. That is about it.

**Senator LUNDY**—Were any of these organisations, particularly the Sports Commission, obliged in any way to notify ASDA of the investigation process that is now taking place?

**Mr Terrell**—I am not aware of any obligation per se upon the commission to tell us, but I think the relationship is strong enough to indicate that they would in fact do that, to make sure that we were informed and aware of what was going on.

**Senator LUNDY**—Does a scenario exist whereby a matter such as this could be undergoing an investigation by the Sports Commission and ASDA was not involved or aware of that?

**Mr Terrell**—Absolutely.

**Senator LUNDY**—There is?

**Mr Terrell**—There is.

**Senator LUNDY**—In what circumstance?

**Mr Terrell**—We are not involved in the investigation of this matter right now, but we are certainly aware that the issue is being looked at from the Sports Commission's point of view. I think they can go into the details.

**Senator LUNDY**—All right, I will pursue it with them. I have a question on notice for ASDA. Could you please provide the committee with all correspondence relating to this matter between yourselves, the minister, the AIS, the ASC, Customs, Stuart Rendell and Athletics Australia.

**Mr Terrell**—I am not aware of any correspondence.

**Senator LUNDY**—Then you will not be able to provide me with any letters.

**Senator Kemp**—We will take that on notice—though it is not my habit to provide letters from people to me to Senate estimates committees, nor was it the habit of former Labor ministers. As always, I will look at your request constructively.

**Senator LUNDY**—Thank you.

**Mr Mendoza**—There is just one thing I wish to correct the record on. I mistakenly said that the number of tests we expected to conduct by 30 June this year was 3,300. It is indeed 3,500. That is still fewer than we expect to conduct next year, which is 3,800.

**Senator LUNDY**—But only 300 fewer.

**Mr Mendoza**—Next year is 300 more than this year. I mistakenly said 3,300 for 2002-03.

**Senator LUNDY**—Thank you for drawing that to my attention. I think it just reinforces my concern about whether or not you were funded to do an appropriate and adequate number of tests in a pre-Olympic year. What is your response, Minister?

**Senator Kemp**—We are certainly funding ASDA at a far greater rate than the Labor government did. I do refresh my reading from time to time on the sports policy of the Labor Party and—correct me if I am wrong—I cannot recall you making promises in that sports policy to give additional funding to ASDA.

**Senator LUNDY**—That is because we have not released our policy yet.

**Senator Kemp**—This was before the last election. Nor do I recall in Simon Crean's reply to the budget that he was proposing more funding for ASDA.

**Senator LUNDY**—I accepted your reassurance that, if Mr Mendoza felt there was any inadequacy in his funding, he would come to you and you would be immediately forthcoming.

**Senator Kemp**—What you do not seem to fasten onto is that we have actually significantly increased the funding of ASDA over the years. We will be doing more tests this year. This is actually a good news story, and we want that message to get out. We would not want the shadow minister for sport to be in the process of undermining or clouding a significant issue where this government is taking strong action on drugs in sport.

**Senator LUNDY**—I thought I had been overly generous in my acknowledgement of your role in particular, Minister, in your vehement support—

**Senator Kemp**—From time to time you do make kinder comments.

**Senator LUNDY**—for prohibiting drugs in sport.

**ACTING CHAIR (Senator Tchen)** —I thank the witnesses from the Australian Sports Drug Agency.

[11.45 a.m.]

#### **Australian Sports Commission**

**Senator LUNDY**—It probably makes sense to proceed by following up matters left outstanding for the Sports Commission in relation to the WADA code. Can you step me through what will change for the Sports Commission as you embark upon the path of implementation of this code by the time we get to the Athens Olympics? What does it mean for the Sports Commission and how are you involved? For example, what is your role in the working group?

**Mr Peters**—The full implications are not actually known, which is why we are working with ASDA and the department to assess what the code means internationally and the impact

it has on sport in Australia. We are committing resources to those discussions and similarly to the national sporting organisations and their understanding of the implications. We are working through that process. We are in those deliberations at the moment as more information becomes available about what that actually means to us as an organisation and, more importantly, to servicing the NSOs.

**Senator LUNDY**—Have you been provided with any additional funding in the forward estimates and indeed in this coming financial year to support the changes that need to take place and to ensure compliance?

**Mr Peters**—Do you mean the changes brought about by the WADA code?

**Senator LUNDY**—Yes.

**Mr Peters**—We have not requested any additional funding, because at this stage we do not know what the implications are. We have had a restructure of our sport development area, to which we have transferred a resource to make sure that we now have a couple of people working in that area.

**Senator LUNDY**—On that point, I noticed that the Sports Commission has advertised for positions on antidoping programs within the organisation. What are those positions?

**Mr Peters**—That is associated with the restructure. I will let Mr Espeland explain that restructure.

**Senator LUNDY**—Does that relate to what you were just talking about?

**Mr Peters**—Yes.

**Senator LUNDY**—So you have created a couple of positions that will facilitate the implementation of the code from the Sports Commission's perspective?

**Mr Peters**—The realisation for everyone is that we need to provide more assistance to NSOs for them to understand what is a very difficult area. Our responsibility is to work with ASDA, and the relationship between the two organisations is a very positive one. Given the number of national sporting organisations we deal with, we have had to look at where some of our priorities are, and that has meant some restructuring, not just in relation to this issue but in relation to the whole participation issue and everything else. That is the restructure we went through. We wanted to get someone in who had some expertise in that area, and that was one position that was redefined and advertised.

**Senator LUNDY**—So there is an antidoping officer position and, I think, an ethics and antidoping position and a managerial position in this sort of area. Is that correct?

**Mr Peters**—It may be worth Mr Espeland explaining the structure, because it fits into a total restructure of what we are trying to address. There is not an area we call 'drugs'. I will let Mr Espeland explain that area and where it fits in, if you like.

**Senator LUNDY**—I actually want to come to those broader issues of restructuring and funding, but I just want to stay focused about the wider code and compliance for now. We can come back to that. I am conscious of time. What is the Sports Commission's view about the importance of independence of ASDA from the AOC? I presume you are as committed to that as the minister is?

**Mr Peters**—As I said, I think there is a very positive working relationship. Our boards meet on a six-monthly basis.

**Senator LUNDY**—Jointly?

**Mr Peters**—Yes. I meet with Mr Mendoza, our executives meet on a quarterly basis to discuss issues, and we are involved with a number of joint committees. It works very well.

**Senator LUNDY**—And you think their independence is paramount, no doubt? Not that I want to put words in your mouth.

**Mr Peters**—It works very well.

**Senator LUNDY**—Their independence?

**Mr Peters**—As does ours.

**Senator Kemp**—Senator, again—

**Senator LUNDY**—I was waiting for that.

**Senator Kemp**—there is no question of the independence—

**Senator LUNDY**—That pregnant pause was designed to allow you to fill it.

**Senator KEMP**—Senator, I do not want to speak about the need for courtesies here when I am talking. The independence of ASDA is government policy. That remains and is a firm part of government policy.

**Senator LUNDY**—I was giving the commission the opportunity to confirm that. I got a slightly odd answer; it was not negated.

**Senator Kemp**—That is the policy. That is our policy, and that is the policy I enforce as the minister.

**Senator LUNDY**—I ask the Sports Commission if they think a fully independent ASDA is the most effective way of ensuring that Australian sport is kept drug free, or as drug free as is absolutely possible?

**Mr Peters**—In my time with the commission there has been no consideration other than the present arrangement, which has us as an independent organisation and ASDA. It has worked extremely well. And, as the minister has said, it is government policy, and there are no moves that I am aware of to change that relationship.

**Senator LUNDY**—That does not answer the question I just asked, though. Do you think an independent ASDA is the most effective way to achieve what everyone wants to achieve?

**Mr Peters**—The simple answer is: yes, because it works very well at the moment.

**Senator LUNDY**—That is what I was looking for. Can you confirm that the minister and the Sports Commission are obligated under the antidoping framework to monitor the antidoping programs and policies of NSOs and to ensure NSO compliance with antidoping requirements?

**Mr Peters**—Are you asking whether we are committed to the process we have in place at the moment?

**Senator LUNDY**—No, I am asking you to confirm your obligations under the framework, which are to monitor the programs and policies of NSOs and to ensure NSO compliance with antidoping requirements. That is certainly my understanding of your role.

**Mr Peters**—Yes, that is the process we have at the moment, and we continue to be committed to it.

**Senator LUNDY**—ASDA have already outlined the antidoping requirements of NSOs who receive funding from the AOC. Can I now follow up that series of questions with the Sports Commission. Are you aware of any national sporting organisations who have failed to meet the requirements of the new assessment process put in place in May last year?

**Mr Peters**—Our board has a policy that if any NSO is non-compliant then they expect that I will take those sports forward and we will look to sanction or to suspend funding. At this stage, from the commission's perspective, there are no sports that are non-compliant with what we have asked in the process at the moment.

**Senator LUNDY**—I ask you again: have any sports failed to comply with the specific guidelines surrounding the NSO antidoping assessment process?

**Mr Peters**—There are no sports that we regard as non-compliant.

**Senator LUNDY**—Can I point out that that is slightly inconsistent with what ASDA conveyed in earlier evidence, in that we got stuck on naming a sport that had not complied in strict accordance with it and who had not satisfied with reasonable explanations for not complying. Are you specifically contradicting ASDA's evidence?

**Mr Peters**—I am saying that, from the commission's point of view, there are no sports that are noncompliant with the requirements. There are many sports that are struggling with what the implications of the WADA code are going to be and there are many that require help in educating them in moving forward, but none are noncompliant with what they have been asked to do. I understand Mr Mendoza said there were some sports that had difficulty in meeting some of the time lines because of the Commonwealth games. They were extended in the first round extensions and other sports have asked numerous questions and for assistance in providing some of the information. We are about to go into the third round of assessments and I would hope and expect that again sports are responding.

There is no NSO deliberately trying to not comply with the system. It is a very difficult and onerous task for NSOs. Many do not have a lot of staff in place, so the responsibility for ASDA and us—and I believe as organisations we are doing it extremely well—is to work with those NSOs. My board, as I said, has a policy that, if there are noncompliant sports, we will take action against them.

**Senator LUNDY**—The Sports Commission obviously has the role of policing this. There is a policy in place that everyone works together—the sports, ASDA and the Sports Commission are all involved—but because you are the ones with the money, you hand out the funding. You are the only one in a position to really enforce compliance. Have you ever, in relation to antidoping, withheld money from a sport?

**Mr Peters**—Not in the last 2½ years. I am happy to check to see if anything happened before that period.

**Senator LUNDY**—If you could take it on notice. Prior to May last year, did you have a process by which you could hypothetically have withheld funding to a sport?

**Mr Peters**—Yes, that option is always available to the commission. Since my arrival at the commission, Mr Mendoza and I have met on a regular basis. Our officers discuss issues within the legal bounds of what they are able to discuss, and again there has been always been a very positive working relationship for the good of sport.

**Senator LUNDY**—Since May last year has there been any circumstance in which you have had to threaten the withdrawal of funding, withdraw funding or withhold some funding?

**Mr Peters**—No, other than the correspondence that Mr Mendoza and I have jointly sent out explaining to national sporting organisations the high regard that government has for the antidoping and the no tolerance policy.

**Senator LUNDY**—No tolerance policy?

**Mr Peters**—Zero tolerance policy. So they are well aware of their responsibilities and, indirectly, the repercussions of that.

**Senator LUNDY**—In relation to the second round of the new process, the antidoping assessment process, given there are a number of sports that are still struggling to satisfy all the requirements and it is now May—Mr Mendoza said that; you have said that too—are there any sports that, from the commission's perspective, still have outstanding issues to address for the May round?

**Mr Peters**—In terms of providing information? No. In fact, we are moving into the third round now.

**Senator LUNDY**—So as far as you are concerned, all issues have been resolved.

**Mr Peters**—There are certain issues of education within sports that we are working with sports on. But, as I said before, there is not a sport that we believe is in the no compliance category that requires us to go to our board and seek some actions against them.

**Senator LUNDY**—Can you tell me which sports failed to complete their assessments in round 2 by the deadline?

**Mr Peters**—I would have to take that on notice. I do not have the individual details.

**Senator LUNDY**—Were there any? There obviously were.

**Mr Peters**—In terms of whether they asked for extensions, I am sure there would have been some. I am not aware of them at the moment, but we can take that on notice.

**Senator LUNDY**—Particularly in the last 12 months since this program has been in place, have there been any sports for which you have had to formally contact the international federation to request an explanation or indeed to support that policies be adhered to?

**Mr Peters**—Not that I am aware of.

**Senator LUNDY**—Can you take on notice to provide correspondence between the Sports Commission and international federations in relation to antidoping?

**Mr Peters**—If there is any, yes.



**Senator LUNDY**—During the questions to ASDA it became clear that if there is a failure to act on a notifiable event it is up to the Sports Commission to take action. Can you tell me, from the Sports Commission's perspective, at what point you make the decision whether or not a matter needs to become public? When do you have to face the choice of whether or not to engage an international federation to support you in enforcing their policy with the locally funded body? Indeed, at what point do you as a sports commission funding a national sporting organisation make a decision to make that public in order to get their policy enforced? I do not mean so much the case going to the tribunal—because I think that has happened in every case—but in terms of making it publicly known. How do you weigh up those matters?

**Mr Peters**—We would try not to use the media as an avenue to put pressure on a sport. Hypothetically, and it has not happened yet, we would have discussions with ASDA. If it was an IOC issue we would discuss it with the IOC. If it was a Commonwealth Games Federation issue we would discuss it with them. Again, it is hypothetical. We would try to resolve these issues within the system. If there was an issue with an international federation, we would be involving the national sporting organisation in that process. It has not happened as yet. The process we have for particular issues is that I report to the board, at each board meeting, on the processes and outcomes of the deliberations of NSOs. Once ASDA informs us of the NSO, as they do in the case of a positive test, we will follow that up to ensure that the appropriate processes are put in place.

**Senator LUNDY**—At what point are the board of the Sports Commission involved in that process?

**Mr Peters**—They are informed at every board meeting of the cases against individuals within a sport. They do not become involved in hearings or anything else.

**Senator LUNDY**—Is there any opportunity, in such matters, for individual board members to intervene on behalf of a sport that they may have been involved with or currently are involved with?

**Mr Peters**—I am not sure what you are getting at.

**Senator LUNDY**—Is there any opportunity for them to do that? My next question is: have any board members done that?

**Mr Peters**—If I could answer the last question first, I am not aware of any board members in the 2½ years that I have been here. As to the first question, given the we are the final arbiters on actions against NSOs, my recommendation to board members is that they should not be involved.

**Senator LUNDY**—They should not be?

**Mr Peters**—They should not be. I understand that one of our board members, a solicitor in Melbourne, may have been involved in a case at some stage. I do not have the particular details, but I would be happy to get them. Certainly it is not a policy or anything else we have within the commission.

**Senator LUNDY**—Which case is that?

**Mr Peters**—I am not sure of it. It may well have been before my time, but I remember reading something about a board member representing an athlete in a case. I would be happy to provide that information.

**Senator LUNDY**—Are you aware of any other circumstances where a board member of the Sports Commission has been involved in any way in an antidoping matter with respect to either the Australian national sporting association or the international federation?

**Mr Peters**—I would need to clarify ‘in any way’. You commented before—

**Senator LUNDY**—I mean by providing correspondence or in an official capacity or in any informal capacity—has there some level of intervention or involvement?

**Mr Peters**—Not that I am aware of.

**Senator LUNDY**—Perhaps you would like to take it on notice.

**Mr Peters**—Okay. Could I just clarify the question on notice: has any board member of the Australian Sports Commission written any letter or made any representation on with anything to do with drugs and antidoping policies worldwide?

**Senator LUNDY**—That should just about cover it.

**Mr Peters**—I may need some time. That is fine—I just needed to get some clarification.

**Senator LUNDY**—I want to focus particularly on the last round. The Sports Commission says it is still having discussions with a number of sports. Can I ask you formally whether or not you are prepared to identify those sports?

**Mr Peters**—We have an education role with every sport.

**Senator LUNDY**—No, the sports that—

**Mr Peters**—Our discussions are around educating them on what the requirements are, working with them to assist them in understanding the templates and the information that has to be provided.

**Senator LUNDY**—There were obviously some problem sports arising out of round 2 of the assessment process. Are you able to identify any particular sports?

**Senator Kemp**—That question was taken on notice by Mr Mendoza.

**Senator LUNDY**—I told you that I was going to ask the commission.

**Senator Kemp**—I know. I am just making it clear that it was put on notice and Mr Mendoza was going to look closely at the issue. There are some matters involved that I think he would want to look at before he responded. I imagine that would be the same with the Sports Commission.

**Senator LUNDY**—But you are not directing Mr Peters not to respond?

**Senator Kemp**—No, Mr Peters can make any comment he likes. I am just reminding you of the position beforehand.

**Senator LUNDY**—I asked a question of you, Mr Peters. What is your response?

**Mr Peters**—I am happy to provide the list of sports that have not been 100 per cent compliant in terms of ticking every square and everything else. It will be a significant number.

**Senator LUNDY**—And in relation to the second round?

**Mr Peters**—Yes. Again, there is an education process and everything else and we need to work through that with these sports. You used the word ‘problem’. I do not believe that is an appropriate word.

**Senator LUNDY**—Are there any sports which stand out as a result of the failure to comply aspect—that is, noncompliance with their requirements under the national assessment process?

**Mr Peters**—Not in the commission’s opinion.

**Senator LUNDY**—Is it a subjective issue? Are there areas of grey? How much discretion do you have?

**Mr Peters**—We make professional judgments.

**Senator LUNDY**—So you have a lot of discretion?

**Mr Peters**—Yes, because our role is to work within the legislation and with ASDA to assist our sports.

**Senator LUNDY**—We did not have a procedure to make these assessments prior to May last year, so obviously that discretion applied then. In terms of the next procedure, I am making the assumption that there is a little more black and white when it comes to comply or not complying. I am asking you whether or not there was any specific circumstance where a sport was demonstrably failing to comply in making their athletes available for testing—this is on the failure to comply requirement under the ASDA Act?

**Mr Peters**—As I answered before, there are no sports that we believe are not complying with the requirements.

**Senator LUNDY**—Is it feasible that some sports have failed to comply with the assessment process because of that failure to comply with a mechanism under the ASDA Act, and you have now assessed them as being compliant?

**Mr Peters**—As I said before, some sports were not able to meet some of the time lines because of the Commonwealth Games. Some have had—

**Senator LUNDY**—That was not my question. I am asking specifically about failure to comply.

**Senator Kemp**—Senator, you have asked a question. You have to remain silent while the response is given.

**Senator LUNDY**—Thank you, Minister. I will try really hard.

**Mr Peters**—I am struggling to answer the question because I do not know what you are trying to ask me, because there are no sports we believe are noncompliant at the moment in terms of our policy and going to our board. There are sports in the different rounds that have struggled to meet some time lines and we have extended those timelines. It is a very positive relationship between ASDA, the ASC and those sports. There is not a sport in Australia that is in any way trying to avoid its obligations under any of the policies or legislation in place. Some struggled to get information in on time. As Mr Mendoza said, there are changes of CEOs, there are overseas trips—and in some sports they need to have their executives there—

so we are working through to make this process positive in terms of an education and positive in terms of the outcomes for everyone concerned. The WADA initiatives, which have been driven by Australia, are world leading and we are ensuring that Australia remains at the forefront of that.

**Senator LUNDY**—Within your overall assessment that they are all complying, in the context of what you have just said, which is that you are all trying to work together, are there any sports—as far as the assessment criteria go, and I accept this is where it gets a little confusing for you—who have failed to comply on the issue of not making their athletes available?

**Mr Peters**—Are there sports in Australia deliberately making their athletes not available to ASDA or their agency for testing?

**Senator LUNDY**—Yes.

**Mr Peters**—Not in my opinion.

**Senator LUNDY**—Not in your opinion. Does that mean there have been allegations made about sports or records showing that some sports are less cooperative?

**Mr Peters**—Your question was: are there sports deliberately making their athletes not available? There are some issues for some sports in being able to identify the whereabouts of their athletes.

**Senator LUNDY**—You are reinterpreting my question. It is not ‘deliberately’—I am not suggesting obfuscating—but are there some organisations whose athletes are not available, for whatever reason? I am not suggesting it is deliberate, but they are not available and that has been an assessment or an observation made by the commission.

**Mr Peters**—One of the problems that a number of NSOs have, when their athletes are overseas, is knowing where they are each day. Again, we are working with ASDA to try to set systems up to make it easier for national sporting organisations—albeit the obligation is on the athlete—to know where they are at any point in time. That is a challenge for a whole number of sports that have athletes that are competing offshore.

**Senator LUNDY**—Are you aware if any sport has a practice or a policy of notifying athletes in advance of the timing of testing?

**Mr Peters**—No.

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

**Mr Peters**—I am sure that neither I nor anyone in the commission is aware of sports—as I understand you—telling their athletes that they are likely to be tested by ASDA and therefore the assumption from that is they should make themselves disappear. We are not aware of that and if we were we would be taking strong actions—I am sure ASDA would—against that sport. I would be happy, if you have any of those allegations, to take them on board.

**Senator LUNDY**—If you were aware of that and conducted an investigation, would that render that sport noncompliant with your assessment process?

**Mr Peters**—Yes. In fact that would be a major breach.

**Senator LUNDY**—Are there any sports, to your knowledge, that have a particularly bad record in availability of athletes for testing—in that element of failure to comply under the ASDA legislation?

**Mr Peters**—A number of sports that have athletes competing overseas have had difficulty in having those athletes identify where they are at any point in time and that is one of the key processes that we are working through with ASDA and those NSOs. It is also a key issue for WADA and all international bodies.

**Senator LUNDY**—Is that why ASDA have been given some money in relation to this issue? I think they mentioned part of the additional \$600,000 was to be applied in some way to facilitate location of athletes.

**Mr Peters**—I am not aware of the exact break-up of the ASDA budget.

**Senator LUNDY**—They did say something about that. What power does the Sports Commission have to deny funding on the basis of non-compliance? In your view, we are not at that point.

**Mr Peters**—The board has the ability to withdraw total funding.

**Senator LUNDY**—How would you do that, really? It is a threat out there obviously.

**Mr Peters**—And it is a threat that has been used by the board in the past and has actually been delivered on, not in relation to antidoping issues but in relation to other breaches of what sports are supposed to do. The mechanism would be that commission staff would do a paper around the issues and it would be referred to the board for decision.

**Senator LUNDY**—You have acknowledged that the Sports Commission has a lot of discretion in relation to this new national assessment process. At what point do you think it is reasonable for you to become tougher and more demanding—with none of this ‘I understand the education process’? I think from what you tell me that you are being very understanding of and very helpful to these organisations. At what point are you going to draw the line and say, ‘Now we’re going to get tough on drugs. There is no more room for grey; there is no more room for excuses; there is no more room for working it out together. You just have to comply—full stop—otherwise we’ll take your funding away’? Is that going to be in round 3?

**Mr Peters**—Again, we try to approach this by, firstly, ensuring that all the policies and so on are adhered to and, secondly, working closely with ASDA. If we believe—and we would continue to consult closely with ASDA—that a sport is noncompliant or is deliberately being evasive, then we would take the appropriate action. That has been the case for as long as I have been here.

**Senator LUNDY**—From an accountability point of view, if I come back next time and say that my question goes to—and I will tell you in advance; make a note, Minister, I am giving forward advance of questions for November—

**Senator Kemp**—We can hardly wait.

**Senator LUNDY**—who complied with round 3, are you going to say, ‘Everybody except A, B and C,’ or are you going to say, ‘We had a few issues, but in the Sports Commission’s opinion everyone kind of complied eventually’?

**Mr Peters**—I am extremely optimistic that I can come back and say that there has been 100 per cent compliance.

**Senator LUNDY**—So you are going to play hardball with them this round?

**Mr Peters**—I think we have been very strong with sports in the messages that we have delivered jointly between ASDA and the commission. I think sports are responding to that, albeit with some of those difficulties of overseas athlete identification that I talked about.

**Senator LUNDY**—Has the ASC at any time failed to ensure that NSOs which have athletes listed on the register of notifiable events convene hearings as required?

**Mr Peters**—As I said before, we report to each board meeting on those cases that have been referred to us. We follow up to ensure that the NSOs have undertaken their obligations. Again, in my time with the commission, I am not aware of any NSO that has not undertaken their obligation.

**Senator LUNDY**—So the answer to my specific question is no.

**Mr Peters**—Again, I am happy to go back and look prior to my time, if that is the timeline you are looking for. But certainly in my time the answer is no.

**Senator LUNDY**—Does that relate to notifiable events for both positive tests and failure to comply? Do you treat them equally?

**Mr Peters**—Yes, we get informed by ASDA, as do the NSOs, and we make sure that the NSOs follow up on that process.

**Senator LUNDY**—But do you treat a positive test and a failure to comply equally under the ASDA Act in your response to the sport?

**Mr Peters**—Yes.

**Senator LUNDY**—Do you make any distinction between those two notifiable events?

**Mr Peters**—No.

**Senator LUNDY**—In your experience do sanctions differ?

**Mr Peters**—There have been differing sanctions given out by NSOs or the through the appeal process.

**Senator LUNDY**—Are you in a position to make any general observations about how sports respond to a failure to comply with the test? Is it treated as seriously as it obviously should be?

**Mr Peters**—I think NSOs are paranoid about this whole area and their obligations and they are very mindful that they need to act. Luckily for the majority of the sports, if they do have either of those cases it is something unusual for them and they will use the Court of Arbitration for Sport and those sorts of organisations to help them in the process. Again, I am happy to respond on notice as to how many positives versus how many failures to show there are. I would imagine the percentage would be much smaller for failing to make oneself available. I am happy to provide an historical perspective on that.

**Senator LUNDY**—Can you outline the role that the Australian Sports Commission played in the circumstances surrounding the same article about the Matildas that I mentioned earlier

to ASDA—that is, the *Canberra Times* article of 20 March and the allegation that ASDA has certainly said was not true? Can you detail the Sports Commission's involvement in the issue?

**Mr Peters**—We received notification from ASDA, as the NSO did. The NSO conducted their inquiry and made a decision which I believe is now subject to appeal. We were checking the processes that went along and believe that Soccer Australia have complied totally with their requirements.

**Senator LUNDY**—So you were notified at the same time as ASDA.

**Mr Peters**—Yes, in accordance with their legislation.

**Senator LUNDY**—And in accordance with Soccer Australia's policy, I presume.

**Mr Peters**—Soccer Australia are notified under ASDA's legislation, but they have their antidoping policy, which they then enforced.

**Senator LUNDY**—In the view of the Sports Commission is there a time limit for compliance by NSOs to take the matter to tribunal and so forth? How much flexibility and discretion exists within NSOs?

**Mr Peters**—The test of reasonableness, I guess, is our response.

**Senator LUNDY**—Reasonable!

**Mr Peters**—But, again, all I can assure you of is that the national sporting organisations treat this very seriously and that they look to it to implement, for the sake of the athlete as well, a process in good time. So I could not put a month or two months on it—sometimes it is the availability of CAS representatives et cetera.

**Senator LUNDY**—I know that under their respective policies NSOs have to provide details of athlete whereabouts and contact information. Are you aware of any NSOs having failed to specifically to meet those requirements?

**Mr Peters**—I am not aware of those that have failed totally but, as I said before, I know that a number of sports have difficulty knowing where a lot of their athletes are at any point in time. One of the challenges for us, ASDA and the outcome of the WADA code implementation is to help NSOs and their national bodies to set up a system. The obligation is on the athlete, but the NSOs need to be enforcing those responsibilities. I would say that is probably one of our biggest challenges at the moment with a whole host of sports that have athletes overseas.

**Senator LUNDY**—Does the failure of an NSO, either in full or in part, to meet the requirements concerning athlete whereabouts constitute their failing to comply with the national antidoping assessment criteria or program?

**Mr Peters**—If we believed they were not attempting to implement a system to identify athletes' whereabouts in conjunction with the athlete, then that would be a noncompliance issue, yes. At this stage we know that a number of sports have difficulties with that particular aspect and we are working with them, as ASDA is, to assist them in the process. We do not believe there is anyone deliberately not trying to identify where their athletes are. The obligation is on the athletes and, with the mobility at the moment, that can cause some difficulties. We are not alone as a country in that problem.

**Senator LUNDY**—Again, attempting to obfuscate deliberately—those are the sort of words you used, ‘deliberately’ being a key area—that implies that there is quite a high level of commission discretion in assessing motivation of sports which are not performing well in that area. Are you able to identify specific sports which, regardless of their motivation, are having difficulty complying with the athlete whereabouts and contact information requirements?

**Mr Peters**—There are two parts to that question. Concerning discretion, we sit down and talk to ASDA. We work jointly on the assessments and where sports are at. A number of sports struggle with this particular issue but, as I said, they are not noncompliant and I do not have any concerns in supplying the names of those sports.

**Senator LUNDY**—Good. What are they?

**Mr Peters**—I do not have them at the moment. I would need to go back through our records and check which ones they are. The definition of athlete whereabouts, whether it is one or two athletes or it is a problem with a sport, I would need to check and talk to my staff about. I just know that overall it is a problem for a number of sports.

**Senator LUNDY**—Can the ASC outline their involvement in the circumstances surrounding the Stuart Rendell case?

**Mr Peters**—As I think you heard before, in August 1999 under the Tough on Drugs strategy there was legislation covering the Australian Customs Service, the commission and ASDA, enabling Customs to provide information and advice to the commission and ASDA regarding the seizure of banned sports performance-enhancing substances. This matter was referred formally to us in April by Customs.

**Senator LUNDY**—This year?

**Mr Peters**—This year, on 22 April. The matter was relating to something in May 1999. We subsequently contacted Athletics Australia and informed them of the situation. It is their responsibility to determine whether there was a breach and whether this was a banned substance. They have employed an independent investigator. The AOC have also been involved as part of the information parties and we would expect the AA report—which again is to determine whether in fact there is a case for the athlete to answer and whether this was a banned substance—by the end of this week.

**Senator LUNDY**—Where in your view was the breakdown in communications? Notwithstanding the changes in the legislation, this happened many years ago now. What is your observation about why you have become aware of it only when the issue—

**Mr Peters**—You would have to ask Customs that, but I understand they have certain legislative requirements. They informed us on 22 April about the case, so I cannot answer why Customs did or did not do certain things.

**Senator LUNDY**—Can you confirm that that was the first time the Sports Commission had been notified of that event?

**Mr Peters**—Formally by Customs, yes.

**Senator LUNDY**—What about through other means?



**Mr Peters**—Some of our staff were informally informed of some information just prior to that.

**Senator LUNDY**—Informally informed?

**Mr Peters**—Yes, by third parties, and we have instigated an investigation internally about the circumstances surrounding that.

**Senator LUNDY**—What does that mean? Did someone walk in with the documentation and say, ‘Have you checked this out?’

**Mr Peters**—We are investigating that at the moment. Our understanding is that information has been provided to some of our staff and we have the investigation. If you need more detail about that, Mr Scott can talk about how that was conducted independently and where we are with that at the moment.

**Senator LUNDY**—When was that? When did that information arrive informally on your doorstep, on what day?

**Mr Peters**—I do not know the actual dates. My understanding is that it was within weeks prior to Customs informing us.

**Senator LUNDY**—Was it before or after the newspaper article?

**Mr Scott**—The information provided informally to staff was prior to the newspaper article.

**Senator LUNDY**—Did the commission provide the documentation to the newspaper? I suppose you can assume that the same third party did.

**Mr Scott**—No, the commission did not provide the documentation to the newspaper.

**Senator LUNDY**—Did it come as a surprise to you that there was a media story on this issue?

**Mr Scott**—I learnt of the story on the day it appeared. That was my first awareness of the matter.

**Senator LUNDY**—When did the Sports Commission initiate their inquiry into the matter? The dates are important here, so I will get you to follow up, Mr Peters, and give me the date when this information walked through the Sports Commission’s door, so to speak.

**Mr Scott**—I cannot recall the precise date, but it would have been within 48 hours after the newspaper article, because that is when management became aware of the matter.

**Senator LUNDY**—So management was not made aware of—

**Mr Scott**—Management was not aware of the issue until it received notification from Customs and the newspaper article.

**Senator LUNDY**—And then you subsequently found out that in fact the commission had received the information prior to—

**Mr Scott**—Staff within the commission had informally received information.

**Senator LUNDY**—And that is what you are investigating?

**Mr Scott**—Yes.

**Senator LUNDY**—And that is due to conclude this week.

**Mr Scott**—Yes.

**Senator LUNDY**—In these circumstances, if Mr Rendell is found to be in breach of the antidoping framework and associated requirements, will his or Athletics Australia's funding be cut?

**Mr Scott**—As Mr Peters has stated, the matter has been referred to Athletics Australia. They are undertaking an investigation. If their investigation concludes that he has a case to answer, then the matter will be referred to a tribunal. If that is the case, then Mr Rendell's scholarship will be suspended. The first step is to determine whether there is a case to answer. That is what Athletics Australia are currently investigating.

**Senator LUNDY**—Is the prospect of retrospective removal of funding an issue here? Can he be forced to repay funding? There is also a more general question as far as breaches to the antidoping code are concerned. Does the commission have any power to force sports to pay back money that has already been allocated?

**Mr Scott**—There are two issues—one from an AIS perspective. In our scholarship agreement, there is a provision, if an athlete is found guilty of a doping offence, to require the athlete to pay scholarship funds. If it gets to that case, that is something that the AIS would have to look at.

**Senator LUNDY**—When did the AIS contact the Sports Commission in relation to the Stuart Rendell situation?

**Mr Scott**—On the same day, the 22nd.

**Senator LUNDY**—As soon as the article hit the stands?

**Mr Scott**—Yes.

**Mr Espeland**—There are two issues here. There is the issue in terms of the athlete and there is also the issue in relation to staff prior knowledge. It was brought to my attention, I think on 16 April, the Wednesday before Easter, that there may be some documentation relating to this alleged issue dating back to May 1999. Given that it was outside the time frame of the current legislation and it is really a matter for Customs—this is under the Customs Act—we approached Customs to see whether or not we could have that information formally provided to us. That afternoon, on 16 April, I approached Michael Scott in two capacities—he was the acting chief executive officer, with Mr Peters being overseas, and he is also, obviously, Director of the AIS; so it was on both counts that I approached him—and indicated that we would get, hopefully, formal advice from Customs straight after Easter. On the 22nd, after Easter, Customs were able to confirm the information to us, which allowed us to link up with Athletics Australia in referring the matter to them. It was on that same day—and Mr Scott might like to confirm that—that we became aware that some staff members may have actually had this information previously.

**Senator LUNDY**—On that date of the 16th, staff did not bring that to your attention. So what did?

**Mr Espeland**—A staff member did bring it to my attention.

**Senator LUNDY**—But a different staff member from the one who had received the documentation.

**Mr Espeland**—Yes, a different staff member from before.

**Senator LUNDY**—How did that staff member become aware of it?

**Mr Espeland**—From a third party.

**Senator LUNDY**—So that staff member told you that a third party had told him that the documentation had already been dropped off, I presume.

**Mr Espeland**—No. The information provided was that, this alleged offence having occurred in 1999, there was documentation that purported to relate to it. As I said, the issue then really was to seek Customs agreement that they could provide it to us, given that it was outside the time frame of the current legislation. So on the 22nd it became apparent from discussions that Mr Scott had that some other staff members had in fact been aware of it some time previously.

**Senator LUNDY**—But no action had been taken?

**Mr Scott**—No action had been taken with regard to what?

**Senator LUNDY**—From the point at which some staff first became aware of it.

**Mr Scott**—No action had been undertaken by those staff, yes.

**Senator LUNDY**—In all of this, what was the Sports Commission's contact with Athletics Australia? Given my understanding of the process, even prior to legislation, Athletics Australia would have been made aware of this via Customs.

**Mr Scott**—My understanding is that the first awareness that Athletics Australia had was after we had received formal notification from Customs on the 22nd. I in my role as the acting CEO contacted the CEO of Athletics Australia by telephone and informed him of the situation and advised him that formal correspondence would be forwarded to them within 48 hours. He advised me that this was the first he knew of the matter.

**Senator LUNDY**—So the answer to my question—when did Athletics Australia notify the Sports Commission that Customs had told them of the procedure?—is that they did not; you notified them?

**Mr Scott**—Correct.

**Senator LUNDY**—Did Customs ever formally notify Athletics Australia that you were aware of the seizure?

**Mr Espeland**—The process calls for the commission to be notified with certain conditions, including being able to refer the matter to the sport for them to deal under their sporting antidoping policy. The information comes to ASDA and us. ASDA, as Mr Mendoza indicated, will look at it for the purposes of ensuring that their testing regime is properly targeted. They may make some adjustments there. It comes to the commission for the purposes—and this is agreed to by Customs—of referring it to the sport to deal with under their antidoping policy.

**Senator LUNDY**—Say that last bit again.

**Mr Espeland**—The information is provided to the commission under a particular section of the Customs Act which allows us then to refer it to other parties but under certain conditions. One of those parties is the sport concerned, for them to deal with it. We were

formally notified by Customs on the 22nd; on that same day Athletics Australia were informed.

**Senator LUNDY**—Hence, Athletics Australia is proceeding with an inquiry.

**Mr Espeland**—Yes. They have asked an independent investigator—an experienced sport lawyer—to look at it, and I believe that report is due later this week.

**Senator LUNDY**—I presume you will be providing evidence to the inquiry.

**Mr Espeland**—We have passed on all the information that is pertinent to that inquiry.

**Senator LUNDY**—I am conscious of the time. I am going to have to put some questions on notice, but I would just like to ask the minister to tell me the outcomes of the recent women in sport conference in Sydney and what, if any, follow-up there will be by the Sports Commission to pursue initiatives. I am not sure if the conference was structured to actually have outcomes or recommendations.

**Senator Kemp**—The general comments I have received were that it was a very productive conference. Quite a range of issues were discussed. I think probably the best thing would be to give you a summary from the relevant officer, and we can respond to any follow-up questions you have.

**Senator LUNDY**—Thanks.

**Mr Peters**—The idea of the conference was to have outcomes, and from the beginning the question posed to those there was that we needed them to be working with us to take appropriate issues forward and whether there should be some program adjustments within the commission. The minister in his opening address talked about perhaps the need for us to establish a program to help women to be encouraged and then helped to understand the roles of being on boards and how we would integrate that within the present mechanisms, because there are a number of board opportunity lists in different states or held in the Commonwealth. That was embraced quite enthusiastically. Continuation of the program we have with the Office of the Status of Women for rural and remote women to be involved in education was another one seen to go forward. The national leadership role and the role of Sports Industry Australia were also discussed at some length. I spoke to Sarah Lucas yesterday about how that has progressed. Pam Tye, who is a commission board member, together with Margot Foster will be sitting down with a number of the attendees from that conference together with Brent and a couple of male administrators to map out what the issues were. We have said we will come back to all the participants with a summary of the issues moving forward and we will take that within the commission to look at what our priorities are at the moment and how we move forward.

**Senator LUNDY**—I look forward to those initiatives being pursued. I note with interest that the commission put out a recent press release entitled ‘Soccer Australia Statement Erroneous’. Given the involvement of the commission obviously in the initial inquiry, I wanted to ask about the extent of the commission’s involvement in the soccer reform process. I think everyone is in favour of reform, but perhaps I could begin my questioning by asking the minister whether or not it was in fact the government that insisted on the appointment of both John Singleton and Ron Walker to the interim board.

**Senator Kemp**—I had no involvement in the appointment of those two people. My understanding is that they were put forward by Frank Lowy, maybe in consultation with David Crawford and others. Certainly I did notice your unfortunate comments in the press on this issue. An attempt to make this a political issue, I thought, was simply not appropriate. Soccer Australia have got a lot of problems, and we are trying to work through those with them. To attack people on the board because they happen to have had some association with a political party is entirely unhelpful, particularly when one of those people seems to be working very closely with the Labor government in Victoria on the Commonwealth Games 2006. I think that sort of comment is very unhelpful, I would have to say.

**Senator LUNDY**—Do you think media releases like ‘Soccer Australia Statement Erroneous’, which came from the Sports Commission, are helpful or not helpful?

**Senator Kemp**—I think the Sports Commission has got to defend itself. My general view is that when an organisation is attacked that organisation should be prepared to respond to those attacks. Sometimes you make an assessment that you let it go through to the keeper, but where there are accusations made which are quite serious attacks on a commission I think it is entirely appropriate for the Sports Commission to respond—as it is for John Mendoza at ASDA to respond when ASDA is attacked. I think it is appropriate to respond and to set the record straight, otherwise comments like those made by you and others go onto the public record and remain uncorrected.

**Senator LUNDY**—One of the general issues of concern about the Crawford report and its recommendations was that it was a very comprehensive program and it was always going to be challenging for Soccer Australia. Given the sticking point that seemed to develop around the right of Soccer Australia stakeholders to nominate members to the interim board, do you think that issue should allow the reform process to go off the rails, or is there a point at which you think you could possibly play a role to ensure the reform process stays on track?

**Senator Kemp**—I think the initiative of the government and Soccer Australia to have the inquiry was a very important initiative in sport.

**Senator LUNDY**—I do not think anyone is denying that.

**Senator Kemp**—In the years to come people will look back and say that this was a very important step. I hope that in years to come people who love soccer will say that. That is the first point I want to make. The second point is that we always knew it was going to be a tough process. It is very hard to change structures. I think one always knew there would be a vigorous debate when the Crawford report came out. It was a very good report—it was a report which I endorsed—and I think it was a report which has been very widely accepted throughout the soccer community. In the end, it is up to the stakeholders—and there are differences amongst the stakeholders in terms of what should happen. My assessment is that most stakeholders are very keen on having a major reform of soccer. They are supportive of the Crawford committee report and they are pleased and excited at the fact that Frank Lowy has decided to become the chair. They are delighted with the quality of the people that have put themselves forward for the interim board. In the end, it will depend on the stakeholders. There are stakeholders that differ in opinion, but I suspect that most stakeholders will opt for significant reform.

**Senator LUNDY**—I appreciate that and I know that we are in the midst of the debate about how that will occur. I have a copy of a letter to you from the acting chairman of Soccer Australia—it was forwarded to me as well, which I am sure you are aware of—and I would like to go to a couple of specific issues raised in the concluding parts of the letter. I do not know if you have a copy there. The letter is dated 21 May.

**Senator Kemp**—I am sure I will!

**Senator LUNDY**—It is a three-page letter initially responding to what Soccer Australia saw as the inappropriateness of a Sports Commission release effectively slagging off Soccer Australia. Amongst other things, Soccer Australia refutes categorically the allegation that the review team personnel or its legal advisers have not been involved in the process regarding the path to follow. I think that allegation was raised in the Sport Commission's release. Perhaps more to the point, the letter raises the issue of the right of stakeholders to view a new constitution being proposed by Mr Crawford and the review team. Apparently, it was promised that the constitution would be available in the days following the general meeting on 3 May. Soccer Australia is now concerned that that will not be available to stakeholders for due consideration and I just want you to respond to that.

**Senator Kemp**—Let me make a couple of general responses.

**Senator LUNDY**—It goes on to ask for your direct intervention, which is why I am addressing these questions to you, Minister.

**Senator Kemp**—Let me make it clear. My direct intervention is that we support strong reform in soccer. That is why we have gone to the trouble of helping, with Soccer Australia, to initiate the soccer inquiry. That is why the Sports Commission has provided assistance in the development of this process. As the minister, what I am on about is reform.

**Senator LUNDY**—I am not challenging that.

**Senator Kemp**—I know that, but—

**Senator LUNDY**—I think we all understand that this is within making reform happen, not challenging your desire for reform or the appropriateness of reform.

**Senator Kemp**—What I want to know is whether you, on behalf of the Labor Party, are supportive of reform.

**Senator LUNDY**—We have made that very clear.

**Senator Kemp**—This is a letter from I think the three remaining directors of Soccer Australia. It reflects a view in Soccer Australia. It is not, I do not believe, the majority view; it is a view.

**Senator LUNDY**—If that is your response, fine.

**Senator Kemp**—They have asked me to take action in certain areas. The action that I will take is this. In the end, I think it will be up to the stakeholders. We have put in place a process. I congratulate Mr David Crawford and the team around him on what they are doing. I think the initiative of Frank Lowy is important and exciting and I hope that reform takes place. That is the direction I am coming from as the sports minister.

Let me turn to a couple of the points that have been made. There has been a great attempt at consultation with all members of Soccer Australia. There have been many attempts made by David Crawford to involve Soccer Australia in the process, following the release of the report, and to properly brief Soccer Australia on the process. From my understanding and the feedback and advice I have received, David Crawford has behaved in an exceedingly professional manner, in the way we would expect someone of that standing to behave. There are a couple of other matters to which Mr Peters might like to add some comments.

**Mr Peters**—To respond to your first question about the commission putting out a press release, we had put only one press release out previously and that was to announce the process. The information contained in the notice of meeting sent out by the remaining board members was totally inaccurate and suggested that the commission had actually been working hand in hand with the resolutions. Other than initial phone calls on the Monday and Tuesday—after the aborted 3 May meeting from the then full board of Soccer Australia where they asked some direction as to how to move forward because the agreement at that meeting was that the Crawford inquiry solicitors would work with the Soccer Australia solicitors to make sure that the next meeting was constituted—there were two phone calls made to talk about process. On the Wednesday, three board members resigned saying that they did not believe they could work with the other board members who did not have the interests of soccer at heart. There was no contact made after then and the resolution was put out. It was totally inaccurate. In our opinion, it sent a message to stakeholders that we had agreed with the motions being put forward. In fact, the motions in relation to Crawford were totally inadequate. One could perceive that they were only done to try to forestall the process and have another aborted meeting.

There are many other accusations in that letter from the three remaining and, we believe, unsupported board members, accusations that are quite fallacious and a gross misrepresentation of the truth. Similarly, an article appeared yesterday or the day before on the Soccer Australia web site, which Mr Crawford will be responding to because again it is grossly inadequate in a whole lot of issues and is attempting, we believe, to introduce a scare tactic into the process. Until that stage, the commission had put only two press releases out. I have since put another one out because the acting president went on the news media and attacked the commission on its role, failing to differentiate between different processes and forgetting obligations that the board he sat on in July last year, which endorsed this study, agreed to. I do not believe in the interests of the public that we can allow those erroneous statements to be put out there without challenging them.

**Senator LUNDY**—Has the commission found itself effectively being the voice of the majority of people who have an interest in soccer, as well as players, in the absence of perhaps an alternative voice to the current remaining incumbents? Are you feeling yourself compelled to be that voice?

**Senator Kemp**—I have a couple of comments. There is a vigorous debate occurring; we are all aware of that. Various stakeholders will be putting views forward. The commission has a specific role to play, which is a role that has been endorsed by the government. I think the commission has carried that out professionally, but it is a difficult role and there are people who resist reform. What I would very much like you to do, Senator, is to get strongly behind

the reform process, because I think that the vast majority of Labor Party supporters are strongly in favour of reform. Reform can go off the rails.

**Senator LUNDY**—It can. Can I respectfully suggest to you that one of the greatest dangers for sending reform off the rails is if the Sports Commission does feel increasingly compelled to be the voice of disaffected soccer players. That in itself is likely to add fuel to the fire, is it not?

**Senator Kemp**—Let me tell you what I think. I think that the Sports Commission, when it is faced with a range of accusations about its behaviour—

**Senator LUNDY**—It needs to sit outside of this debate in that regard.

**Senator Kemp**—Those accusations that go unchallenged—

**Senator LUNDY**—They would not have been made if the Sports Commission was not perceived as at least being in there.

**Senator Kemp**—If you object to the Sports Commission defending itself and setting the record straight then that is a difference between you and I.

**Senator LUNDY**—I do not. But I think you can see the point that I am making. There is a grave danger here that perhaps the opponents of the reform want to draw the commission into the debate.

**Senator Kemp**—And they would be very happy with the range of questions that you are asking. That is the truth. You are attempting to draw the Sports Commission into an area of debate which I think is not all that helpful. So they would be happy with your questions. From where I stand as a minister, if the Sports Commission is attacked and allegations are made about the behaviour of the Sports Commission, the first thing I want is advice and a response to that. Secondly, I want the Sports Commission to be able to defend itself. The Sports Commission is not going out there day after day seeking a brawl but, if allegations are made—as in this letter and other press statements—then Mr Peters is perfectly entitled, as the person who is being attacked and who is responsible, to go on the radio to defend himself and set the record straight, as far as he can. I think that you are attempting to draw the Sports Commission into a wider public—

**Senator LUNDY**—I did not put out the statement.

**Senator Kemp**—The reason I have said that the statement was put out—and I think you said that you supported them defending themselves—is that they had to set the record straight. I think Mr Michael Scott wants to clarify or add to a statement.

**Mr Scott**—You asked me a question before about the independent report of 30 May and I need to clarify. That 30 May date is correct for Athletics Australia. In terms of the commission investigation, it has been tabled at the commission and we are currently going through the process of procedural fairness with staff and giving them the opportunity in the near future to respond to that before we reach conclusions. I just needed to clarify that there are two—there is the AA investigation and there is the commission internal investigation.

**Senator LUNDY**—Thank you for that, Mr Scott. I would just like to use this opportunity to flag issues that I would like to place on notice and, in particular, take up Mr Espeland's offer of giving me a comprehensive overview of the restructuring that is taking place within



the Sports Commission. As you are aware, Minister, I have been privy to a briefing previously about progress and I formally request on the record that I am able to have another briefing from the commission by way of a follow-up as well as him taking the answer to the question on notice.

**Senator Kemp**—I am prepared to go on the record and say that I am happy to support that, subject to when you get the briefing to making sure that the information you use is used accurately. I think the last briefing led to some debates that took us quite a bit of time to fix up, because you misinterpreted information that had come to you, so there is that slight caveat, Senator.

**Senator LUNDY**—I would also like to ask for the Sports Commission's response to an article in the *Weekend Australian* of 15 February this year which said:

... 16 of the top 40 athletes in the country refused to sign the January 31 deadline complaining that Athletics Australia had tied payment of government funds to them making up to six promotional appearances for Telstra, the principal sponsor of athletics in Australia.

Can the Sports Commission respond on notice with respect to the ASC's position on Athletics Australia withholding funding provided by them to AA for the athletes? Has that specific issue been resolved? Can you provide me with a breakdown of the sports leadership grants for women? Can you also finally tell me, Minister, whether you condone, support or otherwise have taken action against the comments made by Alan Jones with respect to ASDA, given he is also the Deputy Chairman of the Australian Sports Commission? Also, is there a perception that the Sports Commission, by virtue of his deputy chairmanship, has some problems with ASDA?

**Senator Kemp**—Let me make it clear that Mr Jones, when he speaks on his radio program, is speaking on behalf of Mr Jones; he is not speaking on my behalf.

**Senator LUNDY**—I am not suggesting he is. But what have you done about it?

**Senator Kemp**—Let me also say that I have complete confidence in ASDA. Where there is an attack on ASDA that is not substantiated, I think ASDA would say—if they were at the table—that I give them the strongest possible support. Mr Jones makes comments on a range of issues professionally and there will be some things that I will agree with and some things that I will not agree with. As the responsible minister, I have complete confidence in ASDA.

**Senator LUNDY**—I will be placing a great many questions on notice.

**ACTING CHAIR**—That concludes the committee's examination of outcome 2 of the portfolio. I thank officers of the Australian Sports Commission.

**Proceedings suspended from 1.03 p.m. to 2.06 p.m.**

#### **Australia Council**

**ACTING CHAIR**—This afternoon we are looking at outcome 1 of the portfolio—Development of a rich and stimulating cultural sector for all Australians. I welcome to the table officers representing the Australia Council.

**Senator CARR**—I trust that we can deal with this fairly smartly, Minister.

**Senator Kemp**—You have a very good record of doing that, so my confidence is already high that we can move through here rapidly.

**Senator CARR**—Can you start by telling me why it is that in the forward estimates, at page 116 of the PBS, there appears to be a reduction in funding for the Australia Council from \$136 million this coming year to \$131 million in 2006-07?

**Dr Brown-Watt**—The reduction from 2003-04 to 2004-05 primarily reflects the way in which the funding for the major performing arts inquiry is spread. It was spread across the years 2000-01 to 2003-04. It has two components: the base grants for companies and funding for a range of initiatives to assist them in various areas. That initiative funding ceases as of 2003-04 and therefore there is a drop. In 2003-04 it is approximately \$2 million. It drops at that point. Moving forward from there to 2005-06, there is a depreciation change which you will see from \$1.5 million to \$970,000. That is basically the drop that occurs in the appropriation going forward. Then in the last year there are a number of government initiatives, including young and emerging artists and major festivals, which are at the moment funded through to 2005-06. We will certainly be in discussion with government going forward as to whether those initiatives will be continued.

**Senator CARR**—So at this stage there is no certainty about those initiatives?

**Dr Brown-Watt**—No. They are project initiatives and there is three years funding for them at the moment. We talk to government on a three-year basis.

**Senator CARR**—It has been put to me that, in 2001, there was \$75 million appropriated for the Council's work and, in 2001-02, \$131 million and that this can be explained by the Australia Council taking on responsibility for the orchestras, Opera Australia, the ballet and various other things—some \$55 million worth. Is that right?

**Dr Brown-Watt**—That is partly right. Certainly that did happen in that year. The funding of those companies, as the outcome of the major performing arts inquiry, was transferred from the department to the Australia Council. In addition to that, there was the increase in funding that occurred as the agreed outcome of the major performing arts inquiry. So it is the sum of those two things.

**Senator CARR**—How much additional income?

**Dr Brown-Watt**—It was a total of \$40 million over four years, so I would say roughly \$10 million a year. I can get you the precise figure if you want.

**Senator CARR**—Which is not a very significant increase, is it?

**Dr Brown-Watt**—No, but the transfer of the orchestras and Opera Australia involves a significant amount.

**Senator CARR**—But for the core responsibilities of the Council there is not a great deal of additional revenue, is there?

**Dr Brown-Watt**—It is a significant increase.

**Senator CARR**—You think it is?

**Dr Brown-Watt**—Yes, I do.

**Senator CARR**—I note that employee expenses have increased by \$800,000—this is on page 46 of your annual report. Is that a result of increased responsibilities?

**Mr Wicks**—Could you repeat your question, Senator?

**Senator CARR**—Is it true the employee expenses increased between 2000-01 and 2001-02 by some \$800,000?

**Mr Wicks**—There is a combination of reasons for that. We have a certified agreement that we had to honour—that was one of the reasons—and there was the 2001-02 restructuring of our human resources area which resulted in a marginal increase.

**Senator CARR**—So there was an increase in the human services area?

**Mr Wicks**—Yes.

**Senator CARR**—An increase in the management, was it?

**Mr Wicks**—Not just management. There was one management position, but there were other positions created as well.

**Senator CARR**—How much was the appropriation increase to account for these new responsibilities?

**Mr Wicks**—There were no increases in appropriations to account for that. We had to offset expenses and budget allocations within the portfolio.

**Senator CARR**—So where were the savings made to make up the additional \$800,000 of expenditure?

**Mr Wicks**—On an annual basis we do have an allocation of resources which we link to our corporate plan. There are some initiatives that come off funding at the end of their life and, if management does not extend those initiatives, we use those funds to fund other areas of the Council.

**Senator CARR**—Would it be fair to describe those as savings?

**Mr Wicks**—Absolutely.

**Senator CARR**—What is the nature of those savings?

**Mr Wicks**—Again, it is a combination of administration—where we put strategies in place to control running costs—and, as I said to you before, initiatives. The initiatives that the Council run have a specific lifespan and when that lifespan ends we apply those funds to other areas.

**Senator CARR**—You have been a bit vague on these various strategies and initiatives. Can you be a bit more precise? What exactly are you doing to save \$800,000?

**Mr Wicks**—Every year our appropriations are indexed by the CPI less the efficiency dividend and we do use some of those increases to fund various initiatives. If you want specific savings details, I can take that on notice.

**Senator CARR**—I would appreciate that. I would have thought the reason you were given indexation increases was the result of increases in costs, as a general rule. Can I presume that you have managed to contain your costs?

**Mr Wicks**—Absolutely.

**Senator CARR**—Is that because you are doing less or you are doing more?

**Mr Wicks**—In the last two years we have been doing more—in other words, doing more for the same amount of money.

**Senator CARR**—I would have thought so. If you are taking on all of these different performing companies, you presumably have increased responsibilities. If you have \$800,000 more expenses in regard to staffing, one presumes they are doing more.

**Mr Wicks**—It is fair to say that there was also \$200,000 allocated within that major performing arts funding appropriation to staffing costs. Part of the \$800,000 came as a result of that.

**Senator CARR**—So how much of the \$800,000 was taken up with increased wages costs as a result of the enterprise agreement changes?

**Mr Wicks**—Approximately \$250,000 to \$300,000.

**Senator CARR**—Of the other three-quarters, how come there was an increase in cost?

**Mr Wicks**—As I said, there was a \$200,000 allocation through the major performing arts inquiry that came to us.

**Senator CARR**—So additional people were put on. How many more people were put on?

**Dr Brown-Watt**—Three.

**Senator CARR**—\$600,000 seems like a lot of money for three people.

**Mr Wicks**—No, I said \$200,000.

**Senator CARR**—What levels were they put on at?

**Dr Brown-Watt**—One is at a manager level. That person has responsibility for the finance and business analysis of the companies, which is quite complex.

**Senator CARR**—What sort of level did he come in at—SES level?

**Dr Brown-Watt**—No, not SES. I think it was at Senior Officer Grade B level.

**Senator CARR**—What do they get paid?

**Dr Brown-Watt**—About \$75,000, I am told.

**Senator CARR**—So we are still short on the \$200,000.

**Dr Brown-Watt**—No. I am saying that there were two other people.

**Senator CARR**—We have got one at \$75,000. What were the levels of the other two?

**Dr Brown-Watt**—The other two are at a slightly lower level than that, at about \$60,000. And that is not counting on-costs.

**Senator CARR**—That still leaves us with about half the increased costs—about \$400,000. What is that being spent on?

**Dr Brown-Watt**—I think we would need to break that down and give you that information on notice.

**Senator CARR**—I would appreciate that. So you will take that on notice?

**Dr Brown-Watt**—Yes. And you want the information for that particular year?

**Senator CARR**—Yes. That is where the particular figure comes from. I have taken it from the annual report, and I presume that is accurate. The Aboriginal arts centres, I am told, have become something of a passion for Minister Alston in his work in the department. There was a quote from the *Sunday Age* to that effect. Are you able to provide us with any advice on the outcomes of the James Cowan report?

**Dr Brown-Watt**—I think this is a matter for the department rather than the Council.

**Ms Williams**—The James Cowan report is still under consideration.

**Senator CARR**—Has there been any allocation in the budget for these particular centres?

**Ms Williams**—No, not to my knowledge.

**Senator CARR**—So we wait for next year?

**Ms Williams**—It was a very tough budget, but certainly Minister Alston is interested in this area and he is considering a number of options.

**Senator CARR**—Within the department, do you think—within existing resources?

**Ms Williams**—He is talking across government and considering some options. It really is still in a state of development.

**Senator CARR**—When will it be reasonable to expect a decision on that?

**Ms Williams**—I really could not give you an estimate at this stage.

**Senator CARR**—So there are no plans?

**Ms Williams**—There are various options that could be considered, but really I would just be guessing at this stage.

**Senator CARR**—Is the Chief Executive Officer, Ms Bott, here today?

**Dr Brown-Watt**—She is on leave. I am Acting Chief Executive Officer at this time.

**Senator CARR**—Are you able to help me with when her contract expires? When does her contract expire?

**Dr Brown-Watt**—I do not know the answer to that question. I have not asked her that question.

**Senator CARR**—Minister, are you able to assist us in that regard?

**Senator Kemp**—I am sure we can assist you. It has not been brought to my attention that it is imminent, but I am sure we can find out for you.

**Dr Brown-Watt**—We can get a response.

**Senator CARR**—I would like to turn to a report on the front page of the *Australian* that refers to a grant of some \$8,750. Are you familiar with the article?

**Dr Brown-Watt**—Yes.

**Senator CARR**—Before I raise this, can I say that I do not want to appear as one of those philistines from a tory party long gone in terms of their waste watch committees. I remember

they used to plough their way through various Australia Council grants. They sought to do the same with the Australian Research Council. I remember they used to wax lyrical about grants for lesbians and surfboards and things like that, so I do not want to go down that track.

**Senator Kemp**—We shall wait and see.

**Senator CARR**—What I want to know is this: does the Council regard it as important to maintain community support for these grants programs?

**Dr Brown-Watt**—Yes.

**Senator CARR**—You have it as part of your objectives to make grants available on the basis that they meet certain criteria, presumably.

**Dr Brown-Watt**—Absolutely.

**Senator CARR**—What are those criteria?

**Mr Strout**—I will answer that as the Executive Director, Arts Development, which is the area that has most of the art form boards that fund these sorts of grants. There are anywhere between three and six criteria for each of the six broad categories across the seven boards in Arts Development, so I guess I need to ask which criteria in particular you would like to know about.

**Senator CARR**—I come back to this point: obviously I think that the protection of artistic freedom and freedom of expression is quite important—in fact, they are very valuable. I would like to know, in terms of this particular grant, whether you can tell me if the criticisms canvassed on the front page of the *Australian* newspaper today are correct.

**Mr Strout**—The details of the report are not fully correct.

**Senator CARR**—They are not?

**Mr Strout**—Not for the grant we provided, which was in August 2000, some three years ago. The grant at that time did not involve any depositing of jewellery in rubbish bins. It was for the creation of jewellery in public places and was photographed for a permanent record of that, though it was for continual public involvement so that people would know where the jewellery was, would search through and identify the places in the photographs and go and search them out. Certainly from the application that the Visual Arts and Crafts Board funded it was for the creation of the work, not for the depositing of any of the jewellery in rubbish bins.

**Senator CARR**—So it is just not true?

**Mr Strout**—That aspect of it is not true.

**Senator CARR**—So there was no proposal to hide 14 gold, silver and diamond pieces in laneway grates, busy footpaths, scaffolding and other gritty city locations?

**Mr Strout**—There was a proposal to do installations in city locations, yes, and, as I said, to photograph them so that they were documented and also that the photography would be available to view. So the intent was that people would go out to find the jewellery, but it was not proposed to hide them or that they be stolen. As I say, there was no mention of anything like rubbish bins in the proposal or in the material that we received from the artist. The mention of rubbish bins there was in fact after the grant had been concluded. The project has been acquitted, the report has been received and none of the material—

**Senator CARR**—So there was no mention of rubbish bins in the grant?

**Mr Strout**—No.

**Senator CARR**—Irrespective of the merits of a particular project—and, as I say, I am not here to try to second-guess you about the particular details of this grant application—like most people I read the paper and presume that what is on the front page of a newspaper has some element of truth to it. You seem to be questioning some of the details contained in that. What I am concerned to know is whether you pay any particular attention to the way that grants appear publicly, whether they could be subject to ridicule or used to demean artists or the arts community.

**Mr Strout**—To demean, no. Several of the boards—for example, the Aboriginal and Torres Strait Islander Arts Board and the Community Cultural Development Board in particular—have community support or community involvement criteria throughout all of their categories. It is a key part of whether or not those projects are viable. Other boards have evidence of community involvement or audience development, if you will, for public appreciation criteria for some of their categories. There is, within our guidelines and our handbook, support for freedom of expression, but also that people work within Australia's legal framework. So there is no support for activity which is—I am not quite sure what you mean by 'demeaning'; there are many different versions of that—something that goes beyond the legal provisions or legal standards of activity in terms of breaking the law with arts activity. That is outside the Australia Council's contracts with the artists and not supported by Council.

**Senator CARR**—What strategic objectives do you seek to advance in determining one grant over another?

**Mr Strout**—Each of the boards has broad objectives which they articulate on our *Support for the Arts Handbook*, which you may have seen—there are copies freely available and on the web site—and they also articulate the particular objectives of each grant category, which might be the creation of new work, it might be the presentation and promotion—presenting that work to audiences internationally or locally—or it might be skills and arts development—development of the individual artist's skills. Each of those has a slightly different strategic purpose and different criteria.

**Senator CARR**—Do you consider that you have a responsibility to address this sort of public ridicule?

**Mr Strout**—The Australia Council is very concerned about public appreciation of the arts and obviously about its own work. It is a topic which the Australia Council is discussing. We have had promoting the value of the arts as a strategy in recent years and we have taken several initiatives to try and develop appreciation of the arts, so of course any public statement that is not supporting the arts is of concern to us.

**Senator CARR**—Do you think then that you have a responsibility to seek to extend the influence and appreciation of the arts in Australia? Is that part of your mandate?

**Mr Strout**—To extend the—

**Senator CARR**—Appreciation.

**Mr Strout**—Yes, absolutely.

**Senator CARR**—And support for—you do see that?

**Mr Strout**—It is within the Australia Council Act, I believe.

**Senator CARR**—Yes. So are you aware of any grants that you think may have been made which would have in fact the opposite effect?

**Mr Strout**—We have had in the press in the last couple of weeks some—probably separately—maybe a dozen grants, types of grants, a few identified in particular and some more broadly identified as being brought to question. A lot of them I believe are the subject of artistic taste. Some of them may be—like this I think—not a completely accurate representation of the facts. I believe, though, that that is even then about one per cent of all of our grants. We do give some 1,600 grants a year, with a 99 per cent success rate, and these that have come up in the press in the past couple of weeks are of concern to us, for different reasons.

**Senator CARR**—You said there were seven grants that you felt may not have been—did you say that?

**Mr Strout**—No, I am sorry, I said that there were maybe a dozen grants that had been identified in recent press articles; I did not say that they were ones that I was concerned about.

**Senator CARR**—Take for instance the recent controversy—it was in March—concerning the development of the computer game *Escape from Woomera*. It was a \$25,000 grant. Do you think that was consistent with your stated objectives of actually trying to broaden support for the arts within the Australian community?

**Mr Strout**—Again, that has had quite a bit of press, and I believe the chair of the New Media Arts Board has addressed that quite publicly. I would make a few points in relation to that one. One is that the decision was made by the duly appointed New Media Arts Board members, which is arm's length from government and from any direct intervention of government or management. There is a diversity of opinion in the Australian community about a range of issues and it is not surprising that that diversity of opinion is reflected in arts practice.

It is, as you say, very important that Council upholds the right of free speech and the right of artists to practise the arts. In particular, the New Media Arts Board does believe that the development of computer gaming is a form of arts practice. There was an international symposium on that, with guests from Norway and New Zealand, just last month and it is a topic of increasing debate within the new media arts and contemporary arts communities. Those board members did believe that it met New Media Arts Board criteria about the development of new work.

**Senator CARR**—The editorial from today's *Australian* says:

Making fun of the arts lobby is both inappropriate and unnecessary when the Australia Council is already doing such a great job of demonstrating its own folly.

And so it goes on. What are you doing about that?

**Mr Strout**—We have responded to some people who have raised questions about the grant, on the front page there, to clarify the facts. The Australia Council is considering the kinds of issues that you raised from the editorial, as compared to the front page article, in its upcoming



meeting. It is planning to discuss the public appreciation of the arts and the current press about that.

**Senator CARR**—It is a bit more urgent than that.

**Mr Strout**—This upcoming meeting is next week.

**Senator CARR**—What are you, as senior officers of the council, doing to respond to this article? Are you not putting out a rebuttal?

**Dr Brown-Watt**—We have a media statement that has been issued.

**Senator CARR**—Can we have a copy of that?

**Dr Brown-Watt**—We will provide you with a copy.

**Senator CARR**—Can I draw your attention to the history of these things. I have mentioned tory philistinism in the past in these questions. Can you recall any other programs that actually have had to be dropped or curtailed as a result of public concern being expressed about the nature of the grants that have been made?

**Dr Brown-Watt**—I can't.

**Mr Strout**—Not to the best of my memory or knowledge.

**Senator CARR**—What about the art in working life programs? What happened to those?

**Mr Strout**—I was around for that period at Council. I have no knowledge that they were curtailed because of any public opinion.

**Senator CARR**—Why were they curtailed?

**Mr Strout**—There was, in a restructure in 1995-96, a sense that Council had collected lot of policies over a prolonged period of time and had not revisited and renewed what its thinking was. It essentially cleaned out the cupboard and put new policies down as the ones that were its priorities rather than policies that—

**Senator CARR**—And it had nothing to do with the public comment about the awarding of—

**Mr Strout**—To the best of my knowledge, no.

**Senator CARR**—Who actually owns the various brooches and the jewellery that were the subject of this article?

**Mr Strout**—They would be the property of the artist.

**Senator CARR**—And they were purchased with the grant?

**Mr Strout**—Part of the support for the artist is materials and their living time; so, if they have put work into it, yes. They also have funded the exhibition themselves.

**Senator CARR**—I take it that, to your knowledge, none of these items have actually been lost.

**Mr Strout**—When we heard about this through this press, that was the first we had heard of it. It was not, as I say, either indicated in the application or mentioned in the acquittal report.

**Senator CARR**—That concludes my questions. I look forward to the press statement.

**Senator Kemp**—Mr Chairman, it is comparatively rare for me to find myself in some agreement with Senator Carr.

**Senator CARR**—What about—tory philistinism?

**Senator Kemp**—No. I was going to say that, with the Labor boorishness—which he did not mention—I think the point that Senator Carr made, which I would say in a slightly different fashion, is that all organisations are accountable. The Australia Council is accountable to the public. It is important that we build up public support for the arts. We accept that there will be a diversity of opinion, we accept that the boundary lines may be grey and hard to define, but it is important that we continue to build support for the arts. It is true that, where the Australia Council can be held up to ridicule, it is not helpful. I think the comment made by senior officers at the table that the Australia Council is listening to the public is an important one. At the end of the day, if we are going to build support for arts funding, we have to carry the public with us. It is difficult to carry the public where they think that with some of these grants public funds are not being used effectively.

**Senator CARR**—Before the officers go, it has been brought to my attention that it may well be appropriate to ask questions here about Opera Australia. Is that correct?

**Dr Brown-Watt**—I am prepared to answer any questions you have about Opera Australia.

**Senator CARR**—Or should they be handled in another part of the portfolio?

**Dr Brown-Watt**—I am happy to answer questions, if you have them.

**Dr Stretton**—It is best to do it now.

**Senator CARR**—What is the current legal status of Opera Australia? Is it a company?

**Dr Brown-Watt**—I think it is a company limited by guarantee. I can check that.

**Senator CARR**—Who owns the shares?

**Dr Brown-Watt**—I do not believe it is a company limited by shares.

**Senator CARR**—Presumably it is owned by the Commonwealth if it is a company.

**Dr Brown-Watt**—No, not at all.

**Senator CARR**—Who actually owns the company then?

**Dr Brown-Watt**—There are members of the company who have limited liability in the case that the company becomes insolvent. That liability, to my recollection, is something like \$25 a person.

**Senator CARR**—I am not going to pretend I know a great deal about this matter. You are going to have to be patient with me. Who owns it?

**Dr Brown-Watt**—I repeat: there are members of the company.

**Senator CARR**—Who are they? I am sorry, I am not clear. Who owns the company?

**Dr Brown-Watt**—Members of the public who have agreed to become members.

**Senator CARR**—You are giving a bit more information. So it is Australians, just ordinary citizens. How do they get involved in ownership of the company?

**Dr Brown-Watt**—I would need to check this, and I will check it, but to the best of my knowledge they pay a certain amount—something like \$10 a year.

**Senator CARR**—So it is by subscription, is it?

**Dr Brown-Watt**—Yes.

**Senator CARR**—So you buy your tickets and you become a member of the company?

**Dr Brown-Watt**—No. You have to specifically wish to become a member of the company.

**Senator CARR**—By application?

**Dr Brown-Watt**—By application.

**Senator CARR**—So there are no shares as such?

**Dr Brown-Watt**—No.

**Senator CARR**—It is some form of subscription then, is it?

**Dr Brown-Watt**—It varies across the major companies that I deal with—I would have to get the precise details for Opera Australia—but my understanding is that it is that kind of structure.

**Senator CARR**—Who are the directors?

**Dr Brown-Watt**—The board chair has just changed. It was Rowena Danziger; it is now Dr Gordon Fell. I would need to get the complete list. I do not have the company's annual report in front of me, but I can provide that.

**Senator CARR**—I take it that the annual reports are tabled, are they?

**Dr Brown-Watt**—No. They are not a government company.

**Senator CARR**—It is not part of your purview then?

**Dr Brown-Watt**—Yes, it is. We provide funding and they, on an annual basis, provide us with acquittal material, which includes their annual report. I just do not happen to have it here with me, but I can find the names and give them to you. Their board chair is, as I say, Dr Gordon Fell.

**Senator CARR**—Will you take that on notice?

**Dr Brown-Watt**—Yes.

**Senator CARR**—I am told that there is no mention in the annual report of the senior officers remuneration. Is that right?

**Dr Brown-Watt**—I would have to take that on notice. I do not have the annual report in front of me.

**Senator CARR**—I am going to presume that that is right, that that is not in the annual report. I would like from you a table in the usual format of the remuneration of the senior officers of the company that would not have appeared in the other reports that we have before the parliament.

**Dr Brown-Watt**—I am not aware whether that is required information under the Companies Act for that company. If it is and that is available, I can provide it to you; if it is not, it is commercial-in-confidence to the company and I will not be able to provide it to you.

**Senator CARR**—Presumably you will answer me that way, and I will come back and argue the toss with you, as you would expect. I take it that you will take those questions on notice?

**Dr Brown-Watt**—Yes.

**Senator CARR**—I am led to believe that Opera Australia had an operating deficit last year of \$2 million. Is that correct?

**Dr Brown-Watt**—That is partly an accounting treatment issue. The company chooses to direct its philanthropic donations into a capital fund, and when that capital fund is consolidated with the so-called operating result you in fact have a company with a surplus of \$1.5 million. If you look at some of the other major companies, like Musica Viva, they simply have a separate account for their centenary fund. It therefore turns up in their P&L. It is partly an accounting treatment that it turns out like that.

**Senator CARR**—What is the other part?

**Dr Brown-Watt**—If you choose to look at the marginal result of the company without donations, yes, it makes a deficit; but what I am saying is that so would a lot of other companies that are not reporting it that way.

**Senator CARR**—The trouble is that I am not asking you about a lot of other companies; I am asking you about this one. I ask you now again: what is the reason, in your judgment, for the operating deficit of \$2 million? Can you give me a breakdown of that and explain it?

**Dr Brown-Watt**—Their operating costs of putting on productions et cetera exceed their government grant and their sponsorship funds by that amount, but their donation funds exceed that gap.

**Senator CARR**—I am also advised that the annual report indicates that a review of the company's financial efficiency has been undertaken. Are you aware of that?

**Dr Brown-Watt**—Yes, I am.

**Senator CARR**—What is the outcome of that review?

**Dr Brown-Watt**—The board and the management are putting in place a range of measures to increase the efficiency of the company's operations.

**Senator CARR**—Can you repeat that?

**Dr Brown-Watt**—The board and the management, following the review, are putting in place a range of measures to improve the company's efficiencies in operating.

**Senator CARR**—So that is a decision that has arisen. What is the nature of the current financial efficiency? What is their assessment of the current financial efficiency? There obviously needs to be an improvement.

**Dr Brown-Watt**—Yes. And those improvements have to do with things like storing sets. If they store some of their sets outside of the capital city, it will be cheaper for them, so they can save some moneys of that kind. Set storage was a major issue in their review.

**Senator CARR**—Can we have a copy of that review?

**Dr Brown-Watt**—I do not have a copy of the review. It is something that the company itself produced for its own operations. I am aware of the focus of that review and the outcome of it, but I do not have a copy of that review.

**Senator CARR**—I am surprised that you do not have a copy. Did you not ask for a copy?

**Dr Brown-Watt**—No.

**Senator CARR**—If there is such a significant deficit as this—

**Dr Brown-Watt**—I repeat: if you actually put their philanthropic donations together with that, they do not have a significant deficit, and their annual report shows you that.

**Senator CARR**—So you have not sought a copy of the review?

**Dr Brown-Watt**—No, we have not sought a copy of the review. The management of the company is the responsibility of its board and its board put that review in place. It has appropriately advised us of the outcome of that review and that it will be taking that forward.

**Senator CARR**—Perhaps I have misunderstood you, but you seem to be somewhat defensive about this. I am asking a series of questions that relates to a company that is supported by \$13½ million worth of Commonwealth funding. Is that figure right? Is there a \$13½ million subsidy from the Commonwealth to Opera Australia?

**Dr Brown-Watt**—Including the Australian Opera and Ballet Orchestra, that is correct. I am sorry if I am sounding defensive—I am not meaning to. I have a throat issue at the moment, so I am croaking a bit.

**Senator Kemp**—I was going to make the point, as things were flowing on smoothly, that I think your answers are appreciated. I do not believe you are being defensive at all.

**Dr Brown-Watt**—I will have a drink of water.

**Senator Kemp**—We will try to help Senator Carr with his inquiries. If we can provide any further information to Senator Carr, we certainly will.

**Senator CARR**—Thank you, Senator Kemp, for your intervention. What I am suggesting to you is that there is a very significant public subsidy here. Are there any conditions associated with that grant?

**Dr Brown-Watt**—Very considerable conditions, yes.

**Senator CARR**—Is one of the conditions that the company will report to the Commonwealth on its financial performance?

**Dr Brown-Watt**—The company reports to us quarterly on its financial performance.

**Senator CARR**—But in that report process you did not think it was necessary to ask for a copy of the board's review of its financial efficiencies?

**Dr Brown-Watt**—No, we did not.

**Senator CARR**—Will you ask for it now?

**Dr Brown-Watt**—No. It would be difficult for us to do so under the terms of our agreement. We have seen the outcome. The company has advised us of what measures it will put in place. We do not believe that we need to see the detail of that review. Had the company not advised us of what it was doing, it may be different.

**Senator CARR**—Let me perhaps address another issue. The point I am making is that you are satisfied with the level of reporting.

**Dr Brown-Watt**—Absolutely.

**Senator CARR**—Mr Richard Hickox has been appointed musical director from 2005.

**Dr Brown-Watt**—Correct.

**Senator CARR**—Simone Young leaves at the end of 2003.

**Dr Brown-Watt**—Correct.

**Senator CARR**—Who will fill the position of music director in 2004?

**Dr Brown-Watt**—The way most of these companies work, Simone Young completes at the end of 2003 but she has already planned the 2004 program and contracts are in place for artists et cetera. Although not taking up his appointment until 2005, Mr Hickox will actually be working with the company because he is coming here as a conductor for several of their productions next year. In that time, he will be working with them in relation to planning for 2005.

**Senator CARR**—So who will be the music director in 2004?

**Dr Brown-Watt**—There will not be a music director in 2004. For many years, the company did not have a music director. There are various structures that an opera company can have, one of which is to have a music director and the other of which is to have a senior advising conductor, which is the role Mr Hickox will serve in in that time.

**Senator CARR**—Do you think that not having a music director in 2004 would allow a significant saving to be made?

**Dr Brown-Watt**—It will allow some savings, but not significant savings, because that has to be compensated for by the quality of people you are bringing in.

**Senator CARR**—What is the nature of the saving then?

**Dr Brown-Watt**—I do not know the answer to that. I would need to look at it. Let me explain that Ms Young, as music director—as part of her contractual arrangements—conducts a number of productions for the company each year. If she is not doing that and Mr Hickox is not yet in that position, other conductors have to be brought in. The question then is: what is the cost of another conductor versus the cost of using your music director? I cannot answer that directly, but I can look into it if you wish me to.

**Senator CARR**—Does Opera Australia provide you with a business plan?

**Dr Brown-Watt**—Yes, it does. All of the major performing arts companies provide us with rolling business plans in September of each year.

**Senator CARR**—In that business plan, was this change in the music director arrangements spelt out?

**Dr Brown-Watt**—It is actually not a business plan matter, although it is listed in there. There is a requirement for the company to advise us of any changes to significant positions, such as the general manager, the artistic director or positions at that level. We were kept fully informed through the whole process.

**Senator CARR**—Presumably, they have advised you of the remunerations for the senior executives of the company?

**Dr Brown-Watt**—No, they have not. They are not required to do that.

**Senator CARR**—That is not in the business plan; they are not required to do that?

**Dr Brown-Watt**—No, they do not have to break it down at that level. We do have total salary costs for the company, but we do not have a breakdown by individual.

**Senator CARR**—The *Sydney Morning Herald* on 1 May quotes Mr Collette, the chief executive, as saying that there will be a necessity for cost reductions. He says that Sydney will not be so sensitive to fewer productions because it has so much opera but that if they need to reduce the program in Melbourne they will be sensitive to it. Can you indicate to the committee what is being planned in regard to Melbourne's productions?

**Dr Brown-Watt**—The company has indeed made public announcements about the fact that it plans to reduce its number of productions in Melbourne in 2004. It needed to make this statement publicly, because it has had to contract its artists, as I mentioned earlier.

**Senator CARR**—What is the nature of the reductions in Melbourne?

**Dr Brown-Watt**—I believe it is from eight to six productions a year.

**Senator CARR**—And, presumably, there will be a lower demand for performance. Will there be a saving as a result of that reduction in the program?

**Dr Brown-Watt**—Yes.

**Senator CARR**—What is the nature of the saving?

**Dr Brown-Watt**—There will be fewer performances as well.

**Senator CARR**—The article I referred to also suggested that the reasons for the cost blow-out was an increase in freelance fees, particularly for overseas singers. Has that been reported to you?

**Dr Brown-Watt**—Yes.

**Senator CARR**—Do you agree with that?

**Dr Brown-Watt**—Do I agree with what?

**Senator CARR**—Do you agree that that is one of the reasons for the cost blow-outs?

**Dr Brown-Watt**—Yes.

**Senator CARR**—Do you think there can be any room now for a greater use of Australian performers?

**Dr Brown-Watt**—The company makes very extensive use of Australian performers. It uses fewer than 10 international performers in any year; it will use probably only about eight. It has never made really extensive use of international artists. It makes use in some cases of Australian artists who are now living overseas, but they are not what is being referred to as ‘international’.

**Senator CARR**—Have you been advised of the company’s intentions in this regard in the use of Australian performers?

**Dr Brown-Watt**—We do not have their castings for 2004 at this point. We will have, but we do not have them at this point.

**Senator CARR**—Will you seek that?

**Dr Brown-Watt**—That will come to us as part of their normal reporting. We just do not have it at this point in the year.

**Senator CARR**—When would you expect to receive that?

**Dr Brown-Watt**—In September of this year.

**Senator CARR**—Is that the normal reporting time?

**Dr Brown-Watt**—Yes. All of the companies deliver to us in September their forward business plans, their annual programs and their budgets for the next year.

**Senator CARR**—Is it the case that Ms Young has been held responsible for the cost blow-out at Opera Australia?

**Dr Brown-Watt**—I think what the company was saying was that her repertoire choice was costly.

**Senator CARR**—What I am interested to know is why it is the case that Ms Young can be treated as a scapegoat for this cost blow-out when it is in fact the CEO that reports to the board. Did you make any inquiries about that matter?

**Dr Brown-Watt**—I am sorry, I am not following you.

**Senator CARR**—Why is it that Ms Young is held responsible for the cost blow-out when it is the CEO that has to report to the board?

**Dr Brown-Watt**—Both Ms Young and the CEO report to the board.

**Senator CARR**—Can you tell me what action you have taken in regard to these cost blow-outs?

**Dr Brown-Watt**—The company itself?

**Senator CARR**—You, as the Commonwealth officer, your agency or the department—any way you would like to put it. What action have you taken to address the issue of cost blow-outs at Opera Australia?

**Dr Brown-Watt**—We have had meetings with the company in conjunction with the New South Wales Ministry for the Arts and Arts Victoria, because under the terms of agreement coming out of CMC for the implementation of the major performing arts inquiry recommendations, we need to work jointly as equal partners with those two state funding agencies. So we have met, all three of us, on numerous occasions with the company,



sometimes at the company's request and sometimes at our request, so that we were kept fully informed right through this entire process.

**Senator CARR**—So you have met with them three times, did you say?

**Dr Brown-Watt**—More than that, I would say.

**Senator CARR**—How many?

**Dr Brown-Watt**—I meet monthly with the CEO. There have been other special meetings. Ms Bott meets probably on a quarterly basis with the CEO. There have been meetings that have involved board members. There have been frequent meetings, clearly. The company had issues and the company, as I said, sought meetings with us and we have sought meetings with them.

**Senator CARR**—It may well be that Ms Young and the CEO report to the board, but ultimately it is the board that is responsible for the administration of the company, would you agree?

**Dr Brown-Watt**—The board is certainly responsible for its financial viability, yes. They devolve the administration responsibility to the CEO.

**Senator CARR**—But, in a legal sense, the board is responsible?

**Dr Brown-Watt**—For the financial viability of the company, yes.

**Senator CARR**—What action did you or the department take to ensure that the board met its responsibilities to prevent the financial situation of the company reaching this point?

**Dr Brown-Watt**—As I said to you, we have met with board members to discuss some of the issues that the company had put forward to us in relation to financial matters.

**Senator CARR**—Did you put to them that they had a responsibility to prevent the financial situation deteriorating to this point?

**Dr Brown-Watt**—Indeed we have, yes.

**Senator CARR**—What was their response?

**Dr Brown-Watt**—They have, as you have pointed out yourself, undertaken a review of operations, which has enabled them to identify areas where savings can be made going forward and they are now implementing that. We regard that as a responsible way to address their issues.

**Senator CARR**—And you are satisfied with that, are you?

**Dr Brown-Watt**—We are satisfied with the way that the company is handling its issues at this point.

**Senator CARR**—Ms Young was quoted in the *Sydney Morning Herald* on 19 May as saying that she will do everything she can for the company to the end of the year. She also said 'But I fear for them in the future'. She said:

... the OA board's decision that it was unable to financially match her artistic vision indicated 'a certain ... acknowledgement that they've been beaten; that these things aren't possible in Australia yet.'

Do you agree with her assessment?

**Dr Brown-Watt**—I actually had not seen that one. I would have to say that Australia is a country with a smaller population than some European countries and that affects the income that can be earned in presenting opera. Yes, that probably does to some extent restrict what we can do, but I do not believe that that means we do not have the capacity to put on world standard work. We may not be able to have someone like Pavarotti in a production, because the cost exceeds what our marketplace can provide.

**Senator CARR**—Minister, you have been known to express strong views about the Sydney-centric nature of the arts in this country. As a fellow Victorian, I have no doubt that you would be reflecting widely the views held in Melbourne about some of the changes that have occurred in recent times. In particular, you would be aware, I am sure, that the merger between Opera Australia and the Victorian State Opera in 1996 has led to concerns being expressed that there has been a shift in the emphasis in opera performance to Sydney away from Melbourne. Do you agree with those concerns?

**Senator Kemp**—Thank you for the question. A more accurate statement that you should have made is that from time to time in Senate estimates—not as a minister but as a vigorous member of the opposition—

**Senator CARR**—I do recall one or two well.

**Senator Kemp**—I expressed views on certain organisations. They were not in fact arts bodies, if you recall.

**Senator CARR**—The ABC is an arts body. What are you talking about?

**Senator Kemp**—I do not think I will get into the ABC at the moment.

**Senator CARR**—Senator Alston is doing a great job of that.

**Senator Kemp**—I was concerned about certain organisations and their Sydney-centric nature. I remember I used to constantly urge you to take an interest in this issue. Regrettably, I failed, but I am delighted to see that you have now come up to this particular concern as Melbourne based senators. Let me make a couple of points on the ones you have made. I would prefer to see more opera in Melbourne rather than less opera in Melbourne. Nonetheless, to work out how they can manage their affairs is a matter for Opera Australia. It is important that they manage them efficiently, for the sort of reasons that you have been touching on in your questions. It is really not my role to direct Opera Australia, and I do not think you would expect me to do that. But I would hope that in the fullness of time, as Opera Australia works through these issues and as we build audiences in Melbourne, we will see more productions in Melbourne.

It did occur to me that, because of your very close links to the state government in Victoria, you may be able to see whether there would be any additional assistance available from the state government, and perhaps I can look forward to having some private discussions with you on that matter. I think this would be the first time that we have ever made a joint approach to anything, Senator, so I look forward to your constructive approach.

**Senator CARR**—While you are contemplating that harmonious union, could you perhaps confirm for me—

**Senator Kemp**—I did not say union!

**Senator CARR**—that the subscriber base for Opera Australia has fallen from 12,000 prior to the merger to 3,000 now. The combined subscriber base was 12,000 prior to the merger, for both the Australian Opera and the Victorian State Opera in 1996, and it is now 3,000.

**Dr Brown-Watt**—I am happy to check those figures for you.

**Senator CARR**—Do they sound right to you?

**Dr Brown-Watt**—No, they do not, but I do not have those figures in front of me. I am happy to check them for you.

**Senator CARR**—Can any officers confirm for me that at the time of the merger there were in fact commitments entered into that the standards and quality of the opera performances in Victoria would not suffer as a result of the merger?

**Dr Brown-Watt**—I cannot confirm that personally; I was not involved at that time. Again, I can check for you what any commitments were. Insofar as I am aware, I thought the commitments were more to do with maintaining the Opera's breadth—in other words, continuing to do education work and some new work as well as main stage work. But I am happy to follow that through for you.

**Senator CARR**—Do that for me, please. Minister, I am told that Opera Australia will only be performing six operas in Melbourne, which is effectively what you confirmed today, as I understand it, but there will be eight in Sydney.

**Dr Brown-Watt**—There will be more than that in Sydney.

**Senator CARR**—So the six in Melbourne is right?

**Dr Brown-Watt**—Correct. That will be the case in 2004, if that is the year we are referring to.

**Senator CARR**—How many will there be in Sydney?

**Dr Brown-Watt**—My recollection is that there will be something like 11. Again, I would need to—

**Senator CARR**—It is almost two to one. Do you think people in Sydney enjoy opera more than people in Melbourne?

**Dr Brown-Watt**—If you go by the attendances, yes.

**Senator CARR**—That accounts for it, does it?

**Dr Brown-Watt**—Opera Australia's subsidy represents approximately 25 per cent of its total income; it needs to earn the rest of its income. There is a significant difference between the level of attendances in Melbourne and Sydney and in the ticket prices that can be charged. It is certainly a factor.

**Senator CARR**—This is revenue driven, is it?

**Dr Brown-Watt**—Sorry?

**Senator CARR**—The reason there are twice as many performances in Sydney as in Melbourne is that it is revenue driven?

**Dr Brown-Watt**—It is part of the explanation I am giving you.

**Senator CARR**—What is the other part?

**Dr Brown-Watt**—The number of performances also partly relates to the size of the house in which the performance takes place.

**Senator CARR**—So the facilities in Melbourne are poorer?

**Dr Brown-Watt**—No. If 5,000 people are going to come and you have a 1,000-seat theatre, you can do five performances. If you have a 2,000-seat theatre, you can do two and a half performances. There is a larger theatre in Melbourne; therefore, fewer performances are needed to capture the same number of people.

**Senator CARR**—I see—the facilities are better?

**Dr Brown-Watt**—Not necessarily. There are advantages for some works in having a smaller house.

**Senator CARR**—It might be a bit hard to explain to the Melbourne public why there is twice as much opera in Sydney as there is in Melbourne, particularly given the views of each city about the relative cultural appreciation levels of the other.

**Dr Brown-Watt**—That is reflected, however, in the state government support for the company.

**Senator CARR**—So it is a state government problem?

**Dr Brown-Watt**—No. I am simply saying that, if you look at the amount of money that is coming from the two states, that balance is reflected.

**Senator CARR**—You are saying that because the New South Wales government put more money in, they get more opera—is that the point?

**Dr Brown-Watt**—No. I am saying that the way in which the funding ratio was agreed took into account the amount that New South Wales was asked to pay and the amount that Victoria was asked to pay—coming out of the major performing arts inquiry—and the number of performances in each case, which in turn reflects audiences.

**Senator CARR**—Is this consistent with the arrangements that were made in 1996 when Opera Australia and the Victorian State Opera were merged?

**Dr Brown-Watt**—I have already said to you, Senator, that I will have to check on that. The company was not in our hands at that stage, and I will need to check with the company.

**Senator CARR**—My concern is that here is a national institution supported by a considerable amount of public money, and there appears to be a marked discrepancy between the access provided in Melbourne and the access provided in Sydney. Perhaps you could provide me with further advice as to why Sydney is entitled to twice the number of performances as Melbourne.

**Dr Brown-Watt**—I have already said it is partly a function of—

**Senator CARR**—Can you take that on notice, because I need a considered answer.

**Dr Brown-Watt**—I will take it on notice, yes.

**Senator CARR**—That concludes my questions.

**ACTING CHAIR**—I thank the officers of the Australia Council. I now call the Australian Film Commission to the table. I may need some assistance with this, because there are two other agencies listed here—the Australian Film, Television and Radio School and the Film Finance Corporation—and I was given to understand that two of these three agencies wish to appear together. Is that correct?

**Senator CARR**—Who are we doing now?

**ACTING CHAIR**—I am not sure.

**Senator CARR**—I thought we were doing the Australian Film Commission and Film Australia. Are they appearing together?

**Ms Williams**—These three that are listed here are all separate organisations.

**ACTING CHAIR**—I understood there was some request or expectation that at least two of them appear together. Is that correct?

**Ms Williams**—We know nothing about that.

**ACTING CHAIR**—In that case, let us go by the schedule as listed, with the Australian Film Commission first.

[3.09 p.m.]

#### **Australian Film Commission**

**ACTING CHAIR**—I welcome officers of the Australian Film Commission. We will have a brief break while the minister and Senator Carr consolidate their harmonious union!

**Senator CARR**—My apologies—I was distracted.

**ACTING CHAIR**—I am always happy to see fellow Victorian senators working together.

**Senator CARR**—I could ask you about some of your performances on that front, but I will not. Who is the lead officer for the Film Commission? I am sorry that I cannot read your name through the glasses.

**Mr Dalton**—Senator—

**Senator Kemp**—It is Kim Dalton—rather a legend in the industry.

**Senator CARR**—That might be so, but I am a mere novice here, so you will just have to bear with me.

**Mr Dalton**—We are namesakes.

**Senator CARR**—Thank you, Mr Dalton. I just could not read your name tag through the drinking glasses. What is the nature of your budgetary position? Has it improved from the previous year?

**Mr Dalton**—Yes. We will receive an additional \$2 million this coming financial year, and we received an additional \$3 million for the financial year that we are in at the moment.

**Senator CARR**—What is the reason for the additional appropriation?

**Mr Dalton**—The reason came out of discussions with the government over a period of time about the role of the AFC as its development agency and the need for an increased level of finding in the area of development. So in August 2001, as part of the funding package

announced by Senator Alston to the film industry, the AFC was provided with an additional \$5 million a year, to be introduced \$3 million this financial year and \$2 million next financial year.

**Senator CARR**—Is this to also assist with the amalgamation of the AFC and ScreenSound?

**Mr Dalton**—No, that is a completely separate issue.

**Senator CARR**—Is any of that appropriation to facilitate that amalgamation?

**Mr Dalton**—No.

**Senator CARR**—What will the new organisation that will result from this amalgamation of the AFC and ScreenSound be called?

**Mr Dalton**—It will be called the Australian Film Commission.

**Senator CARR**—So ScreenSound just disappears?

**Mr Dalton**—No. We would expect that ScreenSound, or the National Screen and Sound Archive, would retain its identity as the national collection and the repository for our film heritage and that it would retain that identity and that sense of integrity within the Australian Film Commission.

**Senator CARR**—So I can presume, therefore, that the new CEO will be responsible for the amalgamated body. Is that the case?

**Mr Dalton**—That is right.

**Senator CARR**—When will the legislation be introduced into the parliament to establish this new organisation?

**Senator Kemp**—It will be in the very near future, I would say. It may well be days rather than weeks.

**Senator CARR**—So it is imminent.

**Senator Kemp**—Yes. It is a budgetary item. The merger will occur on 1 July.

**Senator CARR**—When you say that it is about to be introduced, I take it that it is back from the draftsman; it is ready to roll.

**Senator Kemp**—The legislation is ready to roll. I have just been advised that it will be not a matter of ‘days’ but a matter of ‘day’. It will be introduced tomorrow into the House.

**Senator CARR**—That will provide the legal foundation for the new body?

**Senator Kemp**—That is right. It will do a number of things to facilitate the merger activities—from the transfer of the assets to giving statutory recognition to the position of CEO. There will be a number of items in that legislation which are important for the merger.

**Senator CARR**—Presumably, you would expect it to be passed by 1 July.

**Senator Kemp**—It is an urgent bill, and we would hope to see it get the cooperation of the Senate.

**Senator CARR**—It is just getting a bit late in the piece.

**Senator Kemp**—It is a budgetary item. It is one of those things you bring in in a budget.

**Senator CARR**—Yes, that is what budgetary items are. Yes, I know.

**Senator Kemp**—Exactly.

**Senator CARR**—I know.

**Senator Kemp**—You are getting quicker and quicker as you get older and older!

**Senator CARR**—When was the amalgamation organised?

**Senator Kemp**—The government's intention was announced in the budget.

**Senator CARR**—And that was the first occasion. When would you actually do the work, Mr Dalton, to bring these two organisations together? Have you been planning this for a while?

**Mr Dalton**—No. We are working with officers from ScreenSound at the moment and our own officers are working on it.

**Senator CARR**—So it was all news to them, was it? It was just announced two weeks ago and that was the first time you had heard about it?

**Mr Dalton**—It was not the first time I had heard about it, but the decision was formally made only a couple of weeks before the budget.

**Senator CARR**—So the legislation was off to the draftsman then, was it?

**Senator Kemp**—I have to say that the legislation is not complex. It is not a bill which will require a huge amount of research. It does a number of specific items, as I mentioned. It recognises the statutory position of the CEO, looks at aspects of the board and deals with the transfer of assets. There are four or five things.

**Mr Dalton**—I think that one of the key elements of the legislation will be to enshrine in legislation for the first time a number of requirements with regard to the collection and preservation of Australia's film heritage. At the moment, that requirement does not exist.

**Ms Williams**—It was one of the outcomes of the government's review of cultural agencies—and the outcomes were announced in the budget. Broadly, the review decided that there were real synergies between the two organisations and that there would be benefits for both—for example, the one that Mr Dalton has just mentioned.

**Senator CARR**—The process of the merger was effectively undertaken in secret.

**Senator Kemp**—I do not think we would use that description.

**Senator CARR**—It is just that no-one knew about it.

**Senator Kemp**—These are decisions that governments take. In the context of a budget there are certain confidentiality arrangements, then an announcement is made and the process is put in train. It is a very positive development which we think will benefit both ScreenSound and the AFC.

**Senator CARR**—Four years ago, the National Film and Sound Archive had its name changed to ScreenSound. The decision was criticised at the time as being undertaken without consultation. Could not the same criticism be levelled about this amalgamation?

**Senator Kemp**—The amalgamation was as a result of a review the government conducted of its cultural agencies. One of the major outcomes of the review was to recommend a merger of the AFC and ScreenSound. Another one was the transfer of Questacon from this portfolio into the department of education. It came out of a considered process and clearly the recommendation was one which the government accepted. It is not like it was made three weeks before the budget—what a good idea it would be to have this merger. It came out of a considered process and this is the way that governments, since times long past, have given effect to budget decisions.

**Senator CARR**—What consultations were there with stakeholders who have some interest in the archives?

**Ms Williams**—As the minister said, this was a budget process, so obviously it was kept fairly tight. But, towards the end, both the CEOs were involved. I should add that it has been welcomed by both organisations.

**Senator CARR**—I have noticed this feature of senior management in these various agencies in recent times—they are all welcoming government decisions.

**Senator Kemp**—That may be because they are right.

**Senator CARR**—It may well be.

**Senator Kemp**—It may be that in good faith and after careful thought it is possible to actually welcome a government decision.

**Senator CARR**—Indeed it is. It is a distinct possibility. But were any job losses anticipated in this?

**Mr Dalton**—I do not anticipate any job losses. I think the key point to make here is that this is not a cost-cutting exercise. It has not been presented to us by the department or by the government as a cost-cutting exercise. It is driven from a range of policy views about the importance of the role of the National Screen and Sound Archive and the synergies that exist between these two agencies. Not only has it been welcomed by the CEOs of both organisations but it has been broadly welcomed within the wider film community and among the stakeholders of both agencies.

**Senator CARR**—Will there be job losses?

**Mr Dalton**—No, I do not anticipate that there will be job losses.

**Senator CARR**—Have there been discussions with the unions in regard to this amalgamation?

**Mr Dalton**—Since the news was made public, we have been at pains to talk to the staff of both ScreenSound and the AFC and we have made contact with the various union representatives, stressing that there will be a thorough process of consultation undertaken with staff through the formal consultative processes that exist within both organisations and with their various representatives.

**Senator CARR**—In what way do you think, Mr Dalton, I could reassure people that this amalgamation will protect the separate identity, independence and professional character of the archive as one of our major national collecting institutions?



**Mr Dalton**—I would partly suggest to you that the Australian Film Commission is an organisation that has existed for some 26 years. It has a very venerable tradition and has been at the forefront and at the centre of the development and growth of Australia's contemporary film industry. With that tradition and that approach, we will join with an institution which is newer but nonetheless has already established a very proud and important role within Australia's area of filmmaking. Together we will make it much stronger and what will emerge will be a more important and more central cultural institution.

**Senator Kemp**—Senator, I think you could also add to those comments by Mr Dalton that this will lay the basis, we hope, to grow ScreenSound. It is not a cost-cutting exercise. We are not in this to make significant savings for the government. If there are savings, they will be absorbed by and used by the new body. It is an attempt to make use of the wonderful resource and expertise that ScreenSound has, so that we can make it even better known to large numbers of Australians. We think it is an excellent fit and it is something that the ScreenSound staff and the AFC staff should welcome because, as Mr Dalton said, it is not a matter of cuts and all the rest of it; it is a matter of laying the basis for further growth.

**Senator CARR**—You say that any savings that arise will be ploughed back into the new entity. What are the anticipated savings?

**Mr Dalton**—I would imagine that by bringing the two organisations together, particularly in the area of corporate services, there are going to be some synergies arise which may well lead to some efficiencies. Perhaps the most obvious example is that we both run offices in Melbourne and Sydney. In the longer term, we would obviously look at sharing space and hopefully some savings may emerge.

**Senator CARR**—Let us go through it. You say there will be savings in corporate services. What sorts of savings do you anticipate there?

**Mr Dalton**—I have no idea, Senator. This amalgamation proposal has not been presented as a cost-cutting exercise, so I have not sat down and done the sums.

**Senator CARR**—I have heard that—you have said it three times now.

**Senator Kemp**—The savings that can be achieved will be the result of discussions within the working party which is overseeing the merger activities. I do not think we can put a figure on it now.

**Senator CARR**—Presumably there will be efficiencies in regard to corporate services so there will be fewer people required to run the corporate services.

**Mr Dalton**—Over time I guess that is possible. There will also be the opportunity of shared services such as shared locations. We need to look at bringing IT departments together et cetera. I honestly have not started to investigate the detail of all that and I do not expect that the sorts of savings that may emerge in the longer term will be particularly significant either.

**Senator CARR**—But if you are sharing IT, sharing facilities and sharing corporate services then there must be fewer people required.

**Mr Dalton**—It is possible.

**Senator Kemp**—It depends on how the organisation develops. We hope, and it is my hope as the minister, that it will set the foundation for further growth. In fact, if we can achieve that, this may mean, over the medium and longer term, that more people will be required.

**Senator CARR**—I thought a little bit more planning might have gone into this. If there has been an announcement in the budget, presumably you have had a good look at this. You say it is the product of a review. I would have thought you would have a fairly good idea of how all this would work.

**Senator Kemp**—We have established a task force, a working party, comprised of the management of the two organisations who will be advising on the steps that should now be taken to bring about an effective merger.

**Senator CARR**—But you have legislation in the parliament.

**Senator Kemp**—That is right. This will allow the merger to take place.

**Senator CARR**—Yes, the merger will take place, but if I were looking at this in detail, I would want to know what plans are being proposed here—and I have not heard much in that regard.

**Senator Kemp**—You have heard the key elements of the plan.

**Senator CARR**—What are the key elements?

**Senator Kemp**—The key elements of the plan are that these two organisations will be merged. The second element of the plan is that this is not a cost-cutting exercise—and to the extent that there are savings, these will be savings which will be able to be utilised by the new organisation. The third thing you have heard is that the government hopes that this will lay the foundations to further grow the two organisations. You have heard that ScreenSound will continue as ScreenSound.

**Senator CARR**—No, I have not heard that.

**Senator Kemp**—You have heard that discussions have been held. So you actually have a lot of information.

**Senator CARR**—I think your officer may want to correct you there, before you go too far down this track.

**Senator Kemp**—The ScreenSound name remains as a trading name.

**Senator CARR**—I thought we were told the opposite. I thought we were told that the new institution would be called the AFC.

**Senator Kemp**—No. The new institution will be called the AFC and ScreenSound will be used as a trading name. So the ScreenSound name will continue to be used.

**Senator CARR**—But it will not be part of the title of the organisation.

**Senator Kemp**—The new organisation will be called the AFC.

**Senator CARR**—Will there be office closures?

**Mr Dalton**—Do you mean will we co-locate the two existing organisations on one premises in Melbourne and Sydney?

**Senator CARR**—Yes.

**Mr Dalton**—I would think that, over time, that would be something that we will look at. I know that at the moment in Melbourne, for instance, the AFC in the near future will need to look at either extending its existing premises or look for new ones. It may well be that we will look at co-locating with ScreenSound, if there was a possibility there.

**Senator CARR**—Are there any proposals to close the Melbourne office?

**Mr Dalton**—There are no proposals whatsoever to close the Melbourne office. Do you mean the AFC?

**Senator CARR**—I mean the Melbourne office of either of the organisations.

**Mr Dalton**—No, none whatsoever.

**Senator CARR**—So there is no intention to shift ScreenSound to Sydney?

**Mr Dalton**—From Canberra?

**Senator CARR**—I mean Melbourne's facilities.

**Mr Dalton**—From Melbourne's facilities, no, none whatsoever.

**Senator CARR**—Are there any proposals to actually impose fees for accessing materials as part of this amalgamation? Have there been any proposals to change the fee structure for accessing materials?

**Mr Dalton**—No, there are no proposals to change that.

**Senator CARR**—Minister, on behalf of the government would you provide the committee with advice on what steps are being taken to preserve the integrity of ScreenSound as an organisation?

**Senator Kemp**—In the legislation, as Mr Dalton said, a very important part is to give statutory recognition. I think that is a significant step in itself. We have already indicated that ScreenSound will continue as the trading name—that was the intention as I understand it. I can also give you the general commitment that the government regards ScreenSound as an important organisation. It is a repository for a lot of important Australian history and it is something that the government values. The reason the government has taken these steps is to see how we can better use the wonderful resources that ScreenSound has. We can build on the strong base that has already been established.

**Senator CARR**—Senator Lundy has advised me that she has received a heavily edited copy of a February 2000 KPMG audit report entitled 'ScreenSound Australia: a review of keystone corporate positions and consultancy'. I am advised that this was an edited text which, even though it was edited, still indicates that the process was pretty heavily flawed. Is it possible to get an edited copy of the review?

**Ms Williams**—Senator Carr, I apologise but representatives from ScreenSound itself will appear later, is it possible to ask them when they appear?

**Senator CARR**—I will do that. You say that none of the budget for the Film Commission is to go towards this amalgamation; is that right?

**Mr Dalton**—That is right.

**Senator CARR**—Can you give me a breakdown of how you intend to use the additional moneys which are proposals towards the additional appropriations that have been made?

**Mr Dalton**—The \$2 million?

**Senator CARR**—Yes.

**Mr Dalton**—The final decision will be made by the commission at its meeting on 25 June.

**Senator CARR**—Will you take that on notice?

**Mr Dalton**—I can take that on notice.

**Senator CARR**—Thank you. Are there any proposals to actually sell off ScreenSound?

**Mr Dalton**—Not that I have been made aware of.

**Senator Kemp**—We are trying to merge ScreenSound; we are not trying to sell it off.

**Senator CARR**—So there are no proposals to sell the assets?

**Mr Dalton**—I do not know how to respond to this, Senator. All I can say is that I feel as passionate about the assets within ScreenSound as you probably feel about many things that you are involved in, and the idea of selling something that is part of the National Heritage and part of an essential foundation—

**Senator CARR**—So you categorically reject that notion.

**Mr Dalton**—I categorically reject that notion. I cannot imagine where on earth it has come from.

**Senator Kemp**—I know where the question came from, but I cannot imagine the basis to it.

**Senator CARR**—You are saying that there is no intention whatsoever to dispose of any of the assets in the archive.

**Mr Dalton**—There is no intention whatsoever to dispose of any of the assets within the archive. The intention is to possibly see what can be done with the sorts of synergies created with the AFC to bring even greater and better use than is already made them.

**Senator CARR**—Thank you. Do you deal with matters of the Australian Film, Television and Radio School?

**Mr Dalton**—No.

**Senator Kemp**—That is after.

**Senator CARR**—Thank you.

**Senator Kemp**—Thank you, Senator, I am very pleased to see that you continue to be concerned about Melbourne.

**ACTING CHAIR**—I thank the officers from the Australian Film Commission—for the time being, that is.

[3.35 p.m.]

**Australian Film, Television and Radio School**

**ACTING CHAIR**—I welcome the officers from the Australian Film, Television and Radio School.

**Senator CARR**—I will not keep you long. Is Mr Long your new CEO?

**Ms Sheehan**—Yes. He sends his apologies. He is unable to be here due to a longstanding arrangement that preceded the setting of the date for this hearing.

**Senator CARR**—I can only presume that he understands the importance of estimates.

**Ms Sheehan**—He does.

**Senator CARR**—It is very unwise for chief executive officers not to turn up, in my experience.

**Senator Kemp**—On the contrary; I always advise them not to, Senator Carr.

**Senator CARR**—Then you have to answer the questions, Minister.

**Senator Kemp**—Anyway, let us continue.

**Senator CARR**—What are the major changes in the budget, and what effect do the changes in the budget have for this agency?

**Ms Sheehan**—Overall, there has been an increase in what was handed down for us in the budget.

**Senator CARR**—How much?

**Ms Sheehan**—Around \$374,000.

**Senator CARR**—What are you intending to do with that?

**Ms Sheehan**—We will be working it through our budget process and relating it to the way our various staff—

**Senator CARR**—Didn't you put in a budget bid?

**Ms Sheehan**—Yes. The head of Corporate Services will answer your question..

**Mr Bilimoria**—Our budget bid was based on a figure similar to the one we had last year. The increase in funding was attributable to the CPI less a productivity dividend, and that will be defrayed against the increased costs in salaries as a result of the EBA.

**Senator CARR**—So it has been spent, effectively, already? You do not need to think too long and hard about this.

**Mr Bilimoria**—Basically.

**Senator CARR**—And is that all you have got? There is no additional—

**Mr Bilimoria**—There is no additional funding.

**Senator CARR**—So it is just normal indexation?

**Mr Bilimoria**—Yes.

**Senator CARR**—I notice in the annual report that in the film and industry package there is supposed to be an amount of half a million dollars for the upgrading of equipment. Have you received any money for that upgrading of equipment?

**Ms Sheehan**—That process began last year. I will hand you over to the head of Technology.

**Mr Allsop**—Yes, just over two financial years ago we had \$500,000, which was announced as part of the film package in that November. Last year we had an additional \$1 million as part of our appropriation. That \$1 million is now carried forward plus the CPI increase minus the efficiency dividend. We are embarking upon a large program of digitising our facilities. We have so far completed the video side of our television studios. We are just about to embark upon digitising the sound facilities for both television and film production. Thereafter, we will look back at other areas, such as editing. We upgraded our digital media facility this year as well.

**Senator CARR**—So you have got the \$1 million this year that was anticipated?

**Mr Allsop**—Correct.

**Senator CARR**—Presumably, you have got your forward expenditure?

**Mr Allsop**—We have. We have a forward expenditure plan for the next two years.

**Senator CARR**—Thank you very much. That concludes my questions.

**ACTING CHAIR**—Thank you. I thank officers of the Film, Television and Radio School.

[3.39 p.m.]

#### **Film Finance Corporation**

**ACTING CHAIR**—I now call the officers of the Film Finance Corporation Australia Ltd.

**Senator CARR**—Mr Rosen, is it right that you are new to the post?

**Mr Rosen**—Yes.

**Senator CARR**—When did you start with the corporation?

**Mr Rosen**—I started on 31 March.

**Senator CARR**—That is a bit later than the minister announced that you would be starting. Didn't he announce that you would be starting in February?

**Mr Rosen**—I am not aware of that announcement.

**Senator CARR**—I thought I saw a press release to that effect.

**Senator Kemp**—I am sure my announcement was based on the best available advice at the time.

**Senator CARR**—It was actually put out on 6 March and it said that he was going to start in February, so presumably the best advice at the time—

**Senator Kemp**—I think you should cut to the chase quickly.

**Senator CARR**—I just wanted to know why it is that you put out a press release saying that Mr Rosen was to start two weeks before the date you issued the press release and in fact he did not start until the end of the month.

**Senator Kemp**—This shows that detailed and important research has been carried out by your office.

**Senator CARR**—I know. Our officers are extremely intuitive on these things.

**Senator Kemp**—I can see that; they are very cleverly focused.

**Senator CARR**—I just think that you ought to have your press releases checked for accuracy.

**Senator Kemp**—One always does that—

**Senator CARR**—Obviously not to great effect.

**Senator Kemp**—but I am not sure that you are correct, so I make no concession.

**Senator CARR**—Why don't you take that on notice—whether or not you put out a press release that indicated an officer was to start two weeks prior when in fact he started two weeks afterwards? It is important for government press releases to be accurate.

**Senator Kemp**—It is very clear that the importance of the press release created such huge interest that you are the only one it seems that has raised an issue on the date.

**Senator CARR**—Mr Rosen, the press release failed to draw our attention to the length of your contract. Can you indicate to us what it is?

**Mr Rosen**—It is three years.

**Senator CARR**—What are the main effects of the budget on your agency?

**Mr Rosen**—We got an additional \$3 million especially for television production.

**Senator CARR**—Are you anticipating a larger amount in the out years? Is that \$3 million for the out years, over the forward estimates period?

**Mr Rosen**—No. There is an additional \$3 million for each of the three years of the appropriation.

**Senator CARR**—So it is \$9 million altogether?

**Mr Rosen**—Correct.

**Senator CARR**—Dr Lawrence on 25 June 2002 put some questions down on notice regarding the Film Finance Corporation and its investments in children's animation programs. Are you aware of that question of 25 June?

**Mr Rosen**—Yes, I am.

**Senator CARR**—I am told that that question has not been answered. Is that true?

**Mr Rosen**—It is my understanding that the question has been answered.

**Senator CARR**—It has been answered?

**Mr Rosen**—Correct.

**Senator CARR**—Can I have a copy of that answer?

**Mr Rosen**—Yes.

**Senator CARR**—Thank you. I would appreciate it if that could be tabled. Is that here now?

**Mr Rosen**—Sure.

**Senator Kemp**—I have just got some advice which I think can assist the committee. I am advised that that question on notice has not been answered.

**Senator CARR**—It has not been answered?

**Senator Kemp**—It has not been answered. That is the latest advice that I have, but it is coming over very soon. As soon as we can release it, we will give it to you.

**Senator CARR**—I see. Nothing quite throws off a line of questioning than a complete denial like that! When do you expect it to arrive, Dr Kemp—I mean Senator Kemp?

**Senator Kemp**—You are confusing me with my brother, whom I know you also have a particular affection for!

**Senator CARR**—When it comes to bodgie press releases and crooked information, yes, I do confuse you.

**Senator Kemp**—We hope that it will be in the very near future.

**Senator CARR**—Why has it taken 11 months to answer that question?

**Senator Kemp**—I haven't a clue. I think we may be able to throw some light on this response.

**Senator CARR**—Like you are about to table it; is that what you are saying?

**Mr Young**—During the preparation of the answer to this question, additional material has continued to be forthcoming from one of the people about whom the question relates, and that has required further investigation.

**Senator CARR**—Eleven months. This must be an extensive investigation.

**Mr Young**—Some of it relates to possible police inquiries.

**Senator CARR**—This is a fraud question?

**Mr Young**—There are certainly allegations in that regard.

**Senator CARR**—That is not normally a reason to delay the answering of questions, though, is it? I thought you would have explained that in your answer. That would be the convention, would it not?

**Senator Kemp**—I think it is probably best if we look closely at it and make sure that we provide an answer to you. It is a long period—I accept that. We will see what we can do.

**Senator CARR**—Thank you. Do you think it is possible to get that soon?

**Senator Kemp**—Senator, knowing your great interest in this—

**Senator CARR**—It is a profound interest.

**Senator Kemp**—you can be assured that I will give it particular attention.

**Senator CARR**—Is that right? Do you think I could get it by the end of the week?



**Senator Kemp**—The end of the week is—

**Senator CARR**—a hell of a long time away, yes.

**Senator Kemp**—not a great deal of time, but we will see what we can do. Failing that, we would hope to get it to you by the end of the following week.

**Senator CARR**—I appreciate that. With regard to the review of national cultural institutions, what co-investments is the agency planning this year?

**Mr Rosen**—I do not quite understand what you mean by co-investments.

**Senator CARR**—The Australian Film Finance Corporation presumably has a number of co-investments planned for this year, particularly with FLICs. What plans do you have in that regard?

**Mr Rosen**—I believe the FLICs have finished. Any investment that was to be done with FLICs has been done. There are no future FLICs at this point in time.

**Senator CARR**—So there are no plans this year? Have you undertaken a review of the success of the FLICs program?

**Mr Rosen**—No, we have not as yet.

**Senator CARR**—Do you intend to?

**Mr Rosen**—Yes, we do.

**Senator CARR**—When will that review commence?

**Mr Rosen**—I will have to get back to you on that.

**Senator CARR**—Would you give me details of the proposed time line for the review—when it starts and when it is likely to conclude?

**Mr Rosen**—I will take it on notice.

**Senator CARR**—Thank you. As a result of reading page 16 of the annual report, I note that in 2001-02 the moneys invested were almost entirely invested in the first three-quarters of that year. Is that right?

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

**Senator CARR**—Can you tell me what the investment is likely to be for the coming year? Do you have a schedule of investments over the coming year and, if so, what is that schedule?

**Mr Rosen**—We do not allocate month by month as to how we are going to invest. We have eight board meetings through the year, and we make investments as per the applications that come in.

**Senator CARR**—I presume the reason the investments for the previous year were in the first three-quarters of the year was the quality of the projects. Is that the basis of it?

**Mr Rosen**—I am sure that the board—

**Senator CARR**—That is the answer you would give. Could you let us know what you are anticipating with your forward investment program? Has the agency undertaken any representations to DCITA and DFAT in relation to free trade discussions?

**Mr Rosen**—Again, I started only a month ago. I know that—

**Senator CARR**—It is a great job to be here, isn't it?

**Mr Rosen**—our policy person was in communication with the Australian Film Commission and that they were jointly putting that submission in.

**Senator CARR**—Could I ask you to take that on notice, please. Could you give me details of the representations you have made with regard to those discussions.

**Mr Rosen**—Yes.

**Senator CARR**—In fact, I will ask a similar question of all the other agencies in the portfolio. Could that be taken on notice, as a matter of course, by all agencies in the portfolio. I would like to know what representations have been made with regard to the free trade discussions and the nature of those representations.

**Mr Rosen**—Yes, Senator.

**Senator CARR**—If the department could take that question on notice—for all the agencies within the portfolio. That will do, thank you very much.

**Senator Kemp**—Senator, you may wish to correct the record—knowing what a stickler you are for proper process. Was that the press release I put out on 6 March 2003 that you were referring to?

**Senator CARR**—That is what I am told.

**Senator Kemp**—And was that the press release which said:

Federal Minister for the Arts and Sport, Senator Rod Kemp, today welcomed the appointment of Mr Brian Rosen as the new CEO of the Film Finance Corporation Australia (FFC) effective from the beginning of April, 2003.

Is that the press release you were referring to?

**Senator CARR**—Presumably it was.

**Senator Kemp**—Thank you for the apology, Senator. It was very gracious of you. I dare say someone will be spoken to fairly seriously after this!

**ACTING CHAIR**—Thank you, Mr Rosen. I was negligent in not welcoming you to your first estimates. I understand also that the Australian Film Commission and Screensound Australia, after the amalgamation and becoming the Australian Film Corporation, will be transferred to the Department of Education, Science and Training for the next estimates. Is that right?

**Ms Williams**—Questacon is transferring to the—

**ACTING CHAIR**—Questacon is being transferred?

**Ms Williams**—Yes.

**ACTING CHAIR**—Is Screensound Australia as well?

**Ms Williams**—Screensound is to amalgamate with the Australian Film Commission—Screensound officers were giving evidence just now.

**ACTING CHAIR**—So they will be here again?

**Ms Williams**—Screensound will be, yes.

[3.52 p.m.]

### **Australian National Maritime Museum**

**Mr Howarth**—I would like to tender an apology on behalf of my director who is unable to be here. She is tied up at a Museums Australia conference in Perth, which was a longstanding commitment.

**Senator CARR**—What is the impact of the budget for the Australian National Maritime Museum?

**Mr Howarth**—It has had a very minimal impact in relation to any changes.

**Senator CARR**—So you have had the normal indexation increases?

**Mr Howarth**—Yes.

**Senator CARR**—How much is that?

**Ms Miller**—Indexation is a little bit confused this year because we had such a substantial reduction in the capital use charge—the elimination of that. It is quite minimal. I am trying to look at the amounts here on a comparative basis. It is not quantified specifically in the calculation that we agreed with the Department of Finance and Administration.

**Mr Howarth**—We had a net reduction this year of \$23,000 in relation to the budget expectations.

**Senator CARR**—You have a reduction?

**Mr Howarth**—Of \$23,000 over the entire budget.

**Senator CARR**—Most agencies get an increase.

**Ms Miller**—We did not.

**Senator CARR**—Can you explain that to me?

**Mr Howarth**—They were the savings that were announced in the budget process as a result of the overall savings sought from agencies like ours. It was just the appropriations savings in the budget. It was an announced saving of \$23,000. We did not see that as being a significant impact.

**Ms Miller**—We were informed of that amount.

**Ms Williams**—There was a cross-portfolio savings cut of one per cent of running costs and it has hit every agency in the portfolio.

**Senator CARR**—But normally you would get some increase as a result—

**Ms Williams**—No, this was not the efficiency dividend; this was a special savings measure that hit our portfolio.

**Senator CARR**—So it was one per cent across the whole portfolio?

**Ms Williams**—Yes, one per cent of running costs.

**Senator CARR**—All agencies within the portfolio.

**Ms Williams**—Except the ABC and SBS, which had triennial funding. I think those were the only two exceptions.

**Senator CARR**—I am told that the number of visitors to the museum has decreased significantly.

**Mr Howarth**—In 2002-03?

**Ms Williams**—Senator Carr, may I correct that. I have just been reminded—and I apologise—that we had to make a saving of one per cent of running costs and the remainder was spread across the portfolios, but taken into account in that was the closure of the government bookshops. So there was a very small amount spread across agencies of something like \$500,000.

**Dr Stretton**—But that includes the department.

**Ms Williams**—No, every agency in the portfolio. We had to make a saving of one per cent of running costs. The closure of the government bookshops was taken into account in that, and that is what I forgot—I apologise. The remainder, which was \$596,000 in 2003-04, was spread across every agency in the portfolio.

**Senator CARR**—Which government bookshops are closing?

**Ms Williams**—The government bookshops are closing as a budget measure. They were run by the National Office for the Information Economy.

**Senator CARR**—So the bookshop in Melbourne is going to close. Why have you got it in for Melbourne?

**Ms Williams**—I think this hit more than Melbourne.

**Senator CARR**—I do not know about this department and Melbourne; I do not think you get on too well. Is that the problem?

**Ms Williams**—We love Melbourne. We have two ministers from Melbourne.

**Senator Kemp**—That is right. Both ministers are from Melbourne, and we are very glad to see that you have touched on this background.

**Senator CARR**—I do not think you look after Melbourne very well.

**Senator Kemp**—You have made some interesting observations.

**Senator CARR**—Everywhere I go I see another blow for Melbourne. It is very disappointing.

**Senator Kemp**—Welcome to the team, Senator.

**Senator CARR**—You are not doing a very good job here. I will ask again: why do you think the numbers of visitors is likely to decline?

**Mr Howarth**—Are we talking about the number of visitors in 2003-04 versus the number of visitors in 2002-03?

**Senator CARR**—The figures I have here suggest to me that the drop is likely to be from 464,000 down to 314,000.

**Mr Howarth**—That sounds like the jump between 2001-02 to 2002-03. In 2001-02 the number of activities surrounding the museum was much more extensive, plus we had travelling exhibitions taking place in that year. We did not have as many travelling exhibitions this year to boost those numbers.

**Senator CARR**—Do you anticipate that trend of decline to continue?

**Mr Howarth**—No, we see it as being pretty flat. We are expecting a slight increase in 2003-04 over 2002-03.

**Senator CARR**—Will you see a decline in your revenues as a result of the decline in visitor attendance?

**Mr Howarth**—No, we do not believe so. We believe revenues will be slightly up, but not significantly.

**Senator CARR**—When does the director's contract expire?

**Mr Howarth**—I am not certain of that myself. I think it is a statutory appointment in our case, so I think it would actually be a matter for the department and the minister.

**Senator Kemp**—We will provide that information to you.

**Senator CARR**—Do you not have it here?

**Ms Williams**—We understand that it is late this year, but we will have to check. I have just been told that it is 9 November.

**Senator CARR**—That is late this year. What action has been taken in regard to filling the position?

**Senator Kemp**—We are looking at what would be the appropriate steps. I will be seeking advice from the department and other relevant authorities.

**Senator CARR**—It has taken you by surprise, hasn't it?

**Senator Kemp**—No, there are no surprises here. It would take a better man than you to surprise me, Senator.

**Senator CARR**—It certainly would.

**Senator Kemp**—After your effort with the press release, I think I would be more cautious.

**Senator CARR**—Could I please have advice on the process for the filling of the chief executive's position at the expiry of the contract?

**Ms Williams**—Sorry?

**Senator CARR**—The contract is due to expire on 9 November. I have asked: what is the process for filling that vacancy? Could you take that on notice, please?

**Ms Williams**—Yes.

**Senator CARR**—Who has been appointed to the council of the Australian National Maritime Museum in the last year?

**Senator Kemp**—We will provide that to you as well.

**Senator CARR**—You are not able to do that off the top of your head?

**Mr Howarth**—It is because there are a couple on the verge of appointment and I am not quite sure of their status, so I would rather not answer it without notice.

**Senator CARR**—All right.

**Senator Kemp**—We can provide a very prompt response to that. I think that these appointments have been made, actually, but leave it with us and we will provide it.

**Senator CARR**—Thank you very much.

**ACTING CHAIR**—I thank the officers of the Australian National Maritime Museum for their attendance.

**Proceedings suspended from 4.01 p.m. to 4.15 p.m.**

**National Archives of Australia**

**ACTING CHAIR**—I welcome officers of the National Archives of Australia.

**Senator CARR**—Mr Gibbs, you are the new Director-General of the Archives. What are your first impressions of the Archives?

**Mr Gibbs**—It is much bigger than I thought. It is much more complex than I thought. Canberra has had a beautiful autumn and I have been very spoilt by it—that is probably my biggest impression. Another impression is that Canberra is a relatively small town and you can get your photo in the paper very easily. More seriously, I guess the levels and layers of audit responsibility are something quite different to what I have been used to in government in Victoria, this being part of that.

**Senator CARR**—We do not intend to keep you long today. What is the impact of the budget on the Archives?

**Mr Gibbs**—According to the headlines of the *Canberra Times* the impact of the budget was that we had been massacred and had lost \$700,000. We had, but it was in the context of a review where we thought we might have lost all our preservation funding. In fact, we managed to maintain \$12 million in preservation funding, which means that by the end of next year, over the past four years we will have had a \$21 million increase just in preservation funding to look after the collections. So it was tempered. Of course, the operating loss of \$690,000 was unfortunate, but the broader story was really good news for the whole office.

**Senator CARR**—In the *Canberra Times* you are quoted as saying, ‘No-one will lose their job outright.’

**Mr Gibbs**—That is right.

**Senator CARR**—What do you anticipate the effect on staff will be?

**Mr Gibbs**—With the preservation funding projects, which have been capitalised projects and therefore all on contract, we have a lot of staff on contract. We have over 120 staff on non-permanent contracts. The 10 staff will come out of that. In fact, there will be 10 fewer staff on our books by 30 June this year and there will be considerably less than that next year. So it will be just people on contracts.

**Senator CARR**—Let us just have a look at that. You are saying 10 jobs this year—

**Mr Gibbs**—Yes, and that is unrelated to anything except contracts expiring.

**Senator CARR**—But there will be 10 fewer people employed.

**Mr Gibbs**—That is right.

**Senator CARR**—And next year how many?

**Mr Gibbs**—The budget implication of the \$690,000 is that there will be 10 fewer bodies on the premises. But it will come out of—

**Senator CARR**—That is this year. I am sorry, I want to be clear about this. You are saying that there are 10 fewer jobs this year and then you said there will be considerably more than that next year.

**Mr Gibbs**—I said that that \$690,000 will turn out to be 10 fewer positions. I was suggesting that that is a fairly normal attrition rate in a fairly big organisation, and I was telling you the story about there being 10 fewer by 30 June year as indicative of what sort of attrition rate we deal with in an organisation of our size. It is not something we cannot cope with.

**Senator CARR**—I am not asking you about whether you can cope with it. I would like to know how many fewer people, in terms of your staff numbers, will be there at the end of next year. How many will not be there?

**Mr Gibbs**—In terms of our permanent or ongoing staff, the numbers will be the same or perhaps slightly greater. We cannot predict the real outcome of what this review will mean—we are till to get the advice from DOFA about it. Our best prediction is 10 fewer project staff.

**Senator CARR**—So it is 10 this year and 10 next year?

**Mr Gibbs**—Yes.

**Senator CARR**—I thought you said before that it would be a considerably greater number.

**Mr Gibbs**—No, I did not. Sorry.

**Senator CARR**—I misheard that. Your best guess at this time is 10 jobs this year and 10 next year?

**Mr Gibbs**—The 10 jobs this year is not a guess; it is just contracts expiring. Given the nature of the short-term contracts that we have, our projection is 10 next year. We do not yet have the advice from Finance about how this will work, so we cannot be accurate.

**Senator CARR**—So it is about 20 effective full-time positions over a two-year period?

**Mr Gibbs**—They are contract positions—some of them might be full-time, some of them might be less; I do not know.

**Senator CARR**—But 20 fewer bodies in the place.

**Mr Gibbs**—That is right.

**Senator CARR**—Are you able to tell us in what areas those positions will be lost?

**Mr Gibbs**—Yes; in the preservation area.

**Senator CARR**—All of the 20 positions?

**Mr Gibbs**—As I said, we do not know yet, because we do not have the guidelines as to how the reductions are going to be made. But the biggest area of recruitment over the last

three years has been in the preservation area. That is where the big contract employment area is. So, ipso facto, that is where the cuts will be.

**Senator CARR**—Is it still the case that, as you say, the reading rooms will be kept open?

**Mr Gibbs**—I am able to say that the reading rooms in all the state offices and here in Canberra will remain open and all our public services remain, because the cuts will be coming out of the preservation area, which is obviously out of the public area.

**Senator CARR**—Will the exhibitions area be maintained?

**Mr Gibbs**—I am hoping that the exhibitions area will in fact be expanded.

**Senator CARR**—And conservation—or are ‘conservation’ and ‘preservation’ one and the same—

**Mr Gibbs**—It is a euphemism, yes. It is the same area.

**Senator CARR**—So it will effectively be from there. Given that the government is claiming increased funding in the conservation areas, how do you reconcile that with the loss of the 20 jobs?

**Mr Gibbs**—It is put in the context of \$690,000, which works out as 10 jobs, against the \$12 million increase I was talking about. It is reconciled that way. We have to make a saving, but it is a relatively small saving in the scale of the preservation work we are doing. We now have roughly 120 contract staff on our books because of that preservation funding.

**Senator CARR**—What is the length of your contract?

**Mr Gibbs**—Five years.

**Senator CARR**—Thank you very much. That concludes my questions. Shall we move on to the National Gallery?

**CHAIR**—Senator Carr, I understand that Senator Faulkner has some questions for the Australian Archives.

**Senator CARR**—I was not made aware of that. Where is Senator Faulkner?

**ACTING CHAIR**—Mr Gibbs, could you please stay in the room, because I understand that Senator Faulkner may have some questions for you as well. He is on his way.

**Senator CARR**—So I have been premature in encouraging you to leave.

**ACTING CHAIR**—You do not have to stay at the table. We might ask the National Gallery to come up first. While we are waiting, Mr Gibbs, may I say I was negligent in not welcoming you to your first estimates.

**Senator CARR**—I did, on behalf of the committee.

**ACTING CHAIR**—Mr Gibbs, I was not aware that you were a new appointee, so congratulations. It is always good to see other fellow Victorians in Canberra.

**Mr Gibbs**—Thank you very much. I am a five-week-old Victorian.

**Senator CARR**—It is a great town; almost as good as Melbourne.



[4.23 p.m.]

### **National Gallery of Australia**

**ACTING CHAIR**—I welcome the officers of the National Gallery of Australia. It is good to see you, Dr Kennedy.

**Senator CARR**—Dr Kennedy, what is the impact of the budget on the Gallery?

**Dr Kennedy**—It has been minimal, but I will just pass that to Alan Froud, our deputy director in charge of finance.

**Mr Froud**—After making the adjustment for the capital use charge, there is about a \$330,000 reduction.

**Senator CARR**—How are you going to achieve the reduction of \$330,000?

**Mr Froud**—To put that in context, that \$330,000 is \$330,000 in a net recurrent operating budget of about \$31.5 million. It represents an opportunity for us to review some of our operations and programs and look at things a little differently, but it is not a particularly significant sum in that context.

**Senator CARR**—That does not answer my question. I will repeat my question: how do you intend to realise this reduction of \$330,000?

**Mr Froud**—I am not trying to be anything but entirely frank. The plans for the Gallery for 2003-04 will be similar to our operating plans in years past. There are differences in our operating program, as there are each year, in terms of the program content, exhibitions and public program activity. The operational areas of our program offer the opportunity for there to be some adjustment. It is difficult to be precise at this point.

**Senator CARR**—You will not have any trouble finding \$330,000—is that what you are saying?

**Dr Kennedy**—No. Obviously the desirable position is that we are going forward rather than backwards. But in the context of our total finances—and they include the possibilities, for example, to buy artworks, which is obviously discretionary—one spends what one has. There are other possibilities within our building program—which may not go to staff, in other words.

**Senator CARR**—You have known the budget now for a couple of weeks. I am surprised you have not got a more precise answer to my question, which I would have thought is hardly a surprise. It is a pretty straightforward proposition.

**Dr Kennedy**—I was trying to imply that the discretionary spending—that is to say the amounts of money that we would have for example to purchase artworks—would be where we would be looking rather than to our current funding.

**Senator CARR**—Fair enough. So it is most likely you will have less money to spend on buying artworks.

**Dr Kennedy**—Slightly less, yes.

**Senator CARR**—Will that mean one or two fewer acquisitions? What do you think the impact would be?

**Dr Kennedy**—You cannot answer that. Acquisitions cost all sorts of different amounts of money—a couple of hundred thousand dollars less than last year.

**Senator CARR**—It is obvious, isn't it? I think we can probably follow that line of logic. So you really do not know how you are going to find the savings yet.

**Dr Kennedy**—I do know how I am going to find the savings.

**Senator CARR**—You do?

**Dr Kennedy**—Most likely in that area. But if you ask me how much does an artwork cost, it depends on what it is. Some cost millions; some cost a couple of hundred—

**Senator CARR**—Dr Kennedy, I am sorry. I do not mean to be obtuse. I just wanted to know whether in the discussions with the government you were able to identify where the savings would be made.

**Senator Kemp**—I think the question was being answered and it would help if we could allow Dr Kennedy to fully respond before you ask your next question.

**Senator CARR**—Thank you, Minister. I have asked the same question four or five times now.

**Senator Kemp**—If you let Dr Kennedy respond, rather than butting in, it would make the work of this committee a bit easier.

**Dr Kennedy**—Maybe I am not being clear enough, but I was trying to suggest that it is in the discretionary area for the Gallery of purchasing artworks, as opposed to in the current funding area of ongoing operations, that we would be looking. We have a significant sum of money to spend on artworks and we have in recent years also attracted very significant private funding. Obviously, it would be desirable to have more money, but we recognise the difficult year we have been in. We had been alerted to the bushfires and drought and, therefore, we will accommodate what we have been given.

**Senator CARR**—Bushfires, drought, pestilence—what have they got to do with whether you have had your funding reduced? I did not realise that was the reason for the funding being reduced. Where do I find in the budget statements that it has something to do with pest control or water problems?

**Dr Kennedy**—Maybe it is an artistic licence but, in the context of what was predicted to be a horror budget, we were somewhat relieved with the outcome.

**Senator CARR**—So you are relieved.

**Dr Kennedy**—Yes.

**Senator CARR**—Your contract expires in a year. Are you relieved about that as well?

**Senator Kemp**—I do not think we will deal with those types of questions.

**Senator CARR**—I mean no offence. I just asked the question.

**Senator Kemp**—You may have meant no offence but you were trying to be very provocative, I think. Next question.

**Senator CARR**—Senator Kemp, you know that that would be the furthest thing from my mind. I ask you, Minister, what are you doing about—

**Senator Kemp**—The comment you just made is seriously misleading the committee, to be quite frank. If you were a government minister, you would have to resign if you made a comment like that.

**Senator CARR**—Not from this government, I can tell you.

**Senator Kemp**—You would have to resign. You would be out.

**Senator CARR**—Can I ask you, Minister, what you are doing about the process of—

**Senator Kemp**—At the appropriate time, the government will turn its mind to this process.

**Senator CARR**—This is not the appropriate time.

**Senator Kemp**—This is not the appropriate time and this is not the appropriate place.

**Senator CARR**—In regard to the occupational health and safety issues—has there been any progress on Mr Robert Wray's final report? I do not want to spend a lot of time on air-conditioning—you will be very relieved to hear that as well.

**Dr Kennedy**—Yes, Senator.

**Senator CARR**—I have watched former Senator Schacht on this notion for some time.

**Senator Kemp**—I do not think you can be in the same league as former Senator Schacht.

**Senator CARR**—So do you have the final report?

**Dr Kennedy**—A draft report was delivered to us on Monday evening and we have been invited to make some comments on it. We have done so and the report is back with Comcare.

**Senator CARR**—I see. When will that report be released?

**Dr Kennedy**—That is really a question for Comcare but it is my understanding it will be very soon, perhaps within the next week or two.

**Senator CARR**—Good. Have you agreed with the report?

**Dr Kennedy**—I would not like to comment on the report in advance of it being released in its final form, but I should say that we intend to implement its recommendations.

**Senator CARR**—What I might do is—if you are intending to implement the recommendations and you are not in a position to tell me what the recommendations are at this point—

**Dr Kennedy**—It is a report of Comcare—its ownership is with Comcare.

**Senator CARR**—I might put these questions on notice then; it might facilitate the work of the committee. In regard to the collection management, I am told that in the minutes of the occupational health and safety committee meeting of 7 April 2003 there is a statement that there is a lack of collective strategy for disaster recovery and a lack of organisation for a disaster recovery plan. This was in response to the various glass fibre contamination problems at the Gallery. Is that true?

**Dr Kennedy**—No, that is not true.

**Senator CARR**—Do the minutes record that statement? I will ask you a second question: do you agree with the statement?

**Dr Kennedy**—Sorry, what is the first question?

**Senator CARR**—The question is: do the 7 April occupational health and safety committee minutes record the statement that there was a lack of collective strategy for disaster recovery and a lack of organisation for a disaster recovery plan?

**Dr Kennedy**—My understanding is that someone at that meeting expressed that opinion. That opinion is not correct, however, and the disaster recovery plan at the Gallery is in fact a very large document of which I have a copy here.

**Senator CARR**—Has that been tabled for the committee's perusal?

**Mr Froud**—I think for security and privacy reasons we would not wish to table the full report, but we would be happy to table the table of contents of that report.

**Senator CARR**—Security, you say?

**Dr Kennedy**—I am trying to indicate that there is indeed a disaster recovery plan as you might expect and hope. It obviously has very specific details of the plans and circumstances of the National Gallery which would be highly sensitive.

**Senator CARR**—So you want to give us an edited version of that, do you?

**Dr Kennedy**—If you would like to have those elements of it that would not be security sensitive, we would be pleased to provide those for your interest if you wish.

**Senator CARR**—Thank you. I take it that such a plan would be a condition of insurance and various other indemnity on loan agreements and the like. Is that the case?

**Dr Kennedy**—I do not believe it is a condition of insurance, but it is certainly an expectation of a national institution.

**Senator CARR**—The *Sydney Morning Herald* of 26 May said that they 'found a lack of program and project coordination and accountability across the Gallery'. Is that right? Have there been any press reports to that effect?

**Dr Kennedy**—Is that the article by Joyce Morgan?

**Senator CARR**—It was the one on the 26th.

**Dr Kennedy**—Whereabouts in the article does it say that?

**Senator CARR**—I do not have the article in front of me; I just have my note here and it says—

**Senator Kemp**—Be careful of those notes!

**Senator CARR**—Given my previous experience, I will be very cautious.

**Dr Kennedy**—What was the question again?

**Senator CARR**—Was there a report to that effect and do you agree with it?

**Dr Kennedy**—Could you repeat to what effect?

**Senator CARR**—They 'found a lack of program and project coordination and accountability across the Gallery' with regard to the disaster recovery plan.

**Dr Kennedy**—If you can give me the detail of that, I will take that on notice.

**Senator CARR**—Thank you. With regard to staff relations, it has been put to me that the Gallery HR manager felt it appropriate to threaten Gallery staff with two years imprisonment under the Crimes Act for speaking to outsiders about their work at the Gallery. Did that occur?

**Dr Kennedy**—No way; it did not occur. Our HR manager is not in the habit of threatening anybody. What happened was that—as occurs from time to time in many organisations—the Gallery reminded its staff of their obligations under the agency bargaining agreement and also as members of the Commonwealth bureaucracy, as Commonwealth officers—and that is all that took place. As part of that it included a reference to the relevant piece of legislation which would be appropriate in such an advice.

**Senator CARR**—So your advice to staff was that it was a breach of the Crimes Act to talk to people? Is that what was said?

**Dr Kennedy**—As part of that statement to staff about making public comment it said that staff should also be aware that as employees of the Commonwealth they are indeed bound by section 70 of the Crimes Act 1914.

**Senator CARR**—Just remind me: what does that section of the Crimes Act refer to?

**Dr Kennedy**—Would you like me to read it now?

**Senator CARR**—Yes, if you would. It would help me, because I thought you said that there had been no threat made to the staff.

**Dr Kennedy**—I insist that we do not made threats to our staff. What we did was quote a law of the Commonwealth parliament, which I understand would not be regarded as a threat.

**Senator CARR**—No! If you just say to someone, ‘There’s a breach of the Crimes Act that could be committed here and it has a penalty of two years jail,’ I can see how anyone would regard that as a threat, particularly if it is in connection with talking to people. Isn’t that what we are talking about?

**Senator Kemp**—I think we will allow the explanation to continue.

**Senator CARR**—I just want to clarify whether or not I had misunderstood the nature of the conversation. We are talking here about people being told not to talk to others about what is going on at the Gallery.

**Dr Kennedy**—No, that is conjecture on what actually happened. What happened was that the staff of the Gallery were advised, as they are from time to time, of their obligations as employees of the Gallery in respect of information which would be held to be confidential.

**Senator CARR**—What led the HR manager to draw staff’s attention to penalties for breaches of the Crimes Act?

**Dr Kennedy**—The Gallery has had a policy of not pursuing efforts to find out where a leak might have come from or where information might have been released from—and that is not our policy. However, it is our expectation that the terms of our certified agreement between staff and management would be observed. Some recent incidents had caused our HR manager to believe that it was appropriate to remind staff of their obligations in the matter. The outcome of it was that a headline in a newspaper said, ‘Advice on leaks leaks’, or something like that. So it obviously works and we regard ourselves as a highly transparent organisation.

**Senator CARR**—You certainly are, and that is the whole point about leak inquiries: they usually end up leaking. Have you called in the Federal Police on this?

**Dr Kennedy**—No, not on this. The National Gallery is a cultural institution, a creative institution, with people of great passion. We absolutely expect that, when we send a global email to our staff, it may travel more widely than our staff, and therefore I am very happy to answer any question about an email sent to all our staff.

**Senator CARR**—I have a copy of the memo here.

**Senator Kemp**—Given the leaks from caucus, I suspect any leaks from the Gallery are fairly minor.

**Senator CARR**—At least we have a view in caucus, unlike the Liberal Party that does not seem to have any view at all.

**Senator Kemp**—Really! What an astonishing thing!

**Senator CARR**—That is my observation.

**Senator Kemp**—I thought the Labor Party were regarded as a policy-free zone.

**Senator CARR**—I think you would be mistaken on that score.

**Senator Kemp**—I know that you have views, but your views are not shared by most of your party.

**Senator CARR**—What matters have you referred to the Federal Police, Dr Kennedy? You said, ‘Not on this matter.’ Are there other matters you have referred to the Federal Police?

**Dr Kennedy**—With regard to leaks?

**Senator CARR**—Yes.

**Dr Kennedy**—We have taken advice from the Federal Police on one previous occasion, Mr Froud reminds me. We are happy to take that on notice.

**Senator CARR**—When you take advice from the Federal Police is it on how to stop leaks, or is it on how to investigate the source of them? What is the nature of such an inquiry you would make of the Federal Police?

**Dr Kennedy**—I think we have a very good relationship, as a highly security sensitive institution, with the Australian Federal Police, who give us advice on a number of matters. From time to time, we might have recourse to seek their advice.

**Senator CARR**—How often have you sought their advice?

**Dr Kennedy**—Personally, I have not had much involvement with the police at all, thank goodness—

**Senator CARR**—It is a wise process—

**Dr Kennedy**—but I will ask Mr Froud that question. He might have had more knowledge of it.

**Senator CARR**—How often have you sought advice from the Federal Police?

**Mr Froud**—On one occasion that I am aware of.

**Senator CARR**—Just one? When was that?

**Mr Froud**—It was in the last two years.

**Senator CARR**—What was that over?

**Mr Froud**—I think it was regarding the passage of confidential information outside the Gallery.

**Senator CARR**—What was the topic of the alleged ‘unauthorised disclosure’—I believe that is the term that is used.

**Mr Froud**—I cannot recall the specific issue at the time, but I am happy to take that on notice.

**Senator CARR**—Thank you. What was the result of the leak inquiry?

**Dr Kennedy**—There was no leak inquiry of that sort. We will answer the question on notice. No further action was taken on the matter.

**Senator CARR**—Was it referred to the leak squad of the Federal Police?

**Dr Kennedy**—There are many occasions on which—for example, in the context of exhibitions which we bring into the Gallery and indemnified exhibitions—we would seek Federal Police advice. We will find out the details of it.

**Senator CARR**—Thank you. This particular memo that has referred to the recent distribution of Gallery documents and information to a member of the public is dated 2 May. What was the nature of the documents that were perceived to be so sensitive?

**Dr Kennedy**—I will take that on notice, if I may.

**Senator CARR**—It was a press report, wasn't it?

**Dr Kennedy**—I am happy to take it on notice.

**Senator CARR**—You do not recall whether or not this was the result of material going to a journalist?

**Dr Kennedy**—I do not recall that right now.

**Senator CARR**—The reference to the Crimes Act is actually quite stark here. There are several paragraphs of references to the Crimes Act, in fact.

**Dr Kennedy**—Yes. We are very conscious of the Commonwealth's requirements of its officers. They are indeed serious obligations.

**Senator CARR**—Indeed—but so serious that you have only on one occasion referred the matter to the Federal Police yourself?

**Dr Kennedy**—As I have said already, we are an arts institution. We are not in the business of censorship—and this is not about censorship; it is about appropriate information being held appropriately.

**Senator CARR**—There is a fairly prominent reference here to the penalty of imprisonment for two years. You do not think you are about censorship, though?

**Dr Kennedy**—My understanding is that the reference to the Crimes Act 1914 is because that is the pertinent piece of legislation. If there were more recent legislation, I am sure we would have mentioned it.

**Senator CARR**—I am not particularly concerned about the date on which the Crimes Act passed through that parliament. I would have thought most people would be more interested in the line here about the penalty of imprisonment for two years. That is probably what would have caught people's attention.

**Dr Kennedy**—We have found in the past that where we leave relevant information out we are accused of not being transparent. So it is important that we put in the appropriate information.

**Senator CARR**—Has there been an occasion in recent times, Dr Kennedy, when you have received complaints yourself about unauthorised disclosures?

**Dr Kennedy**—Yes, and very recently. In fact, I dealt with it today and we sent back a response. There was a suggestion in a newspaper article that I had revealed information, which is incorrect. In fact, when you read the article, it is entirely unsubstantiated.

**Senator CARR**—The allegation made that you had leaked confidential details of employees medical records was incorrect?

**Dr Kennedy**—An allegation was made and it is incorrect, absolutely.

**Senator CARR**—That the allegation was made is incorrect or that the allegation is wrong?

**Dr Kennedy**—I am very familiar with many allegations being made, and that one was made.

**Senator CARR**—It was made.

**Dr Kennedy**—Indeed.

**Senator CARR**—You are saying that you did not leak that information.

**Dr Kennedy**—I said that today I have dealt with that matter and that the Gallery has written back to the person concerned to indicate that that is not true.

**Senator CARR**—I just want to be clear about this; I am sorry I am a bit slow on the question. Are you saying that the private, confidential medical information was not leaked or are you saying that you did not leak it?

**Dr Kennedy**—What I said was that the allegation cannot be substantiated.

**Senator CARR**—And that would not be a breach of the Crimes Act, would it?

**Dr Kennedy**—I took with a degree of, I suppose, wryness the fact that such a proposition was being put to me in the context of recent discussions on the matter. There is no basis to it.

**Senator CARR**—What I am having trouble understanding here is whether the allegation involved a fact—that is, that confidential medical details were released—or whether the repudiation of that matter went to your personal involvement.

**Dr Kennedy**—When I said, 'It's not true,' I meant that something that is not true would not be a fact. Therefore, it is not true; it is not a fact.



**Senator CARR**—I was just wondering, given that there is such an interest in the Crimes Act, if there have been inquiries as to whether there had been a breach of the Crimes Act with regard to an unauthorised disclosure about the particular individual's medical records.

**Dr Kennedy**—Any allegation that is made, if it is regarded as having substance and being worthy of investigation, would be investigated. This one is not.

**Senator CARR**—Leaking information is a serious offence, isn't it.

**Dr Kennedy**—Indeed it can be.

**Senator CARR**—It is an issue of finding out who is responsible here. If these matters are the subject of police inquiries I would have thought a consistent policy would be applied.

**Dr Kennedy**—I believe there has been.

**Senator CARR**—I am pleased to hear that. I asked you before about the Wray report into the occupational health and safety issues. I understood you to say before that a draft report had been received on Monday. Did I understand that correctly?

**Dr Kennedy**—My understanding is that it is a draft until it is absolutely complete, and the process will be complete when Comcare gives us a final report, and which we cannot comment on any further.

**Senator CARR**—You are saying to me is that it is definitely not the final report.

**Dr Kennedy**—As I said earlier, we are very close. We are invited to make comment on this report that was given to us, and it will be finished when that is considered.

**Senator CARR**—So it only becomes a final report when it is tabled at some point, I suppose. Is that how I would look at it? They are all draft reports up until that time.

**Dr Kennedy**—If a report can have no further comment on it until it is final, I suppose it is not final.

**Senator CARR**—So the document that you received did not say that it was a final report?

**Dr Kennedy**—We took it to be a draft final report.

**Senator CARR**—I am sorry, you have obviously misunderstood my question. Did the document you received say that it was a final report?

**Dr Kennedy**—I would have to look at the front cover of it again.

**Senator CARR**—Would you have a look at it for me?

**Dr Kennedy**—Yes, we will take that on notice.

**Senator CARR**—With regard to exhibition expenditures, answer to question on notice No. 147 stated that the expenditure of 2001-02 was \$18 million against a budget estimate of \$12.6 million and that \$3.7 million of the expenditure was for other overheads, against a projected expenditure in that category of \$2.6 million. How is it that you have an overexpenditure of \$5.4 million on exhibitions during a single year?

**Mr Froud**—I think we would need to take that question on notice.

**Senator CARR**—This is an answer that you actually gave to the committee in November 2002.

**Dr Kennedy**—I am just looking for it at the moment.

**Senator CARR**—Is that the reason you want to put it on notice?

**Dr Kennedy**—What number question is this?

**Senator CARR**—It is question on notice No. 147.

**Mr Froud**—I am having some difficulty locating that question in that I do not have numbers. At the time the Gallery submits its draft responses they are not numbered.

**Senator CARR**—What I am interested to know is how we get to a situation where there is an overspend of \$5.4 million in a single year?

**Mr Froud**—I believe I have that question.

**Senator CARR**—What is the reason for it?

**Mr Froud**—If it is the same response that I am looking at, there is a dissection of the costs on an exhibition by exhibition basis identifying what the projected expense was and what the actual expense was. Is that the one you are referring to?

**Senator CARR**—Yes.

**Mr Froud**—The very first point would be that *The Italians* exhibition, which is shown in this summary at an expenditure of approximately \$3 million, was not in the original budget. That was an exhibition proposal and a decision taken subsequent to the preparation of the budget. The decision to take that exhibition was made post budget, so that accounts for \$3 million of the difference. There are also a number of examples where expenditure has exceeded the scope of the original expectation at the time of framing the budget, and in particular I note security building costs.

**Senator CARR**—Is that the overheads cost?

**Mr Froud**—Yes.

**Senator CARR**—So it was \$3.7 million for overheads. What is included in that?

**Mr Froud**—The \$3.7 million in overheads relates to the Gallery's overheads in terms of building operations, staffing costs and the like.

**Senator CARR**—In your answer to question on notice No. 149 you mention *The Italians*. There is a total expenditure there of \$2.7 million. A figure of \$1.3 million was spent on management and negotiations. What is the nature of this management and negotiations that cost \$1.3 million?

**Mr Froud**—I think it probably would be preferable to take that on notice so that I could actually have information in some detail. I imagine that we are talking about a loan fee being a considerable component of that explanation.

**Senator CARR**—While you are on that, could you also explain to me why it was that *The Italians* cost three times as much as many of the other exhibitions put on in that year?

**Dr Kennedy**—The program for that year was significantly expanded during the year. We ended up with a very heavy program, which involved a number of exhibitions which had not been in the original plans. They would have had very significant costs associated with them. They were also very successful in the overall impact on the year. I am thinking of the Rodin

exhibition and also of *The Italians*. We achieved 103,000 visitors for *The Italians*, which was not in the program at the beginning of the year or when these projects were originally being devised.

**Senator CARR**—Could I have a breakdown of the management and negotiation costs and the reasons why this was so much more expensive an exhibition to put on. I appreciate that it was a very successful exhibition.

**Dr Kennedy**—The main reason would be because it was drawn from a very significant number of places. It is always cheaper to bring an exhibition from one particular venue than it is from multiple venues, and this was a very big exhibition.

**Senator CARR**—You will be able to explain that to me. In regard to the building project, how much has been spent on the proposed alterations?

**Dr Kennedy**—The actual to date is \$9.2 million.

**Senator CARR**—What is the status of the project? Has it commenced?

**Dr Kennedy**—The project involves very significant work internally and externally to the building. We took the decision to do most of the internal works first, and that has been completed. The works externally, which will provide considerable visitor facilities in the front of the Gallery, are still the subject of negotiations. We are in the process of taking on project management to manage that part of the project.

**Senator CARR**—So, for \$9.2 million, what is the nature of the internal works that have been done?

**Dr Kennedy**—We have had very significant work done to our emergency warning and information systems, security systems, lighting systems, heating, ventilation and airconditioning, renovating Gallery spaces, tunnel and roof works, window replacement, signage, fire systems, power supply upgrade, emergency lighting upgrade.

**Senator CARR**—So we spent \$9.2 million out of the original appropriated sum of \$40 million but no work has started outside the building itself. Is that right?

**Dr Kennedy**—There has been some work in the sculpture garden, but really the major work involves the addition of a facility which has been very difficult and involving issues which were not easy, especially moral rights issues.

**Senator CARR**—Am I clear that we have not commenced the project outside the building?

**Dr Kennedy**—Correct..

**Senator CARR**—You spent \$9 million. Is that \$9 million out of the \$40 million originally appropriated for the alterations?

**Dr Kennedy**—Yes. The total budget for the refurbishment and enhancement project of the Gallery is \$42.9 million, and we have expended \$9.2 million of that at this stage.

**Senator CARR**—Does the Gallery still control that money or has it been transferred out of your accounts?

**Dr Kennedy**—That money is being given to us in a particular way, which I will allow Mr Froud to explain.

**Mr Froud**—It remains within the Gallery's authority to incur the expenditure, requiring of course ministerial approval for expenditure over certain sums, in accordance with our act. The funding stream is explained in the portfolio budget statements, and we have a draw down of funding as required with an agreed period for repayment of the borrowing component of that total budget.

**Senator CARR**—So it is a loan.

**Mr Froud**—There is a loan component—\$20.7 million of the \$42.9 million will be provided by way of a loan—with the balance being funded by the Gallery from its ongoing funding sources, and the repayment will be from the Gallery's ongoing funding sources.

**Senator CARR**—So there will be no return at all to the Department of Finance and Administration of any of those assets?

**Mr Froud**—We have not returned any funds to the department of finance; in fact, we will be still looking to draw down funds from the department of finance as and when the obligations require that.

**Senator CARR**—I am having trouble here. You are talking about moneys for the airconditioning, for signage and for various other alterations in the building. Is that the same budgetary line as that for the alterations to the front of the building?

**Mr Froud**—Correct.

**Senator CARR**—It is exactly the same?

**Mr Froud**—It is all in together, yes.

**Senator CARR**—And it is not distinguished in any way in your accounts?

**Mr Froud**—No. It is all part of the Gallery refurbishment and enhancement project that we are accounting for.

**Senator LUNDY**—Can I just go back to the issue of the Wray report. Can you run through the status of that report again for me, please? I do apologise—I missed the early part of the Gallery's evidence.

**Dr Kennedy**—The status of the report is that we received a report on Monday that we were invited to comment upon and come back to Comcare with our response, which we have done, and we understand that the report will be released soon.

**Senator LUNDY**—Who releases the report—Comcare?

**Dr Kennedy**—Comcare. If the report were a final document, with Comcare's approval, it could be released by other parties, but it is not.

**Senator LUNDY**—By who, sorry?

**Dr Kennedy**—I think we had agreed with the Senate that, subject to Comcare's approval, we could release the report as a final report.

**Senator LUNDY**—Is it your report to release or Comcare's report to release?

**Dr Kennedy**—It is Comcare's report. They have ownership of the report.

**Senator LUNDY**—Why haven't they released it?

**Dr Kennedy**—Because, I assume, it is not a final document until it is absolutely final—until there is no further opportunity for comment upon it.

**Senator LUNDY**—So Comcare have finished the report, they have given it to you to comment on, you have done that—given your comments back to them—and now they are finalising the report?

**Dr Kennedy**—I believe so.

**Senator LUNDY**—Can you tell me if that report describes the Gallery itself as a sick building?

**Dr Kennedy**—I believe I should await the report before commenting upon it.

**Senator LUNDY**—I do not think I am dealing with something that has not already been speculated upon in the public arena.

**Dr Kennedy**—Yes, there has been speculation in the public arena. The Gallery is not in the business of speculation; we have to deal with fact. We have responded to Comcare, as requested, and will await their final report.

**Senator LUNDY**—If it is a Comcare report, how come you have an opportunity to provide input into it? Isn't the report you received on Monday the final report? I do not understand why you received the report and have a chance to comment on it and send it back. I want to know what the status of that report you received on Monday was as far as Comcare were concerned.

**Senator Kemp**—It is Comcare's report. Comcare could tell you what the status of it was.

**Senator LUNDY**—I appreciate that.

**Senator Kemp**—My understanding is that the report was sent to the Gallery, and they commented on it and sent it back to Comcare, who will now presumably take a decision on whether to take any of those comments into account and then release it.

**Senator LUNDY**—I appreciate that, Minister, but the commitment given to the Senate estimates committee was that, when that report was delivered to the Gallery, it would be made available. What we have is a report delivered to the Gallery that has not been made available. It has been commented on by the Gallery and sent back to Comcare. I do not know whether or not that is in fact a breach of the commitment given to the estimates committee. I am asking Dr Kennedy if he can demonstrate whether or not that was a final report that was given to the Gallery and, if it was, why then did it not come to the committee as well? Why has it gone back? Didn't you like it?

**Dr Kennedy**—I believe that we had said to you and the Senate committee that we would release the report if we had Comcare's approval to do so. We do not at this time.

**Senator LUNDY**—What did Comcare say to you on Monday when they gave you the report?

**Dr Kennedy**—They gave us the opportunity to respond.

**Senator LUNDY**—How? Did they say, ‘Here, Dr Kennedy, is the report. Can you give us your comments by Monday’? Is there correspondence that articulates the terms under which it was given to you?

**Dr Kennedy**—You may be more familiar with the process of investigations than me. I have not had many of this sort. This has been ongoing for 18 months. In the process of investigation there is considerable contact between the organisation conducting the investigation and the organisation whose activities, in response to previous reports in this case, are being investigated—that obviously is an assertion of fact—to make sure that the report is as proper as it can be when it is finally complete.

**Senator LUNDY**—Is this the first chance you have had to comment on the report or provide input?

**Dr Kennedy**—In the process of the development of the report, there are occasions where—and we have found a similar case with the Ombudsman—we are advised that there is an opportunity for us to respond, and we have done that.

**Senator FAULKNER**—Did you respond, Dr Kennedy, or comment on the draft report?

**Dr Kennedy**—When I say to respond I mean to offer clarifications.

**Senator FAULKNER**—The standard procedure that applies in those cases.

**Senator LUNDY**—Was that in the context of a final report having been delivered to you and the Gallery choosing to provide comment, feedback or input to Comcare and insisting upon having the opportunity of doing that? Was it a process that was agreed to and understood that you would have that final opportunity to comment? Or is it, as Senator Faulkner asks, part of the formality of concluding that report and that the report will now have within its body upon release a recommendation and a Gallery response such as Audit Office reports have, for example? Is your response going to be formally published in the report when it is released?

**Dr Kennedy**—That is a matter for Comcare. We were invited to comment on the report and we have done so.

**Senator LUNDY**—This is quite critical; it might explain it. Did you formally respond to each recommendation or did you provide a general comment?

**Dr Kennedy**—We were invited to respond to the report.

**Senator LUNDY**—Is it on the basis of that general comment being published as part of the report?

**Dr Kennedy**—Again, the process, I would imagine, would be fairly standard. If provided with a report and invited to comment, one would comment where one felt it appropriate.

**Senator LUNDY**—I do not see myself getting too far. I guess we will see what the report does finally say. Have they given any indication to you of the date of release?

**Dr Kennedy**—I imagine it will be within a week or two.

**Senator LUNDY**—This is not the first chance you have had to comment on the report. You have had input and comment all the way through its preparation, haven’t you?

**Dr Kennedy**—I believe it is a standard that an organisation involved with its investigator would be asked to respond from time to time when there are issues.

**Senator LUNDY**—That is what I thought. I do not think I can go any further than that. Can you provide the committee with any documentation or, indeed, any advice from Comcare that would help us clarify this now? Even in retrospect, presuming we get this report soon, will you take on notice to provide documentation around what has happened in this last week, for the sake of clarity?

**Dr Kennedy**—We will take that on notice.

**Senator LUNDY**—Thank you.

**Senator FAULKNER**—I will ask one or two questions very briefly, Dr Kennedy, and as you know I do not normally ask any questions of you or the Gallery. I did read the newspaper story headed ‘Jail warning over leaks at art gallery’. No doubt you saw it; it was published a few weeks ago in the *Australian* newspaper. I do not know what your view was, but my concern when I read it was that I thought it was actually a damaging story to the Gallery. I was wondering whether you and your senior officers shared that view. That was my impression when I read it and I was a bit concerned by it. I thought it was actually damaging to the Gallery.

**Dr Kennedy**—Certainly, the headline was not helpful and I regarded the slant that was put on an internal Gallery circular sent globally to all its staff receiving such considerable attention in the newspaper as being unusual. It was very distorting of the intention of our HR manager.

**Senator FAULKNER**—This was a news story, if you like, about leaks—which was leaked. Is that a fair summation of what occurred? It was a circular outlining to members of staff at the Gallery what their obligations were about making these sorts of issues public—public comment, leaks of document, material, facts and so forth—and that was leaked. That is why I thought it made for quite a damaging story. Do you think that is fair?

**Dr Kennedy**—My view of it would be that we have had very considerable periods where we have not reminded our staff of their obligations that—all of us; me too—we agreed to in our certified agreement. From time to time it is important to do that. We have not pursued anybody in a free and open gallery. I have long accepted that we are porous and I might have a view that that would be undesirable, but I have to accept it as part of the reality of the type of institution and the world that we operate in, which is a world of great creativity and imagination.

**Senator FAULKNER**—I do not want to shock you but the actual memo was leaked to, I think, a number of parliamentarians. I do not think that probably would shock you. It was not just leaked to a journalist; it was, I suspect, leaked to parliamentarians. It somehow arrived on their desks. It might have been by osmosis—who knows?—but it certainly got around a bit. Does that surprise you at all?

**Dr Kennedy**—No. The type of world that we operate in, as I said earlier, is that I expect that global emails to all of our staff are indeed global. But that should not preclude us from reminding people of their responsibilities from time to time.

**Senator FAULKNER**—I know it is signed by Mr Rhynehart, but was this a decision made at the highest level of Gallery administration, by your executive board, or was it one for you?

**Dr Kennedy**—I do not believe so. I do not think I made the decision. It was something that was done in the context of a reminder to staff.

**Senator FAULKNER**—Fair enough. That is useful to know. Could one of the officers assist me about the decision making process that went into the circulation of this particular email or memorandum. Who made the decision to do it? I know it is under Mr Rhynehart's signature, but sometimes things appear under people's signatures when others make decisions about them.

**Dr Kennedy**—Mr Froud said it was Mr Rhynehart's idea of which he was aware, and I was aware of it too. I would regard this as a fairly normal thing. I have to say to you that, in response to seeing the articles that occurred upon it, in retrospect I would have considered the wisdom of the particular inclusion of the Crimes Act—if I thought it was going to create the impression that the National Gallery had some sort of desire to put people into jail, as the conjecture was put upon it. But we live in those sorts of times and we have to expect that that conjecture can be put.

**Senator FAULKNER**—I completely accept what you say and I understand what you say—and I probably agree with you, because that was my first impression when I read the newspaper article. And, shortly after, when we all had the benefit of actually reading the document itself, my impression did not change at all. I wondered if there had been some reflection that perhaps this was heavy-handed and ham-fisted, because that was my honest conclusion. It just seemed over the top in the circumstances. I have a reasonable understanding of the background. I am pleased to say I do not generally attend Senate estimates for the Gallery, but I do read the clippings and the *Hansard* so I think I have a reasonable knowledge of some of the issues. I did think this was a pretty ham-fisted and heavy-handed response and I was not surprised, when I read it, that it had found its way into the public arena. That is why I wondered if there had been any reflection as to whether it could have been handled a bit better.

**Dr Kennedy**—It is an issue of balance. If you choose to ignore the opportunity, while something is an issue, to remind people of their responsibilities because it might lead to other articles, that could be negligent. But the balance is something to get right, and it is always a delicate matter in an art institution where a view such as the one you have expressed—that it was heavy-handed—could be put upon it. It certainly was not intended as such.

**Senator FAULKNER**—But you can understand why people might have that impression. I think you said yourself that, on reflection, the note about the Crimes Act and the penalty—imprisonment for two years—should not necessarily have appeared in the memo. Would that be fair?

**Dr Kennedy**—To a certain extent it would be. But I think that it is always difficult to remind people of their responsibilities in this day and age because the obligations, which are obligations of law, sometimes seem severe in black and white and can be uncomfortable. I think that it is required of us. Although we work in a very creative institution, we have obligations and from time to time we have to remind each other of those.



**Senator FAULKNER**—The final paragraph of this memorandum says:

If any employee has any genuine concern about any matter affecting the Gallery, its practices, or the behaviour of staff, they can safely - and confidentially - raise those concerns either with me directly, or through our complaints handling procedures (on the P drive).

I very much risk traversing into Senator Lundy's area when terrible words like 'on the P drive' appear in any document! I do not want to know names and details and the like but—first of all—whether, since this memo was circulated on 2 May, any concerns have been lodged with Mr Rhynehart?

**Dr Kennedy**—Any specific—

**Senator FAULKNER**—First of all I want to know if any have and, if they have, how many, so that I can get the full picture. That is all. I do not want to go into details.

**Dr Kennedy**—I am happy to take that on notice.

**Senator FAULKNER**—Dr Rhynehart is not with us?

**Dr Kennedy**—No. He is a senior manager, but we have quite a number of senior managers.

**Senator FAULKNER**—Fair enough. Who is responsible for the complaints handling procedures on the P drive? Are you an IT expert, Dr Kennedy?

**Dr Kennedy**—I resist the temptation to regard myself as an expert on anything!

**Senator FAULKNER**—So should I ask you or someone else for the definition of the P drive?

**Senator Kemp**—I think that question is better directed to Senator Lundy.

**Senator FAULKNER**—I wondered if Dr Kennedy knew as much about this as I did. We just will not go there. It is all right. The substantive issue is—

**Dr Kennedy**—'P' stands for 'public'.

**Senator FAULKNER**—'P' stands for 'public'? I do not know how that fits in with the confidentiality issue, Dr Kennedy! As they say in cricketing parlance, let's just let it go through to the keeper. On a serious note, can anyone tell me whether, since that time, any concerns have been raised through the complaints handling procedures on the P drive? What I am trying to establish is: has it worked?

**Dr Kennedy**—I do not know if any concerns have been raised in the three weeks since then. I will have to check and take that on notice. Tony Rhynehart would be aware of these details. Normally, I would not be familiar with them.

**Senator FAULKNER**—But would you agree that at the end of the day it seems that the action part of this memo provides guidance to employees about what they might do if they have concerns or grievances? That is why I had hoped, given that this gained some public notoriety, that this committee might have been able to be informed not of the detail of these things but just of whether anyone had actually taken up the opportunity, so that we could make an assessment of whether what I have described as a ham-fisted overreaction actually

delivered the goods. I am doubtful that it would have, because of its tenor, but that is the question.

**Dr Kennedy**—The notice was a reminder notice. Everybody in the Gallery knows about the P drive and all that is on it and about the fact that it is open for people to complain through the complaints procedures, which we have done a lot of work on in recent years, and also to visit or communicate with our human resources department at any time. People do that all the time. This was a reminder notice—it is not as if something had to happen after 2 May. It was to remind people that this is an ongoing practice and that they were welcome to avail themselves of it.

**Senator FAULKNER**—If I were looking at this issue I might think of canvassing the issue of protection to whistleblowers—if I were going to talk about the Crimes Act that would be a possibility, as would talking about possible penalties. You talk about a balance being achieved, but I am certain that the copy of the memo that I have seen does not achieve that. Would it be possible, just in the formal sense, for the memo to be tabled by the Gallery for the public record? It may have been, for all I know but, if it has not, it is probably a sensible thing to do, at least so the document stands on its own merits and not just on the public commentary on it in either the media or the parliament.

**Dr Kennedy**—Certainly. To be fair to our management, I would like to table the complaints handling procedures, which are referred to as well. I think you would be comforted by that.

**Senator FAULKNER**—That would be helpful, and I would appreciate it if you could do that. Can you give us an assurance that the next time there is some planning for guidance or advice to be proffered broadly to Gallery staff there will be a thoughtful assessment—not only by you but by your senior management team there—about its content and possible ramifications? Can you give us an assurance that that will occur in the future?

**Dr Kennedy**—As would have happened in this case, I imagine there was considerable thoughtful process put into the development of the document. We would certainly take your comments to heart.

**Senator FAULKNER**—Is there an officer who can assist us with the use of the complaints handling processes this year? I have focused, as you know, on what has occurred since this particular document was circulated to Gallery staff, but is it possible to get some figures on the usage of those procedures? I am not interested in the detail gathered—in my view it is not proper to go there—but in the numbers.

**Dr Kennedy**—Certainly. We will provide what information we can on notice.

**Senator FAULKNER**—And you might indicate the time, because I would be interested in understanding how many, if any, have been lodged since this missive went around on 2 May 2003.

**Dr Kennedy**—Yes.

**Senator FAULKNER**—Can I ask you this, Dr Kennedy: do you regret the form and content of this particular document?

**Dr Kennedy**—The only thing I could say was that—

**Senator FAULKNER**—Before you answer, I appreciate that it sounds like you did not draft it. You may have been informed about it but, at the end of the day, as you know from bitter experience—I have had it myself at times—the buck stops with you.

**Dr Kennedy**—I suppose I would have greater regrets about the fact that we do not seem to be able to do something like this without it becoming a major issue, when it was never intended to be such. I think we operate in that context and we have to review what we do in that context. We will consider what happened to this particular notice and reflect upon that.

**Senator FAULKNER**—But you see, these things are self-reinforcing in a way. If there is a breakdown in relations—in any organisation at times—between staff and management, obviously it requires particular sensitivity to be able to try and overcome that. That is just a standard operating principle in terms of how these sorts of issues work and evolve.

**Senator Kemp**—Perhaps I would not argue with your last statement, but the truth is with organisations—you belong to an organisation, accusations are leaking, backgrounding people.

**Senator FAULKNER**—Not only accusations. I would be the first to acknowledge, Senator Kemp, there are many leaks in all political parties, of course.

**Senator Kemp**—That is right, and in some periods they are worse than others—and you know the difficulty in managing that.

**Senator FAULKNER**—Yes, I do.

**Senator Kemp**—I do not know how many staff this went out to. It says ‘all staff’. How many copies of this would have been circulated—100?

**Mr Froud**—Two hundred and fifty.

**Senator Kemp**—Two hundred and fifty—so it is hardly a private document. I think we would assume that if you put out 250 copies it is bound—if someone can make a story on it—to get into the public arena.

**Senator FAULKNER**—I accept that. That means therefore, Minister, it has an impact beyond the 250 people to whom it is distributed. And that is the point. My attention was drawn to it by reading a national newspaper. That is not the case with the 250 staff at the Gallery, but it would be the case with many thousands of Australians. The story that appeared, in my view—and I would be surprised if this was not your judgment too, Minister, but certainly in my view—was a damaging one for the Gallery. I know that Dr Kennedy takes those sorts of issues seriously. I know he does. And I think it is proper that we take them seriously here—and I would hope you would agree with me.

**Senator Kemp**—We always take issues affecting the Gallery seriously. If you turn to another aspect of the letter, there is an invitation for people to raise their concerns directly with the individual named. So that is reinforcing the point that, if people do have concerns, there is a process by which those concerns can be dealt with.

**Senator FAULKNER**—Dr Kennedy, was the memo prompted by the imminent release of the Wray report? Was that the reason for the memo going out or was there another reason?

**Dr Kennedy**—Senator Carr referred earlier to an opinion expressed by somebody at a meeting which ended up leading to us having to answer questions about whether or not we

had a disaster recovery plan. What I believe prompted reminding everybody of their responsibilities was that a lot of staff were saying, 'We need to get a handle on this. We're being run rings around because something is going out without any sense of context.' It was therefore to remind people of that. Mr Rhynehart, I believe, thought it appropriate to issue a notice of reminder. So it was not, as I understand it, at all in the context of Mr Wray's report.

**Senator FAULKNER**—My point to you would be to respectfully say that the memo made what you described as a difficult situation worse. That is what I would respectfully say to you was the impact of it. Given your comments about this, Minister, and with your responsibilities as sports minister and minister for the arts, are you aware of similar sorts of memos being circulated either in other cultural institutions or in ASDA or the ASC?

**Senator Kemp**—I cannot recall anything similar being brought to my attention. There may have been, but I cannot recall it.

**Senator FAULKNER**—Perhaps Ms Williams might answer my next question. It is very beneficial to have a very eminent former Public Service Commissioner at the table. You have got very broad experience of government departments and agencies, Ms Williams. It is not common practice to see memos like this being distributed around an agency, is it?

**Ms Williams**—From time to time, I think it is common practice to remind people about confidentiality. I think we are all aware that another Commonwealth agency, probably six months or so ago, had a leak in the newspapers. But I think it is usually done, as you realise, as a general reminder that people have to follow the APS values.

**Senator FAULKNER**—I understand that, and Dr Kennedy himself has reflected on the advisability or otherwise of talking about the Crimes Act and the penalties and so forth. It is not common practice, is it? Let us be frank.

**Ms Williams**—No. I think a lot of agencies have procedures, as you have mentioned, based on the code of conduct which would run through the penalties. But that is a set procedure that is distributed in an agency. It probably would not be common in a manner.

**Senator FAULKNER**—Dr Kennedy, I hope that you take those thoughts in the spirit in which they are given.

**Dr Kennedy**—It is the first reminder during my time, and I hope it would not be necessary to remind anybody again.

**Senator Kemp**—Are there any further questions on the Gallery?

**Senator FAULKNER**—That is usually what the chairman would ask.

**Senator Kemp**—I was reminding him.

**Senator FAULKNER**—You were just assisting him, were you?

**Senator Kemp**—I am just trying to help. You know me.

**ACTING CHAIR**—I have been very much assisted by both the minister and my colleagues here today. As there are no further questions for the National Gallery, I would like to thank Dr Kennedy and his colleagues for their attendance today.

[5.35 p.m.]

### National Archives of Australia

**ACTING CHAIR**—I welcome back the officers of the National Archives of Australia.

**Senator LUNDY**—I thank the committee's indulgence for agreeing to bring back the officers of the National Archives. I was not able to be in the room when they were here before. To that degree, I am hoping that my questions are not completely repetitive of those asked by my colleagues, but I did not want to miss the opportunity of asking some questions myself. So I do appreciate your cooperation. The budget papers show that the National Archives will lose \$600,000 next year—

**Senator CARR**—I have done that.

**Senator LUNDY**—I know that, but I am just canvassing the issues—and \$2.7 million over the following three years. Very specifically, within those budget cuts, what effect will these cuts have on services within the Archives?

**Mr Gibbs**—This is in danger of repeating some of what we said before, but I will try to move on from that.

**Senator LUNDY**—I appreciate that. Please bear with me; I am looking for quite a bit of detail.

**Mr Gibbs**—The first part of the impact will be in the context, as I said earlier, of a \$12 million increase in our preservation funding in the current budget. So the \$690,000 has to be seen in that context. The context of my public comments was that, when I arrived in Canberra five weeks ago, even in the Melbourne papers the stories were rife that the cultural agency review was going to result in the loss of all our preservation funding. That would have resulted, if it had happened, in the loss of over 100 jobs at the Archives. When I turned up here five weeks ago there had been modelling exercises done about where the job cuts were going to go, who was going to leave work and what was going to be closing down. It was a pretty ordinary atmosphere to come into.

When the budget came out and the *Canberra Times*, with a colour picture of the Archives, put the spin on it, 'The worst has happened; the Archives have been persecuted and they've lost staff,' my first reaction was to reassure staff that that outcome had not happened; quite the reverse, that our preservation funding had been preserved. My second response, after telling the staff, was to tell Senator Faulkner and his colleagues on my council what the news really meant. Any talk of cuts has to be seen in that context. In other words, all of the staff—I think even our union delegate—are very relieved about the outcome of the budget. I do not think there is anyone in our agency or any of the other cultural agencies in Canberra who do not feel the same way.

To move on to your specific question about the \$690,000, the big change that is happening as a part of this is that the preservation funding that we have had is being treated as depreciation funding. We have had to capitalise everything we have spent. It has been an enormous, costly exercise to set up. What is going to happen by the end of this financial year—perhaps even by the end of this calendar year, in the second budget statement—is that that funding will be converted into our operating expenditures. It will become part of our

normal operations and normal way of life. We anticipate saving a lot of that out of the efficiencies that will be delivered up. We do not have the guidelines from the Department of Finance and Administration yet, but even at this stage, looking at it without those guidelines, we think we be able to deliver up a lot of those savings that way.

The cuts after that will be in the context of the \$12 million in preservation projects we are running. There are likely to be delays in some of the bigger preservation projects we are working on, such as the World War II dossiers, the World War I dossiers, the Snowy Mountains Authority film project and the prime ministers' papers project. But they will be delays rather than anything being cancelled. Any staff that are put off will be contract staff who are currently engaged on six- or 12-month contracts, rather than anyone who thought they had an ongoing job losing their job. The guarantee I gave publicly about no non-permanent staff losing their job was in that context. The guarantee I gave about no cuts in public programs was in that context as well. It is silly—and I know it sounds almost facetious—to say that you can cope with a \$690,000 cut, but I hope you understand why we are not unhappy about the overall outcome.

**Senator LUNDY**—I think I followed most of that.

**Mr Gibbs**—Don't worry, it is complicated.

**Senator LUNDY**—What does losing contract staff equate to in full-time equivalents?

**Mr Gibbs**—We have foreshadowed 10 positions in the next year. The positive side of this, which we did not talk about earlier, is that getting a guarantee now about this funding not being one-off but being locked into our recurrent funding out until 2006-07 will mean that the non-ongoing staff we have on our books at the moment will be made ongoing. We will be able to offer permanent positions to staff again when we have not been able to up to now because of the uncertainties we have been living with. That again is why the staff are very comfortable and happy with the outcome.

**Senator LUNDY**—What proportion of your staff are currently on short-term to medium-term contracts as opposed to full-time?

**Mr Gibbs**—On contract, it is about a quarter.

**Senator LUNDY**—How many are there altogether?

**Mr Gibbs**—We have 411 FTE staff and just over 100 of those are contract staff. That has been necessary because our funding has been year by year, so we could not give any promises to anyone that they would have a job after the end of each year's annual funding.

**Senator LUNDY**—You have just given a strong impression that the 10 positions would be going from contract staff, but they could well have been staff that have been there for quite some time because of the funding uncertainty, couldn't they?

**Mr Gibbs**—No, I do not think so. I said before that our numbers are currently 411, but by 30 June they will be 400. By the very nature of an organisation of our size there is an attrition rate. There are people on contract positions, people go on leave and maternity leave and they leave. An attrition rate of 10 in a staff of over 400 is normal. We do not have a high staff turnover; it is just normal turnover. No-one will lose their job or be told they will not be reappointed. The people who have been on contracts for quite a while are the very ones to

whom we are hoping we will be able to offer an ongoing position. We will now be able to offer permanent employment to the best of those ongoing ones.

**Senator LUNDY**—Of the 100 or so contract staff—or soon to be 90 or thereabouts—to how many do you think you will be able to offer full-time positions?

**Mr Gibbs**—I really do not know. We do not have the guidelines from DOFA yet. I probably have already said more than I should have without the guidelines. At the moment, I am foreshadowing what we get—as our best understanding of it. We think that some of the people will probably be given jobs with some of the big contractors such as Hermes Precisa and the million-dollar projects we have signed. They will get continuity because we are now looking at a three-year project rather than a one-year project. Others will be brought on staff with us. I could not give you the numbers at this stage. All I can report is that it is a very much healthier atmosphere in the office than it was on the day before the budget, when people were wondering whether they had a position, and even on the morning when the *Canberra Times* ran the story that the worst outcome had happened.

**Senator LUNDY**—That is certainly how the budget papers read. Can you just walk me through the preservation fund and what led to all this accounting restructuring again? I did not really follow that.

**Mr Gibbs**—From 2000-01 until the end of next year we will have received \$21 million in depreciation funding. That is based upon the valuation of our collections and is additional to any budget we had before.

**Senator LUNDY**—Can you enlighten me as to why the identification of that \$20 million in your funding has happened now and not before? What changed to make that available to you in your budget?

**Mr Gibbs**—The funding has been there since 2000-01. What has changed now is that the cultural agency review, of which everyone was living in fear and trepidation, has turned out to be a very positive and healthy document which has recommended converting that to recurrent funding. The big change is that, rather than it being an annual thing which we could not plan on, we will now be able to lock it into our recurrent funding and be able to offer staff positions, enter into contracts and all those things. That is the big change this year out of the current cultural agencies review. Remember that I arrived yesterday, so I do not know about 2001; it is just what I have read and had reported to me.

**Senator LUNDY**—That gives you more, on paper, to play with?

**Mr Gibbs**—No, not more on paper; it is real money. Up until this money became available, things like some of the major film collections we hold were deteriorating. You only had to open the cans and they stank of vinegar. Major collections were rotting. We were totally delinquent in a lot of our custodial responsibility. Big national heritage things—such as the war dossier records of all the soldiers from World War I right through to the Vietnam War, the immigration records of everyone who arrived in Australia in the 20<sup>th</sup> century and the one that appeals to me most, a full colour film documentation of the Snowy River scheme, not just the building of the dams but the whole social life—were in an appalling state, rotting in cans. All that is now being restored and that is valuable money—

**Senator LUNDY**—You mentioned there might be some delays in that, but you now have a program for restoration.

**Mr Gibbs**—Not of any of those, because they are all too important. They will be the ones we will hang onto. We will be looking around the edges rather than at the key ones like those.

**Senator LUNDY**—Obviously, if you take away the cuts that showed up in the budget documents, you are in a positive situation still or is all of that \$21 million over three years allocated to preservation so the staff cuts are still in response to the budget cuts?

**Mr Gibbs**—That is what we need further advice on from the department of finance; but, to the extent we understand what is proposed, the \$12 million will be transferred from our capital allocation to our recurrent allocation. Within the broad guidelines of preservation, we will be able to be allocated as we want and our biggest priority as an archives at the moment is preservation, for the reasons I outlined earlier.

**Senator LUNDY**—So you are still proceeding with the staff cuts on the back of the budget cut, effectively?

**Mr Gibbs**—There will be, but as I said we have 100 staff on contract at the moment. We are making no assumption that they will be kept on outside the—

**Senator LUNDY**—I appreciate all of that. I am just trying to clarify the link between the reduction of 10 with the budget cut, whether it is a direct cause and effect. The question really is: why would you not choose to use part of that \$21 million towards your staff budget? I am presuming it is because you would not be able to do that, but you are awaiting Finance guidelines to tell you that that is not part of the deal, effectively.

**Mr Gibbs**—We are. The 10 staff saving is a notional saving—it is in the PBS—that we put up as what the figure will be. At this stage, until we get the guidelines, that is what it is.

**Senator LUNDY**—Do you envisage that those staff cuts will impact on service levels—that is, not preservation but service and other aspects of the Archives operation?

**Mr Gibbs**—No. The only two public statements I have made are that no ongoing staff would lose their position and there will be no effect on the services, on the opening hours here in Canberra or on any of the state reading rooms. We made a strong commitment to that in the office as soon as we got the budget, and we have told the staff and the council that.

**Senator LUNDY**—I know you are awaiting clarification from the department of finance about the \$21 million, but is there any pressure on the Archives to reduce your intake of documents in any way?

**Mr Gibbs**—No, there is not. There are pressures on us but they are pressures that we sustain ourselves; they are not coming from outside. We would like lots more money, we would like a brand new big building, but at this stage we have not planned far enough ahead to even ask for it.

**Senator LUNDY**—Thank you for that.

**ACTING CHAIR**—Thank you, Mr Gibbs.



[5.50 p.m.]

**National Library of Australia**

**ACTING CHAIR**—I welcome the officers from the National Library.

**Senator LUNDY**—Welcome, Ms Fullerton. Can you please outline for me the effects of the budget on the Library?

**Ms Fullerton**—Mr Linehan will do that.

**Mr Linehan**—On page 459 of the portfolio budget statements we indicate that our appropriations will be increasing by about \$1.175 million, or just under 2½ per cent, for the next financial year.

**Senator LUNDY**—Can you explain that in the context of the budget allocation?

**Mr Linehan**—There are a number of reasons for the variation. The two major ones are for the increase in superannuation employer contributions and also funding for parameter adjustments offset by the efficiency dividend.

**Senator LUNDY**—Can you take me to the page on the portfolio budget statements?

**Mr Linehan**—Page 459.

**Senator LUNDY**—Are you impacted on also by the change on the depreciation described as—

**Ms Fullerton**—No, there is zero impact on the National Library.

**Senator LUNDY**—Zero impact—so no windfall for you for worthy projects?

**Ms Fullerton**—There is no change to our depreciation arrangements.

**Senator LUNDY**—Why is that?

**Mr Linehan**—We are awaiting briefing and advice from the department on the full implications of the outcome.

**Senator LUNDY**—Is that because you do not know yet or because it has not been included?

**Mr Linehan**—We are just awaiting formal advice to understand what the arrangements are. We are not aware of the detail.

**Senator LUNDY**—So there could be an impact for you?

**Ms Fullerton**—The budget reflects no impact.

**Senator LUNDY**—Ms Williams, could you clarify for me that the budget did not reflect any change for the Archives either?

**Ms Williams**—Yes, it did.

**Senator LUNDY**—That \$21 million?

**Ms Williams**—This is a difficult one.

**Senator LUNDY**—I am just trying to get my head around the—

**Ms Williams**—Can I explain the way the review worked. One of the things the review did was look at the depreciation treatment for long lived assets. This was questioned both by the Department of Finance and Administration and by the agencies themselves—by the department of finance because as long lived assets increased in value they in fact attracted more and more depreciation, which was not the intent of the depreciation scheme. The agencies themselves, as Archives mentioned to you, found that the depreciation for such assets was not a useful concept, because it meant that they could not actually use the money to preserve them, which is what they really wanted.

Part of the review was to look at those agencies which had, when accrual accounting was introduced, chosen to take depreciation for long lived assets, and at that stage there was a bit of a choice as to how you treated it. Some agencies did, some agencies did not—the Archives did, I gather, and the Library did not. So the Archives had some long lived assets that were in the depreciation bucket, and the review will move those from the depreciation bucket into running costs so that they can be far more flexible and used for preservation. Because they are more useful, because they can be used, there was a cut that went through alongside that for those agencies that could make better use of the long lived assets depreciation funding by transferring it into running costs.

**Senator LUNDY**—Hence that across-the-top cut to the Archives?

**Ms Williams**—Yes—to those agencies involved. But the Library was not involved in that.

**Senator LUNDY**—So we have the status quo on that front. So your budget increased in this forthcoming financial year by \$1.175 million in appropriations. What about across the out years?

**Mr Linehan**—I am just looking for the figures here. There would be commensurate or similar increases—about half a million or so—in the out years. In terms of revenues from government, on page 464, they roughly increased by between \$900,000 to \$500,000 each out year.

**Senator LUNDY**—Explain to me why page 453, which shows measures affecting outcome 1, shows the National Library and a reduction of \$71,000.

**Mr Linehan**—That is just one element of the overall change in our appropriation. That was a separate budget measure, as I think has been discussed, that was shared across various portfolio agencies as a one-off for the next financial year.

**Senator LUNDY**—Where in the PBS does it show the increase on last year's allocation?

**Mr Linehan**—There are a number of spots, but probably the easiest to refer to in terms of the appropriations is page 458. We provide a graph there that shows a comparison of appropriations.

**Senator LUNDY**—Excuse my confusion, but these PBSs change every year. Why isn't there just the normal table comparing actuals and estimates?

**Mr Linehan**—There is a further table provided. That is just graphic representation and some descriptions. There are a number of tables—one of which you can see on page 464 of revenues from government. The first row of figures at the very top of that page shows a figure of \$49.245 million for next financial year. With the figures I have been giving, there is one

major variation with the abolition of the capital use charge from next year. That distorts the figures for all the estimates for 2002-03.

**Senator LUNDY**—Can you go back two steps and point out where the \$1.175 million increase is illustrated?

**Mr Linehan**—Probably the easiest spot to refer to is page 458. There we show our operating revenues from government, excluding the capital use charge, as being \$49.245 million next financial year and having been \$48.070 million this financial year. That figure excludes capital use charge funding, which has been abolished for next year. So we have tried to provide an apples with apples comparison there. The figure of \$231.532 million at the top of the table on page 464 actually includes the capital use charge.

**Senator LUNDY**—You have lost me; try again.

**Mr Linehan**—In a strict sense our appropriation would have gone down by about \$180-odd million, but all of that is because of the abolition of the capital use charge—it will no longer occur next financial year.

**Ms Williams**—This is the last year for that. It was introduced with accrual budgeting and it really has not been as useful as was expected, so it was abolished at the end of this year. So you have to deduct that when you are looking at the two years appropriations.

**Senator LUNDY**—That is why it looks like you are going from an estimated actual of \$231 million to \$49 million?

**Mr Linehan**—That is right.

**Senator LUNDY**—You are lucky I did not write a press release about that the day after the budget.

**Mr Linehan**—A better comparison is the graph on page 458 where we have tried to show the apples with apples comparison without the capital use charge.

**Senator LUNDY**—Now I understand the new graph. It is to help try and explain that change. We have just been through the capital use charge changes in the portfolio budget statements, so I am trying desperately to get my head around that exercise. In illustrating this marginal increase in your overall allocations, on those same graphs it shows that in other categories—in all other revenue, for example—there is a reduction. When you add all of those other things in, can you tell me if you are still in a positive situation or a negative situation?

**Mr Linehan**—At the bottom of page 459 there is a total line there which shows an increase from the current financial year to next financial year. You will see a figure of \$58.025 million in the table at the bottom of page 459.

**Senator LUNDY**—Just above the figure of \$57.896?

**Mr Linehan**—Yes, as a comparison.

**Senator LUNDY**—Now that we know that, I would like to move on to the issue of staffing cuts to the Library. You are quoted in the *Canberra Times* on 18 May as saying:

The reasons for the reduction include: the changing nature of the work environment and user expectations; the completion of some one-off projects associated with the library's 100th anniversary; and salary increases.

Were you correctly quoted in that context and can you elaborate on those issues, please?

**Ms Fullerton**—These are the same issues we discussed last time we spoke to you at Senate estimates. The National Library anticipated that we would have to sustain a lower level of staffing in the 2003-04 financial year and we planned to bring our staffing down this financial year to the level we require to go into the next financial year. So there is no additional cut to our staffing; we are now at the position we want to be in for the next financial year.

**Senator LUNDY**—Can you just remind me what those cuts were? Have they been concluded? Has everyone gone who was going to go under those cuts?

**Ms Fullerton**—They have all gone. It was done through natural attrition and a small number of voluntary redundancies.

**Senator LUNDY**—How many positions went?

**Ms Fullerton**—It was about 14—

**Mr Linehan**—The variation from this financial year to the next financial year is an estimated reduction of 18, and prior to that we discussed reducing numbers from just over 500.

**Ms Fullerton**—The reduction from our average level in this financial year to next financial year is about 18.

**Senator LUNDY**—Can you tell me what you meant by the changing nature of the work environment?

**Ms Fullerton**—The National Library is attempting to do much more to provide services that do not require mediation by Library staff and to enable us to deliver services remotely and using more online capabilities so that we do not need people to come into the National Library to be served by our staff.

**Senator LUNDY**—I certainly can speak with quite a degree of knowledge, thanks to briefings from the Library, and the online endeavours you have embarked upon are impressive. I presumed that would be a component of that changing nature. In the face of your current funding, particularly in the area of significant demand for the digitisation of the Library's collection—I know your pilot project 'Ask now' is blooming; it is growing considerably—and those additional demands that come with using technology in that way, do you have the resources to fund those initiatives to the extent that you need to?

**Ms Fullerton**—We manage our budget so that we can continue to maintain traditional services and also do some initiatives every year. Of course, our ambitions always run far in advance of what we can afford. A major part of our strategy is collaboration: we attempt to work with other institutions and other libraries so that the impact falls not just on the National Library. I think that is a very important part of the way we attempt to deal with the kinds of pressures we have.

**Senator LUNDY**—Can you expand a little on the digitisation project at the National Library?

**Ms Fullerton**—Yes. The National Library is digitising unique materials that people would once have had to come to the National Library to look at. It is mostly pictorial material such

as maps, manuscripts and sheet music. We have quite an active program to continue that. We are probably operating at the level that we can manage, considering all kinds of aspects of the impact on resources that have to be balanced and managed. We expect to continue to do that and to operate at a reasonable level into the out years. We expect that we will never digitise more than five per cent of our total collections.

**Senator LUNDY**—At the current rate of digitisation, how many years would it take you to digitise five per cent of the National Library's collection?

**Ms Fullerton**—It is a lot of years.

**Senator LUNDY**—100 years, or 17 years?

**Ms Fullerton**—We keep our eye upon what is achievable, not on what is not achievable. I do not think we have actually done that sum.

**Senator LUNDY**—Would you take that question on notice, because five per cent is five per cent of a very extensive collection. I also think that the issue of digitisation is increasingly important. It is attracting more attention than it used to, and I think that cultural institutions right round the country are starting to develop a sense of urgency to do that, whether it is the National Archives or some other institution that finds that those things are effectively rotting away. Is there that sense of urgency in the National Library to digitise?

**Ms Fullerton**—There is not such a sense of urgency with the material that we are digitising, because it is well housed and well preserved; it is not really in danger. Our focus is access rather than preservation.

**Senator LUNDY**—The imperative is being able to get it online and for it to be far more accessible?

**Ms Fullerton**—Yes.

**Senator LUNDY**—I know the Library does not have 100th anniversaries every year.

**Ms Fullerton**—No.

**Senator LUNDY**—It will be a while before you have another. Are there any other special activities or exhibitions—for example, like the displays that you have from time to time on the ground floor of the library—that will be impacted upon, reduced or limited in any way as a result of not only the funding changes but also the staffing cuts?

**Ms Fullerton**—We are not attempting anything on the scale of the *Treasures* exhibition for another hundred years. But we do have a continuing program of exhibitions. We have some wonderful exhibitions coming up. We have a new one that will open in about 10 days time.

**Senator LUNDY**—What is that?

**Ms Fullerton**—It is called *Travellers Art*, and it is based largely on our own collections on this occasion. There is an absolutely wonderful exhibition coming over Christmas on photography in our collection and the history of Australian photography. So there are some very nice programs.

**Senator Kemp**—Would you expect there to be large queues at half past five in the morning?

**Ms Fullerton**—Sadly, no—or possibly relievedly, no.

**Senator LUNDY**—Salary increases was another thing you were quoted on. Can you elaborate on that? How many salary increases can cover off the loss of how many jobs? That quote did not read well, I have to say. It implied that the salary increases were large enough to offset the whole employment of people.

**Mr Linehan**—Across the board, wage increases we have been offering under the workplace agreements were in the order of 3½ to four per cent over the year. Having regard to looking for productivity improvements et cetera, we do have to fund those each year. I think they are reasonably modest in the overall number but they have an impact.

**Senator LUNDY**—So it is a reasonable observation to make that your allocation from the budget has not been enough to keep pace with the required salary increases as per the award?

**Mr Linehan**—I think everyone is aware of the broader requirement to find productivity savings to manage any variations.

**Senator LUNDY**—So you have got to find them yourself?

**Mr Linehan**—Yes.

**Senator LUNDY**—Minister, can I ask you—or perhaps Ms Williams—a question about that. With general wage increases for public servants, is it standard practice, or generally accepted, that there is budget recognition of those increases as they come from time to time or is it always the case that cultural institutions and so on have to find those rises from within their own budgets?

**Ms Williams**—There is a parameter adjustment on all budgets, but the concept of certified agreements and AWAs, as you know, Senator Lundy, is on the basis that you find the efficiencies to present the increase.

**Senator LUNDY**—So what are the standard allowances for increasing agencies—

**Ms Williams**—I am just looking for my CFO. I think she is coming. Can we come back to that.

**Senator Kemp**—While we are waiting, I would not like that comment that cultural institutions are being squeezed to go entirely unchallenged or uncorrected.

**Senator LUNDY**—I was waiting for you to cotton on, Minister.

**Senator Kemp**—I have some figures here. The total appropriation for the National Maritime Museum, Archives, Gallery, Library and Museum in 1995-96 was \$115 million. The total appropriation for 2003-04 is \$204 million.

**Senator LUNDY**—Have you got friends on the board there, Minister?

**Senator Kemp**—This is a very significant rise, compared with the appropriation under the previous government. I know that sometimes it might suit a narrow political aim to go around and say that institutions are being squeezed. The truth is that the government has given a very high priority to these institutions. You cannot just look at it year on year. You have got to go back and see what has happened to those institutions, and you can see that there has been very substantial expansion.

**Senator LUNDY**—Is that on the top page of your briefing folder, Minister?

**Senator Kemp**—Knowing how you like to keep on implying—

**Senator LUNDY**—You came well prepared.

**Senator Kemp**—I always—

**Senator LUNDY**—We will have an opportunity to go into these matters when we go back to the department later.

**Senator Kemp**—tell my staff to bring out the Kate Lundy table on the cultural institutions, because I will have to repeat these figures. So they go to their desks and they pull it out, and I have the figures.

**Senator LUNDY**—I am impressed by your diligence!

**Senator Kemp**—We are very diligent, because sometimes you are a little bit predictable.

**Senator LUNDY**—After seven years of constant pressure on institutions—

**Senator Kemp**—And may there be another seven.

**Senator LUNDY**—Absolutely. You would not be so lucky.

**Senator Kemp**—Don't you believe it!

**Senator LUNDY**—Did you find that figure? It is just out of interest; I think we can just about wrap this up.

**Ms Williams**—I hand over to Jennifer Gale, the CFO.

**Ms Gale**—The secretary was correct: parameter adjustments are applied to the total base appropriations, not specifically for salaries. Because they adjust with the economy, it is necessary for agencies to find the efficiencies internally. As you can imagine, the parameters change. If you offer a flat rate of increase in salaries of, hypothetically, three per cent and your parameter comes down you would not expect to cut your salaries.

**Senator LUNDY**—Are there any other implications for the national cultural institutions review for the Library that you are able to share with the committee at this stage?

**Ms Fullerton**—No, there are none.

**Mr Linehan**—There are some broader issues, but again we are waiting on advice and briefing from the department.

**Senator LUNDY**—It is not that there is nothing to say; it is that you are still waiting to be advised about the full impact?

**Mr Linehan**—Yes.

**Senator LUNDY**—So we will get to ask you about that in November.

**Mr Linehan**—Thank you.

**Senator LUNDY**—I confirm that with the minister: I will be entirely predictable in November and ask about the impact of the cultural institutions review for the National Library at the next estimates hearing. Thank you.

**ACTING CHAIR**—I thank the officers from the Library.

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**Proceedings suspended from 6.15 p.m. to 7.19 p.m.****National Museum of Australia**

**ACTING CHAIR**—I welcome Ms Casey and officers from the National Museum.

**Senator CARR**—Ms Casey, did you receive your performance bonus this year?

**Ms Casey**—For this year?

**Senator CARR**—For the relevant year.

**Ms Casey**—The board has just met on that, so I have not received it yet.

**Senator CARR**—What about the previous year?

**Ms Casey**—Yes.

**Senator CARR**—Does the annual report congratulate you on your performance?

**Ms Casey**—I cannot remember. Normally the chairman and the board do congratulate me and all of the staff.

**Senator CARR**—And the annual report was passed by the board?

**Ms Casey**—Yes.

**Senator CARR**—Minister, has there been any development on the issue of the contract for the Museum director?

**Senator Kemp**—No, there has been no further development, other than what was covered at the last Senate estimates.

**Senator CARR**—Senator Faulkner put some questions on notice, as I recall, about the various agencies. There was one that I was particularly interested in that went to the terms for the CEOs of the various cultural agencies. Do you recall that answer, Senator Faulkner?

**Senator FAULKNER**—Would you direct your questions to the witnesses, Senator Carr?

**Senator CARR**—I just want to be clear—

**Senator FAULKNER**—I recall the question.

**Senator CARR**—Very good. Senator Faulkner asked at the last estimates—and you have been good enough to provide us with a list, Minister—about the terms of tenure for the CEOs of cultural institutions. The Maritime Museum is three years; the Archive is five years—we have had that confirmed this evening; the Gallery is five years, with reappointment for two; the Library is three years, with reappointment for five; and the Museum is three years, with reappointment for one. Minister, what is the explanation for the disparity there?

**Senator Kemp**—Given the statement that I made at the time and in response to further discussion at Senate estimates, I do not think I can add much to that. I just urge you to have a look at what I said. Among other things, to refresh your memory, I said that the appointment to the director's position beyond 2003 would be considered by the government in the context of the longer term strategic development of the Museum, and that is our position.

**Senator CARR**—When will this be considered by the government?



**Senator Kemp**—It is really a matter for the government to make that decision, but I would think that in the coming months the government would obviously turn its mind to it.

**Senator CARR**—Ms Casey, when does your contract end?

**Ms Casey**—I think it is about 12 December—somewhere there.

**Senator CARR**—Minister, when do you anticipate this process will begin?

**Senator Kemp**—As I said, in the coming months the government will make a decision.

**Senator CARR**—You can appoint an archivist—obviously a highly qualified archivist but, you would have to say, in terms of the Commonwealth, untested. Then you have the director of the Museum, who has led the Museum through its very earliest times and played a prominent role in its development. How can you reconcile the two processes that have been followed?

**Senator Kemp**—In each case the government would obviously look at the particular institution and what is happening. In relation to the Museum the government has made its position clear. I have just given you the position of the government.

**Senator CARR**—I do not think you have given me the position of the government. You said that you are going to have a look at getting something done over the next couple of months. I am just wondering if you can explain why there is such a discrepancy in the approach taken between different agencies.

**Senator Kemp**—Each case is judged on the particular issues. The government decided in relation to the Museum that that is how the appointment would run. So Ms Casey was appointed for a year.

**Senator CARR**—Obviously, I wish Ms Casey all the very best in her future endeavours. It is quite apparent that the government has made a political decision.

**Senator Kemp**—The government is entitled to make these decisions. These are decisions for the government to make; they are not decisions for the opposition to make. As I said to you, we will be considering the issue beyond 2003 in the context of the longer term strategic development of the National Museum of Australia.

**Senator FAULKNER**—Do you anticipate keeping the length of contract for the Director of the National Museum at a 12-month period in future?

**Senator Kemp**—I do not wish to prejudge the government's position on this. This is a matter for the government and it is entirely up to the government as to what it wishes to do.

**Senator CARR**—What is the nature of these strategic decisions which the government wishes to pursue in regard to the Museum?

**Senator Kemp**—We will be looking at the medium and long-term prospects for the Museum. We will be looking at the skills which will be required to carry out that development and then the government will make a judgment.

**Senator CARR**—Will the government's strategic assessments of the directions of the Museum be coloured in any way by the Carroll review?

**Senator Kemp**—I would not use the expression ‘coloured’. The review is, I think, due to be given to the government in June. That may be one of the things the government will look at. I would not want to prejudge it because we, like you, will be waiting for the review.

**Senator CARR**—It is Professor Carroll—is he a professor?

**Senator Kemp**—I think he is Associate Professor Carroll.

**Senator CARR**—He was a friend of yours from Ormond College, was he not?

**Senator Kemp**—We went through this last time.

**Senator CARR**—I was not here. He is the same associate professor, is he not?

**Senator Kemp**—We went through this issue last time, Senator, and I do not propose to add—

**Senator CARR**—Did we talk about Ormond College last time?

**Senator Kemp**—Dr Carroll, or John Carroll as he was then, went to Ormond College.

**Senator CARR**—With you?

**Senator Kemp**—At the same time as me and, I suspect, with some 200 other students.

**Senator CARR**—That is all right. Did you spend a lot of time with him at Ormond College?

**Senator Kemp**—I did not know that there is a rule that anyone who went through Ormond College with me should be precluded from any appointment by the government.

**Senator CARR**—Did you spend a lot of time in Ormond College during the same period? What length of period did you spend there together?

**Senator Kemp**—I spent three years at Ormond College initially.

**Senator CARR**—And was this the same three years that Professor Carroll was there?

**Senator Kemp**—I think he is a little bit older than I am.

**Senator CARR**—I see. So there was only an overlap?

**Senator Kemp**—There was an overlap, yes.

**Senator CARR**—The review is to be complete in June—is that right?

**Senator Kemp**—I think that is the date at which the review is—

**Senator CARR**—Is that the date the review will be completed or is it the date on which it will be given to government?

**Senator Kemp**—It will be given to the board of the Museum.

**Senator FAULKNER**—Is it on schedule, do you know?

**Ms Williams**—Yes, I think so.

**Senator FAULKNER**—How are you able to say that to us, Ms Williams?

**Ms Williams**—Because I spoke to the chair of the review committee about a week ago.

**Senator FAULKNER**—Was he giving you a progress report?

**Ms Williams**—He said that he had had a meeting, that he was going through it himself—drafting, trying to get a decent, one view of it—and he thought it was on time.

**Senator FAULKNER**—Sorry, I could not hear what you said.

**Ms Williams**—I gather there were several hands drafting it. He wanted a couple of weeks or—

**Senator FAULKNER**—Several hands?

**Ms Williams**—Several people had a go in the drafting. He had a meeting of the committee and they went through particular bits of it. He felt it needed one person to look through it to get the styles in order. He thought it would be three weeks or so.

**Senator FAULKNER**—So we are up to the preliminary draft stage, are we?

**Ms Williams**—I gather so.

**Senator FAULKNER**—Is that a fair description of where we are up to?

**Ms Williams**—First draft.

**Senator FAULKNER**—Preliminary draft. This of course was done with the benefit of public submissions, wasn't it?

**Ms Williams**—Yes.

**Ms Gosling**—The panel called for public submissions back in February. They have received 104 public submissions and they have also undertaken direct consultations with individuals.

**Senator FAULKNER**—One hundred and four public submissions. First of all, have those submissions been made public?

**Ms Gosling**—No.

**Senator FAULKNER**—When you say public submissions, it is really submissions from the public.

**Ms Gosling**—Yes.

**Senator FAULKNER**—We have to get our terminology right.

**Ms Gosling**—At this stage, the submissions have not been released to the public because the panel is reporting to the Museum council. Obviously the submissions are an integral part of the panel's deliberations and whether they are released publicly and how they are dealt with in the future is something that the council of the Museum will also have a view on.

**Senator FAULKNER**—So the decision for any public release of the submissions is a matter for the council, is it, finally?

**Ms Gosling**—It is something that the panel would want to give the Museum council an opportunity to have a view on.

**Senator FAULKNER**—Submissions were called for when in February?

**Ms Gosling**—The date was 15 February.

**Senator FAULKNER**—The last date I had heard for the closure of submissions was 7 March. Did that date stand?

**Ms Gosling**—There was a three-week period which would bring us to around 7 March, but the panel received a number of submissions well after that date, and so nobody was told the time was up.

**Senator FAULKNER**—We have 104 submissions received in a publicised period for submissions of three weeks. That is a lot of interest, isn't it?

**Ms Gosling**—As I say, there were late submissions. Not all of those submissions were received in the three-week period.

**Senator FAULKNER**—If there were late submissions received, why was there a time constraint?

**Ms Gosling**—For the panel to work out a time line in order to be able to produce a report by June, obviously they had to have some sort of overall framework. But, at the same time, they felt they did not want to disadvantage anybody who came forward after the closure date to put in a submission.

**Senator FAULKNER**—There was an initial announcement that there would be public hearings.

**Ms Gosling**—In terms of the methodology that the panel finally determined, it was the panel's assessment that the two-pronged approach of calling for written submissions from the public and having consultations was the preferred way to go.

**Senator FAULKNER**—Is it true that the original plan was to have public submissions and public hearings?

**Ms Gosling**—I am not sure I know what you are referring to when you say there was an original proposal to have public hearings.

**Senator FAULKNER**—My understanding was that there was a plan to call for submissions from the public and allow evidence to be received to the panel from those submitters. I might be wrong about that but that is what I thought was the case.

**Senator CARR**—You are not wrong.

**Senator FAULKNER**—Thank you, Senator Carr. I have Senator Carr's endorsement on this too.

**Ms Williams**—We are all looking a bit vague. Can we check up on that and get back to you?

**Senator FAULKNER**—Yes, but questions do flow from it so—

**Ms Gosling**—The quote I have in front of me from the press release that the Museum chairman released in announcing the establishment of the panel says the panel 'will consult widely by calling for public submissions and holding meetings with historians and other academics to gauge the broad spectrum'—

**Senator FAULKNER**—What was the date of that?

**Ms Gosling**—The date I have is 3 January.

**Senator FAULKNER**—Whose name was that submitted in?

**Ms Gosling**—This is the media release from the chairman of the council, Tony Staley. I do not actually have a copy of the press release.

**Senator FAULKNER**—All I am trying to find out is whether it is true or untrue that earlier this year it was announced that members of the public would be able to contribute to the review process or the deliberations of the panel through public hearings.

**Ms Gosling**—I am not aware of that statement and I am not sure what you are referring to.

**Ms Williams**—Certainly, when the chair spoke to me before he had gone into the process, he wanted to receive written submissions but he was not going to have public meetings.

**Ms Gosling**—That was the chairman of the panel.

**Ms Williams**—Yes, the chairman of the panel.

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

**Ms Gosling**—At their first meeting the panel considered what the methodology would be that they would adopt for undertaking the review. I am just looking for the date of that. It was 4 and 5 February.

**Senator FAULKNER**—I would appreciate it if someone could check this at some stage so we can follow it through. In the *Age* newspaper on 28 December last year, Mr Staley said:

Everybody who's got a view could contribute in public forums.

What status did that comment have?

**Ms Gosling**—I am not sure that I can comment on what status that had. It is a comment that is in a press release from—

**Senator FAULKNER**—The trouble is that people like me are terribly naive and we depend a lot on information from the newspapers. The good old days of having official briefings are well behind us. You do not learn anything in parliament from the executive, so you have to trawl through the newspapers and you turn up these comments from someone like Mr Staley and take them at face value.

**Ms Gosling**—All I am going on is what that media release issued in Mr Staley's name said on 3 January.

**Senator FAULKNER**—In the *Age* newspaper Mr Staley said:

Everybody who's got a view could contribute in public forums.

**Senator CARR**—He is the chairman of the council.

**Senator FAULKNER**—Yes. But at some point this changed, did it? Surely somebody knows the answer to this.

**Ms Williams**—All I can say is that when I talked to the chair of the review that was not the way he was going, but I have not got any background on Mr Staley's comment.

**Senator FAULKNER**—I accept that; I know a change was made. I thought the change was made in March this year but, after hearing what you said a little earlier, perhaps it was in February. I am just trying to nail down what the situation was.

**Ms Williams**—I cannot exactly remember when I spoke to Dr Carroll, but he tended to come in for meetings and I would have a quick meeting with him just to say that it was on track.

**Senator FAULKNER**—When was the original announcement made about the panel? When did we learn about the panel?

**Ms Gosling**—The media release by the chairman of the council went out on 3 January. There may have been some press reports about it prior to that.

**Ms Gosling**—There may have been some press reports about it prior to that.

**Senator FAULKNER**—The statement that I am referring to is from a couple of days before that. What is included in the media statement on 3 January? It does not mention public hearings—is that right?

**Ms Gosling**—It is what I read out before: ‘will consult widely by calling for public submissions’—

**Dr Stretton**—‘and holding meetings with historians and other academics to gauge the broad spectrum of opinion on existing exhibitions and programs and to identify the key issues that should shape the Museum’s future direction’.

**Senator FAULKNER**—What level of communication is there between Mr Staley and the head of the review panel? Were there formal meetings between them?

**Ms Gosling**—Obviously I do not feel I can answer on behalf of Dr Carroll questions about all of his contact with Mr Staley, but certainly the secretariat of the review panel has not been asked to arrange any particular meetings between Mr Staley and Dr Carroll. I know from the chairman of the review panel that they have spoken from time to time about the review, where it is at and various issues. I am not really sure that I am in a position to comment on the content in particular of any of those conversations.

**Senator FAULKNER**—How many of the 104 public submissions were received by 7 March?

**Ms Gosling**—I would have to take that on notice. I do not have the figure here as to the number at closure.

**Senator CARR**—You did mention in that press release that there would be meetings with historians. Is that right?

**Ms Gosling**—Yes, that is one of the things referred to in the press release.

**Senator CARR**—Can you indicate to me when these meetings with historians took place?

**Ms Gosling**—During the course of the panel’s deliberations, in addition to calling for submissions from the public, they have also undertaken various consultations with a range of interested academics, looked at a range of disciplines and talked to a range of people on issues relevant to the terms of reference of the review.

**Senator CARR**—Could you indicate to me who these academics were?

**Ms Gosling**—The panel has spoken to some 40-odd people to date—or 40-odd consultations, I should say; there would be more people.

**Senator CARR**—What is the nature of the consultations that you refer to? Is it one member of the panel going off to talk to another person or—

**Ms Gosling**—On some occasions all members of the review panel have met as a group to talk to individuals. On some occasions it may have been two or three members of the panel. Obviously it is subject to people's availability and trying to get around and talk to as many people as possible. I think that, on some occasions, individual review panel members have actually spoken to people and taken a record of the meeting.

**Senator CARR**—Let us go through that. On how many occasions have individual panel members gone off and talked to historians?

**Ms Gosling**—Again, I would have to take that on notice. I do not have figures on the breakdown of that.

**Senator CARR**—I am interested to know the nature of the public consultations. You say 40 people have been consulted—

**Ms Gosling**—No, it is around 40 interviews. It would be more people.

**Senator CARR**—Would you describe them as interviews?

**Ms Gosling**—Interviews or consultations.

**Senator CARR**—What are they—interviews or a cup of coffee?

**Ms Gosling**—No, they are consultations where the review panel asks questions in relation to the Museum and the terms of reference of the review.

**Senator CARR**—As I understand your answer to previous questions, there were three types of meeting. There were meetings which involved the entire panel and, presumably, individuals. On how many occasions did that occur?

**Ms Gosling**—Again, I would have to take that on notice. I do not have the breakdown of those consultations.

**Senator CARR**—How many members were on the panel?

**Ms Gosling**—Four.

**Senator CARR**—So a part of the committee met?

**Ms Gosling**—It may have been that because of availability one panel member may not have been in the meeting room.

**Senator CARR**—But there are occasions when fewer than the full committee met with individuals. How often did that occur?

**Ms Gosling**—Again, I would have to take that on notice. I do not have a breakdown of those consultations.

**Senator CARR**—There were other occasions with just individuals. Which individuals—the chairman?

**Ms Gosling**—Again, I will take that on notice. It may have been not only the chairman but other panel members as well who have been available to speak to a particular person the panel has wanted to talk to.

**Senator CARR**—Presumably, that would be picked up in the second category—of two members. We have a situation where four members meet—

**Ms Gosling**—It could be any individual member of the panel—chairman or otherwise.

**Senator CARR**—I want to know on how many occasions only one member of the panel was there.

**Ms Gosling**—Again, I will take that on notice because I do not have that.

**Senator CARR**—Where did these meetings occur?

**Ms Gosling**—Some of the consultations have been held in Canberra when the panel has met. They had some consultations in Sydney as a panel. Again, I would have to take on notice where panel members may have taken the opportunity, if they were in a city where they wanted to speak to someone, to meet with them. I just do not have that information here.

**Senator FAULKNER**—Ms Gosling, we know that either all of the panel, some of the panel or one of the panel is present at these precisely 40 consultations—is that right? Is it about 40 or is it 40?

**Ms Gosling**—It is around 40.

**Senator FAULKNER**—At around 40 consultations. Is that an accurate statement?

**Ms Gosling**—Yes.

**Senator FAULKNER**—As far as departmental or Museum resources or personnel are concerned, who else is present if anyone when these consultations are taking place?

**Ms Gosling**—Again, it may vary.

**Senator FAULKNER**—Let us have the picture then.

**Ms Gosling**—If the review panel is meeting as a group, then obviously the secretariat team would have been present at those interviews and have taken records of the discussions.

**Senator FAULKNER**—So how many is that?

**Ms Gosling**—As I said to Senator Carr, I am taking that on notice because I do not have a breakdown of how many consultations have been undertaken by the review panel.

**Senator FAULKNER**—I appreciate that you cannot be precise about this, but I am just trying to get a general feel for the way this thing worked. Is there one support staff or two or 10?

**Ms Gosling**—Sometimes it would be up to four staff members.

**Senator FAULKNER**—Up to four, but at least one?

**Ms Gosling**—Yes; when the review panel has been meeting as a group.

**Senator CARR**—Would there be five members of the department or the Museum present at such meetings?

**Ms Gosling**—No. I think that on most occasions the maximum number of staff at any of these consultations was probably four.



**Senator CARR**—Could you take that on notice? I have heard that, on occasions, there might have been more than four.

**Ms Gosling**—I will take that on notice, but my recollection is that it would have been no more than four.

**Senator CARR**—You refer to staff from the department or the Museum being present when the review panel met. Were staff available when individuals met?

**Ms Gosling**—Again, I will take that on notice. I have not tracked each of these consultations individually, so I would not like to say.

**Senator CARR**—There are 40 people, so presumably it will not be too hard to track down.

**Ms Gosling**—On some occasions there may have been a staff member at some of these other meetings, but I am just not sure about that.

**Senator FAULKNER**—When did the consultations finish?

**Ms Gosling**—The last meetings the panel had were on 20 and 21 May.

**Senator FAULKNER**—Ms Williams, given that the report has been drafted, you would not have wanted to go on 20 and 21 May. They have taken a lot of notice of those people!

**Ms Gosling**—I would like to correct that. I was saying that the panel met on 20 and 21 May, but the last consultations they had were from 14 to 16 April. That was as a group, but it may be that other consultations have been undertaken since that time.

**Senator FAULKNER**—Are you saying that the last full panel consultation was from 14 to 16 April?

**Ms Gosling**—There may have been one or two since that time that involved the panel members in a teleconference. But that was the last time the panel met in person as a group to talk to people.

**Senator FAULKNER**—Are you saying that not all the consultations are face to face?

**Ms Gosling**—No.

**Senator FAULKNER**—Some are teleconferences.

**Ms Gosling**—Obviously they have tried to avoid that if possible, but on some occasions it has been unavoidable.

**Senator FAULKNER**—Ms Williams, do you still get sitting fees when it is a teleconference?

**Ms Gosling**—Yes, they would.

**Senator FAULKNER**—That is a relief. Ms Williams, you said that the chair had told you—I do not want to put words into your mouth but I want you to explain it so I can understand it a little better—that there were a number hands, if you like, involved in the preliminary draft.

**Ms Williams**—I gather he had done some drafting himself and another member of the panel had done some drafting and so the styles were a bit different.

**Ms Gosling**—In fact, all panel members have contributed to the first draft.

**Senator FAULKNER**—Can I be assured that drafting has only been undertaken by panel members?

**Ms Williams**—I would have thought any secretariat would present some drafts and that some of those might be used, but I will have to consult—

**Senator FAULKNER**—I hear lots of rumours and some of them are odd and some of them are not. Every now and again you hear a rumour that turns out to be accurate, like the \$11,000 a night hotel bill that taxpayers footed for the Prime Minister in Rome, so every now and again you get it right. I heard a rumour that the department was doing a lot of the drafting of this.

**Ms Williams**—Can I draw a line, please, between the department and the secretariat. We have been very careful to keep that line. There is a small secretariat, as I mentioned to you last time, which is made up of departmental members, but we have kept a clear line between that and the rest of the department who are dealing with the Museum. There have obviously been some drafts put by the secretariat to the review, but the department itself has not.

**Senator FAULKNER**—So it is just spin to suggest that it is the panel members who are doing the drafting?

**Ms Gosling**—No.

**Ms Williams**—At my last meeting with the chair he actually said he had done most of the drafting himself but that there were bits that were done by other panel members and bits that presumably still remain from the drafts that the department had done. But he said he had—

**Senator FAULKNER**—That the department had done?

**Ms Williams**—Sorry, I meant that the secretariat had done.

**Senator CARR**—The department's secretariat?

**Ms Williams**—Yes, the secretariat. I apologise.

**Senator CARR**—But they are departmental officers, aren't they?

**Ms Williams**—Yes.

**Ms Gosling**—The secretary is correct in what she has said. The secretariat has provided some initial drafts of some parts of the first report to the panel, but obviously they have an unfettered right to amend and comment and all of—

**Senator FAULKNER**—Yes, but that is the thing. We are used to it in parliamentary committees and the like. At the end of the day, our secretaries and the committee officers and so forth do an awful lot of the work. It goes out in the name of the chairmen and they puff themselves up and table it in parliament—it does not matter what party they or the members are in. The reality is that an awful lot of the work is done by those who support these committees. I would not be critical if this were the case with the panel. All I would expect people to be is frank with me about it.

**Ms Williams**—I am being absolutely frank when I say that the chair has told me that he has done a lot of the drafting.

**Ms Gosling**—That is correct.

**Senator FAULKNER**—How much have the departmental officers in the secretariat of the committee done? You know this, Ms Gosling, so try and paint the picture for me.

**Ms Gosling**—I am trying to think it through in terms of broad percentages. Certainly the large bulk has been done by the chairman. Two of the other panel members have contributed probably the next largest amount, one of the other panel members has done a small selection and the secretariat has done some small chapters that the chairman has then looked at.

**Senator FAULKNER**—Which are the chapters that the secretariat has done? What are they on?

**Ms Gosling**—As the panel is still deliberating and the report is not out, I am not sure that it is appropriate—

**Senator FAULKNER**—I am very interested in this and I would like to focus on what that material is. I stress again, Ms Williams, I am actually not critical of this because I think this is pretty well how it occurs in a range of places. All I want to be clear on is what the situation is. I am not going to be critical of the panel because its secretarial support drafted certain chapters. I just want us to be frank about it because I have said—honestly—in the parliament I do not think we are frank enough about these issues, when we get so much support out of the committee secretariats who do the overwhelming amount of work in terms of drafting. Yes, that is acknowledged from time to time, but it goes in in the name of people like me—although I have never chaired a parliamentary committee, I quickly add—senators and members of the House of Representatives, when in a sense we have to acknowledge it comes from others. I am just trying to understand the situation without being critical about the process.

**Ms Williams**—Could I just say—and I will hand over to Ms Gosling again—that we are really trying to give you an exact view of this. I think Ms Gosling's problem here is that, since the chair is doing some rewriting at the moment, she really does not know even what the status is now, I would guess.

**Ms Gosling**—That is right.

**Ms Williams**—She does not know what has been rewritten—whether her bits have been rewritten—or what has been the position.

**Senator CARR**—Can I just come back to this issue of the consultation process, because that is obviously what has informed the committee. We have had a number of officers attend these meetings, so presumably they would feed into the construction of the report. Would that be fair?

**Ms Gosling**—Yes.

**Senator CARR**—Do the departmental officers keep records of these meetings?

**Ms Gosling**—Yes, there have been short—

**Ms Williams**—Sorry, you are copying my mistake, Senator Carr—the secretariat.

**Senator CARR**—They are departmental officers.

**Ms Williams**—Yes, but we have drawn a very clear line—

**Senator CARR**—I understand the point you make; I am just being quite precise here. They are departmental officers that are seconded to the secretariat?

**Ms Williams**—Some are; we have taken on a couple specially.

**Senator CARR**—So you have special contractors on for this?

**Ms Gosling**—In terms of resources within the department, we obviously had to—we just did not have sufficient resources to staff the full secretariat and still do everything else that is required.

**Senator FAULKNER**—What contractors do we have?

**Ms Gosling**—There are three—

**Senator FAULKNER**—Who is contracted? What is the role of these people who are contracted to the panel?

**Ms Gosling**—There are three people at the moment on the secretariat. The manager is on a contract, one of the other officers is on a short-term contract and one officer is a permanent officer within the department who has been seconded over for the review.

**Senator FAULKNER**—So the secretariat is a secretariat of three in total?

**Ms Gosling**—At the moment. There was an administrative assistant for three months, but they are no longer with the team.

**Senator CARR**—So it is three plus an administrative assistant?

**Ms Gosling**—No, the administrative assistant is no longer with the team.

**Senator CARR**—Was the administrative assistant person with the committee at some point?

**Ms Gosling**—Yes. In February there were four.

**Senator CARR**—There were four in February.

**Ms Gosling**—There were four for three months.

**Senator CARR**—For the first three months. Is the manager a person with specialist expertise in these matters?

**Ms Gosling**—The manager is a former public servant who is very experienced in a whole range of Public Service responsibilities and reviews and who brings a wealth of experience to the team.

**Senator CARR**—But what particular expertise would the manager of the secretariat have in regard to museums?

**Dr Stretton**—Their experience is in providing secretariat services to the group, not as an expert in museums—

**Senator FAULKNER**—This is a person, I assume, who has been used by Commonwealth departments and agencies before. Would that be right?

**Ms Williams**—I think this person was caught by the 54—and however many months it is—rule and went out—

**Senator FAULKNER**—Try 11. You know; we have all heard it a million times.

**Senator CARR**—So the 54 years and 11 months rule.

**Ms Williams**—And therefore retired and is being—

**Senator CARR**—Brought back to do this job.

**Ms Williams**—Just for a short time.

**Senator CARR**—How long have they been retired?

**Ms Williams**—I do not know.

**Ms Gosling**—I think last year, but I do not—

**Senator FAULKNER**—Hang on. Ms Williams, I think what you are saying to me, in an elliptical answer, is that yes, this person has had experience because they were formerly an officer of the Commonwealth.

**Ms Williams**—Yes, in management, in public service.

**Senator FAULKNER**—That is fine. You never know: someone might be unfortunate to read the *Hansard* of this committee hearing and wonder what we are talking about when we say ‘54, 11’.

**Senator CARR**—And the second person who is on a short-term contract?

**Ms Gosling**—Is a former officer of this department who has worked in a range of areas in the Department of Communications, Information Technology and the Arts and who, again, is a very experienced officer in public service issues.

**Senator FAULKNER**—And this is an appointment made by the department in this case. Would that be right, Ms Williams?

**Ms Williams**—Yes.

**Senator FAULKNER**—Engaged by—

**Ms Williams**—For the secretariat.

**Senator FAULKNER**—Yes, for the secretariat, by your department.

**Ms Williams**—Yes.

**Senator FAULKNER**—So this decision is yours effectively, or the buck stops with you for that decision?

**Ms Williams**—Yes.

**Senator CARR**—Is the second person caught up in the 54, 11 rule.

**Ms Gosling**—I am not sure.

**Dr Stretton**—I honestly do not know. She has retired recently, but I honestly do not know her age or whether it was for that reason.

**Ms Gosling**—Whether it was decided for other factors, I am not sure.

**Senator CARR**—Did this person retire recently from this department?

**Dr Stretton**—From memory within the last 12 months, but I can check on that—or maybe 24 months. Yes, sorry, it was 24 months.

**Senator CARR**—And the third officer is a permanent officer?

**Ms Gosling**—Is a permanent officer who would normally work in my area and has been seconded to work with the team.

**Senator CARR**—What is your area precisely?

**Ms Gosling**—I am referring to the Collections and Governance Branch. This officer is from the Collections and Governance Branch.

**Senator CARR**—So the museums and cultural agencies?

**Ms Gosling**—Yes.

**Senator CARR**—They would be intimately aware of the departmental view on these things?

**Ms Gosling**—I am not sure what you mean, Senator.

**Senator CARR**—An experienced officer?

**Ms Gosling**—A very good officer.

**Senator CARR**—I would expect all of these people would be very good appointments. I would be surprised if you would appoint someone you did not think was very good.

**Dr Stretton**—I think the point is that she has not been with the department for a long period.

**Ms Gosling**—Yes.

**Dr Stretton**—I am not sure what you mean by experienced. She certainly has not been with the department more than a few years.

**Senator CARR**—Can we have the names of these persons?

**Ms Gosling**—Yes. The manager of the team is Jenny Harrison. The other officer brought in on a short-term contract is Ruth Ashe and the seconded officer is Jacqui Uhlmann.

**Senator CARR**—What was the cost of the review?

**Ms Gosling**—Around \$220,000. That includes staffing.

**Senator CARR**—That is the whole—travel?

**Ms Gosling**—Yes—sitting fees. That is the total.

**Senator CARR**—Can we get a breakdown on how that budget works out?

**Ms Gosling**—Yes. I will have to take that on notice.

**Senator CARR**—Of course. To come back to the meeting schedule—I am quite interested in the way in which the report has been put together—how often has the committee met in Brisbane?

**Ms Gosling**—The committee has not met as a group in Brisbane.

**Senator CARR**—What about in Adelaide?

**Ms Gosling**—No.

**Senator CARR**—Perth?

**Ms Gosling**—No.

**Senator CARR**—Presumably Hobart.

**Ms Gosling**—No.

**Senator CARR**—It is just that the National Museum is a national institution, is it not?

**Ms Gosling**—Yes.

**Senator CARR**—How many meetings did you say there have been?

**Ms Gosling**—There have been five meetings of the panel.

**Senator CARR**—And how many of those have been in Sydney?

**Ms Gosling**—One.

**Senator CARR**—How many in Melbourne?

**Ms Gosling**—None.

**Senator CARR**—So the rest were in Canberra?

**Ms Gosling**—Yes.

**Senator CARR**—So there were none in Melbourne and four in Canberra. Has there been any concern expressed at the fact that the national inquiry has been concentrated so much in Canberra and Sydney?

**Ms Gosling**—Obviously the panel has tried to speak to people from round the country, and it would also be fair to say that public submissions have come from round the country.

**Senator CARR**—But there have been no public meetings.

**Ms Gosling**—No.

**Senator CARR**—So a number of submissions have been presented and there have been five meetings, the last of which in terms of making decisions based on the submissions was on 14 April or 16 April.

**Ms Gosling**—I think it would be fair to say that the May meeting also reflected on submissions that they had received.

**Senator CARR**—That was for report writing, was it?

**Ms Gosling**—Essentially—and obviously trying to put together conclusions and have discussions around the terms of reference.

**Senator CARR**—When was the first draft prepared?

**Ms Gosling**—I do not have the exact date of that. There were some early drafts of particular chapters that were considered at the May meeting.

**Senator CARR**—Early drafts—I presume that most of the draft report was—

**Ms Gosling**—Yes.

**Senator CARR**—before 20 May.

**Ms Gosling**—Yes.

**Senator CARR**—But you cannot be more precise as to when that was?

**Ms Gosling**—No.

**Senator CARR**—Does the secretariat have that advice?

**Ms Gosling**—I can take that on notice.

**Senator CARR**—Thank you. You say that the budget is \$220,000. The last figure I had, in February, was \$100,000.

**Ms Gosling**—Which I do not think included staff. It did not actually incorporate staffing costs.

**Senator FAULKNER**—That is right, so can we disaggregate the budget, please, Ms Gosling?

**Ms Gosling**—Yes. I will take that on notice.

**Senator FAULKNER**—No. Do it now if you could, please.

**Senator CARR**—Have you got it now? It should not be too hard to pull that together. Travel would not be a big expense, given that the—

**Senator FAULKNER**—No, but the sitting fees would be substantial.

**Senator CARR**—Some sitting fees, yes.

**Ms Gosling**—Obviously panel members have travelled in the course of their consultations and have looked at other museums and institutions round the country.

**Senator FAULKNER**—Okay. Can we have a look at the broad areas that comprise that figure, Ms Gosling?

**Ms Gosling**—Yes.

**Senator FAULKNER**—And tell us the time period we are looking at, please. I want to know what time period the figures you are giving us relate to.

**Ms Gosling**—Up until this week, the expenditure on the \$223,000 is—

**Senator FAULKNER**—So the date is?

**Ms Gosling**—It is 27 May.

**Senator FAULKNER**—Thank you.

**ACTING CHAIR**—I understand these are fairly rough figures, Ms Gosling.

**Senator FAULKNER**—No, we are not interested in rough figures. This is an estimates committee.

**ACTING CHAIR**—Yes, but she is working on the run. You asked her to work it out on the run.

**Senator FAULKNER**—We know that Ms Williams would not allow us to receive rough figures.

**Ms Williams**—Absolutely, which is why we are being so careful, Senator.



**Senator CARR**—That is right. You would have those figures in front of you.

**Senator FAULKNER**—That was a rather unhelpful intervention, Mr Acting Chair.

**Ms Gosling**—I have some figures, but it is a matter of how much detail you want.

**ACTING CHAIR**—Ms Gosling, do you have all the figures you require in front of you?

**Ms Gosling**—I have some figures here. It is a question of what level of information you want.

**ACTING CHAIR**—That is fine. I just do not want it to go down in the *Hansard* as the cast-iron figure if it is not.

**Senator CARR**—We are going quite well.

**Senator FAULKNER**—Yes. You ask your questions and we will ask ours—right.

**ACTING CHAIR**—I am just being helpful.

**Senator FAULKNER**—Not that helpful, but anyway—

**ACTING CHAIR**—Oh! That was unkind of you, Senator Faulkner.

**Senator FAULKNER**—I did not mean to be unkind on this occasion.

**Senator Kemp**—I think you were, Senator Faulkner.

**Senator FAULKNER**—If that is the case, you can get it wrong. After that little digression—

**Ms Gosling**—In terms of the budget the general breakdown was: sitting fees, budgeted at around \$40,000.

**Senator FAULKNER**—And the year to date figure is?

**Ms Gosling**—Around \$35,000.

**Senator FAULKNER**—Thank you.

**Ms Gosling**—The total budget for travel was around \$27,000, and around \$16,000 has been spent. Travel allowances were budgeted at around \$13,000, and around \$9,000 has been spent. Other running costs such as room hire and advertisements, postage and whatnot were budgeted at around \$15,000. We have spent around \$11,000. For secretariat staffing the estimation was around \$120,000, and we have spent \$84,000.

**Senator FAULKNER**—Let me congratulate you and your department, Ms Williams, quite clearly on a pretty effective budget exercise. It sounds to me, given the stage we are up to in the process, that in most of these areas you are going to come in fairly close to budget. That would be right, wouldn't it, from the figures we have heard?

**Ms Williams**—It seems so.

**Ms Gosling**—I hope so.

**Senator FAULKNER**—That has obviously been a good departmental exercise. There are no other broad areas of expenditure or costs that can be identified in relation to the panel. That is it.

**Ms Gosling**—No.

**Senator FAULKNER**—The sitting fees are as they were provided to the committee previously, I assume.

**Ms Gosling**—That is right.

**Senator FAULKNER**—No change.

**Ms Gosling**—That is right.

**Senator FAULKNER**—I will let Senator Carr continue here. I want to come back to the issue that we were canvassing a little earlier of the public hearings before we move too far away.

**Senator CARR**—Did the department recommend to the committee a broader range of consultations than were adopted?

**Ms Gosling**—I am really trying to cast back. I do not recall suggesting that there be a broader range of consultations. It was something that the panel discussed and the secretariat felt was really an issue for the panel to resolve in their methodology.

**Senator CARR**—You do not recall making any recommendations on the consultation schedules.

**Ms Gosling**—Obviously, there would have been some discussions about whether the secretariat had any further thoughts on whether the appropriate disciplines were covered and the range of interviews were going to be broadly based to elicit a broad spectrum of views. There would have been some discussions along those lines.

**Senator FAULKNER**—Let us deal with this threshold issue of consultation that we were addressing a little earlier. Mr Staley is quoted in the *Age* newspaper on Saturday, 28 December 2002, in an article entitled ‘Museum chief backs review’—I assume someone would have seen it—in these terms:

“Everyone who’s got a view” could contribute in public forums. “It’s not something which people need fear.”

I appreciate, as I have said to you, I thought I had seen Mr Staley quoted, but the quotation marks are not around the whole quote. So one assumes the journalist has reported this accurately, but that is an assumption on my part. Let me leave it aside.

The most recent article I read was in the *Canberra Times* on Tuesday, 11 March this year. The article reports the council chairman, Tony Staley, as saying:

... review panel will consult widely, hold public forums and call for submissions.

Ms Williams, this is why someone reading the newspaper might come to the conclusion that, given that the chairman of the council of the National Museum is quoted in this way in newspapers, there would be public forums. Can anyone shed any light on this? I had assumed that this meant there was a change of approach. I wonder if anyone at the table could assist me with this. I am happy to show you the articles, if you like, but I can assure you that I have faithfully read them into the record.

**Ms Williams**—I cannot, but I think it is worthwhile remembering that the Museum review is working to the Museum and there may well have been discussions that we do not know of between the chair of the Museum and the chair of the review. We have been very strict about

the fact that the secretariat is a secretariat. The review is working to the Museum council board.

**Senator FAULKNER**—But people reading this sort of material would come to the conclusion that there would be some public forums and an opportunity to meet with the panel and discuss issues—that there would be cross-fertilisation of ideas.

**Ms Williams**—I cannot add anything further to what I have said about the press release of 3 January and the panel's own decision on the methodology, so I honestly cannot help you.

**Senator FAULKNER**—You see, these things get published and some people who have concerns have their concerns allayed, but, as it turns out, it is not true. It is a load of old codswallop. There are no public forums at all and no-one can explain it. That is terrific.

**Senator CARR**—Was this review discussed with the council?

**Ms Casey**—The review was agreed by council, but the process has not been discussed with a full council. The chairman has spoken to the chairman of the review panel.

**Senator CARR**—Would the chairman of the council be reflecting a council view that there would be public consultations?

**Ms Casey**—Yes, I certainly think they were concerned to ensure that as many people as possible could have their say.

**Senator CARR**—I am just wondering how we get the discrepancy between what the chairman of the council says—presumably he is speaking on behalf the council; he would not be speaking off his own bat—and what has actually happened.

**Ms Casey**—I am not sure. The chairman would have spoken to the chairman of the review panel. That is all I know.

**Senator FAULKNER**—But we do not know that. I hear what you say. Ms Williams gave similar evidence to us just a moment or so ago. Can someone confirm how much discussion and interface there has been between the chairman of the National Museum and the chairman of the panel? Can someone help us out on that? I hear what is said by you, Ms Casey, and Ms Williams. What is the evidence?

**Ms Williams**—I know nothing more about it.

**Senator FAULKNER**—But you made the comment.

**Ms Williams**—Yes, what I said is that, presumably, there was, since the—

**Senator FAULKNER**—No, you did not say 'presumably'. Neither did Ms Casey. I am not trying to be critical here, but there was no 'presumably' or any qualification—the assertion was made. It may be true, but I just wish somebody could nail this down for us.

**Ms Williams**—My point was that the chairman of the review worked to the chairman of council. Therefore, obviously, there were some discussions. What I meant was that I cannot shed any light on how many or when.

**Senator FAULKNER**—So, even though it is obvious, you cannot shed any light on it. I accept that. Can somebody—one of the witnesses—give us more detail on the level of

communication and contact between Mr Staley and the review panel or between Mr Staley and the chairman of the review panel. Dr Carroll?

**Ms Gosling**—I can add that the review panel met with the Museum council. I am going from memory, but I think it was in March—I think it was 11 March. The review panel actually attended a council meeting and had discussions with them about the review.

**Senator CARR**—So the day before the council meets, the chairman of the council is making public comments that there will be public consultations?

**Ms Gosling**—I am going from memory.

**Senator FAULKNER**—If it is accurate.

**Ms Gosling**—It was in March that they met.

**Senator CARR**—It just strikes me that either Mr Staley has been misquoted twice or there appears to have been a breakdown in communication between the council chairman and the panel chair.

**Senator FAULKNER**—Let us try and be clear on what we do know. We do know, even though the chairman of the National Museum is quoted as saying that there would be public forums, that there have been and there will be no public forums. That is true, isn't it?

**Ms Gosling**—Yes.

**Senator FAULKNER**—We do know, however, that decisions were made by the panel or the panel chairman to consult certain people.

**Ms Gosling**—Yes.

**Senator FAULKNER**—And we have some indication, from what you told the committee earlier in quoting a press release—I think that is what it was—of the categories of people that might be consulted. We know that too, don't we? From memory, I think it was academics and historians that you mentioned.

**Senator CARR**—Presumably they are one and the same, are they not?

**Senator FAULKNER**—Not necessarily.

**Senator CARR**—Amateur historians.

**Senator FAULKNER**—I think an academic is probably defined by their place of occupation. They are working in an academy as opposed to a historian. I am not going to go through the technical details for you, Senator Carr. I do not want to waste the committee's time in a tutorial for Senator Carr on these important issues. So academics and historians is my recollection—is that right?

**Ms Gosling**—That is right—'to gauge the broad spectrum of opinion on existing exhibitions and programs'.

**Senator FAULKNER**—That was a decision of the panel?

**Ms Gosling**—No, that is a quote from the press release of 3 January by the chairman of the council.

**Dr Stretton**—One of the other things we do know is that in the media release that the chairman of the Museum put out when he announced the establishment of the review he did not mention that there would be public forums.

**Senator FAULKNER**—Thank you for that—but there were a whole lot of things that were not mentioned too.

**Dr Stretton**—I am going back to the assumption that he was correctly quoted by the journalist.

**Senator FAULKNER**—As I said, you, Dr Stretton, have the great advantage of having all this material available to you in your official role. I have the advantage of being able to read newspaper clippings. I read them and I have quoted them. So are you able to say to us, Ms Gosling, which academics and historians—or other individuals, if it was extended to people in other categories—were consulted by the panel. We know that there were 40. Are you able to say that it is a fair description of those 40 that they were academics and historians, or were there any ring-ins?

**Ms Gosling**—I would have to take that on notice in trying to do everyone justice in relation to the particular expertise and experience they were bringing to the consultation. But I think it would be fair to say that it included historians and academics and has probably gone more broadly than that.

**Senator FAULKNER**—That is fair enough. Obviously these 40 individuals were chosen by the panel—is that right?

**Ms Gosling**—Yes. It was 40 consultations, not necessarily 40 individuals. I think it was probably more than 40 individuals.

**Senator FAULKNER**—I see what you are saying—40 individuals or groups of individuals. And they were chosen by the panel—is that right?

**Ms Gosling**—Yes.

**Senator FAULKNER**—Can you give me any more detail about how they were chosen?

**Ms Gosling**—The panel considered trying to think through a range of disciplines and expertise that were relevant to their terms of reference.

**Senator FAULKNER**—Were there selection criteria?

**Ms Gosling**—No, not as such.

**Senator FAULKNER**—I always worry about those sorts of answers—not as such. You can drive a bus through an answer like that.

**Ms Gosling**—They were not criteria in the sense that you might use criteria for assessing a grant application or whatever, no.

**Senator FAULKNER**—Are we able to have a list of the 40 individuals and groups?

**Ms Gosling**—The proposal is that that will be included in the report.

**Senator FAULKNER**—Are you just being well mannered in saying no?

**Ms Gosling**—I think, again, it is something I will have to take on notice. I would probably want to consult the chairman of the panel as to whether a list is available at this stage or whether the panel's view is that it is preferable to wait until the final report comes out.

**Senator FAULKNER**—The issue that arises here—and I understand what you are saying—is how complete consultations are if there are only people chosen by the review panel, the representiveness of which has been roundly criticised by some. Are you able to allay any of those concerns?

**Ms Gosling**—The consultations have included a range of disciplines. I think it would be fair to say that it has been a fairly extensive and broad spectrum.

**Senator FAULKNER**—Broad spectrum of what?

**Ms Gosling**—A broad spectrum of disciplines and perspectives.

**Senator FAULKNER**—But they are chosen by the review panel.

**Ms Gosling**—In some cases the consultations flowed from a written submission and in some cases there might have been something that had not been covered off in submissions or particular technical issues in relation to the terms of reference in the Museum that the panel wanted further advice on.

**Senator FAULKNER**—It seems logical that the panel would go to certain individuals or groups of individuals who had put in a submission and the panel might want to explore some of the issues raised in submissions further. Was that the case?

**Ms Gosling**—In some cases, yes.

**Senator FAULKNER**—Are you able to say to us then, without naming names or groups, how many of those consulted in the approximately 40 individuals and groups had also made a submission to the panel?

**Ms Gosling**—I would have to take that on notice; I do not have that here.

**Senator CARR**—Did the department consult with the council over the progress of the report, the time lines of the report?

**Ms Williams**—Can I say again—the secretariat. The department has kept very clear.

**Senator CARR**—Did the secretariat consult with the council about those matters?

**Dr Stretton**—The council of the Museum?

**Senator CARR**—The council of the Museum, yes.

**Dr Stretton**—I don't think so. I am not aware of that being the case.

**Ms Casey**—No, not in terms of the progress. There was a meeting, as Karen said, with the council to get their views on the Museum on or about 11 March. However, I am not sure what they talked about in that discussion.

**Dr Stretton**—I assume they would have talked about process.

**Senator CARR**—So the committee met with the council on 11 March.

**Ms Casey**—Around about the 11<sup>th</sup>.

**Senator CARR**—Was that the only meeting that you are aware of?

**Ms Casey**—Yes, with the full council.

**Senator CARR**—How many members of the council were present?

**Ms Casey**—I would have to check, but I think most of the currently appointed members were there.

**Senator CARR**—So it was a full meeting of the representatives on the council?

**Ms Casey**—Yes.

**Senator CARR**—How many members of the current council were invited to make submissions or speak to the review?

**Ms Casey**—I am not in possession of that knowledge—whether individuals were subsequently singled out.

**Ms Gosling**—I am sorry, could you repeat the question?

**Senator CARR**—How many members of the current council were invited to make submissions or speak to the review?

**Ms Gosling**—The review panel spoke to the council.

**Senator CARR**—The council of the Museum were invited to speak to the review.

**Ms Casey**—They spoke at the full meeting.

**Dr Stretton**—No-one here was at that meeting.

**Ms Casey**—No, I was not in the room.

**Senator CARR**—Ms Casey, are you able to indicate whether or not any members of the current council were invited to make submissions to the review?

**Ms Casey**—No-one has indicated to me that they have been asked to make submissions.

**Senator CARR**—How many members of the council has the review committee spoken to?

**Dr Stretton**—Independently of that committee?

**Senator CARR**—Yes.

**Ms Casey**—I would have to take that on notice and check. I do not know.

**Senator CARR**—Has an interim report been shown to any members of the council?

**Ms Casey**—No; not to my knowledge.

**Senator CARR**—Has an interim report been distributed outside of the secretariat or the review committee?

**Ms Williams**—I gather that none of the Museum council members have seen the report, but just before that last meeting with the chairman of the council, which I mentioned to you, he asked Alan Stretton and me to have a very quick look at some drafting.

**Senator CARR**—The chairman of the review asked you and Dr Stretton to have a look at the draft. When you say ‘have a look at’, what did that involve?

**Ms Williams**—In my case it was a sort of instant, dip-through read; I did not have time to do more. I think Dr Stretton had a bit more time, but again it was a very quick look.

**Dr Stretton**—I read it over a couple of hours and then had a discussion with Dr Carroll.

**Senator CARR**—Did you make suggestions on how it could be improved?

**Dr Stretton**—Yes—my views.

**Ms Williams**—My discussion with him was a very quick one and we talked about the fact that it did read as though several hands had been involved. But he was still doing some writing—

**Senator CARR**—Yes. This is just the interim.

**Ms Williams**—Yes.

**Senator FAULKNER**—How many people have actually read this draft?

**Ms Williams**—Outside the review group, I think it is just the two of us.

**Senator FAULKNER**—If you and Dr Stretton have read the draft, I do not understand this barrier you are putting between the secretariat and the department.

**Ms Williams**—The barrier was absolutely rigid until this last thing where he said to us, ‘You have read a lot of these reports, so could you just give it a quick look to see if it is the kind of thing?’ I have to say to you absolutely clearly that the discussion was about several hands; it was not recommending any change such as, ‘Do you want to say this or do you want to say that?’

**Senator FAULKNER**—You have given that evidence and, of course, if you have given it I accept it. But it does sound a little different to what I was told earlier. I am serious about it.

**Ms Williams**—I understand what you are saying.

**Senator FAULKNER**—Here is a strict partition, if you like, between the work of the secretariat and the department, and we find that the secretary of the department and the deputy secretary—Dr Stretton, you are the deputy secretary now, aren’t you?—have read the report from cover to cover.

**Ms Williams**—I haven’t; but, yes, I know what you mean. I have dipped into it. I know what you are saying. Until that last meeting, whenever it was—after the meeting they had—it had been very clear. But that broke it; I agree with you.

**Senator FAULKNER**—Your views, which go to the thing being a bit clunky, if you like, have been passed through to the chair. Is that right? Who did you pass your views about the thing being a bit—

**Ms Williams**—I mentioned to you that I had a meeting with Dr Carroll, where he said to me he was going to spend some weeks trying to smooth over the different hands. My comment was: yes, it did need some smoothing. Also I made the comment that something that is going out publicly should be very clear about what it is recommending and saying and that you needed some clarity.

**Senator FAULKNER**—What about you, Dr Stretton: did you read the thing cover to cover?

**Dr Stretton**—Reasonably. There were a few sections I skipped, but I started at the beginning, ended at the end and skipped a few in the middle.



**Senator FAULKNER**—The boring bits. What happened as a result of your read of this thing?

**Dr Stretton**—I had a discussion with Dr Carroll, also a few days before with the secretary, about my reactions.

**Senator FAULKNER**—But your reactions were a bit more than just that you thought the thing was a bit clunky, weren't they?

**Dr Stretton**—I certainly did not get into detailed discussions about recommendations. My main comments were relating to how to make sure that the key messages that Dr Carroll and the rest of his group thought were essential to the report came through clearly.

**Senator FAULKNER**—Whoops! That is a bit different, isn't it, Ms Williams, about the strict delineation between department and secretariat?

**Ms Williams**—I understood what Dr Stretton just said as trying to get a clear message out, not what clear message it was.

**Dr Stretton**—Sorry, that was exactly what I did just say.

**Senator CARR**—We have the secretariat drafting chapters of the report.

**Ms Williams**—No, the secretariat put some drafts to the committee, but what I understood from Ms Gosling is that very little of that has not been redrafted.

**Senator CARR**—I am just trying to go through what I understand has happened. You will correct me no doubt where I have got it wrong. You have a situation where the secretariat puts drafts to the committee—

**Ms Williams**—As secretariats usually do, yes.

**Senator CARR**—As they do here and everywhere else.

**Ms Williams**—But I think in fact the secretariat did not put a draft of the whole report to the committee.

**Ms Gosling**—Certainly not.

**Ms Williams**—Far from it. In fact a lot of the—

**Senator CARR**—But a significant part of the report?

**Ms Gosling**—No.

**Ms Williams**—But most of the original drafting was done, I gather—

**Ms Gosling**—By Dr Carroll.

**Senator CARR**—Okay, so a number of chapters. Would you agree with that?

**Ms Gosling**—Yes.

**Senator CARR**—A number of chapters are drafted by—

**Ms Gosling**—Or a number of sections—

**Senator CARR**—Sections.

**Ms Gosling**—I think is more accurate.

**Senator CARR**—I thought you used the term chapters before.

**Ms Gosling**—Sorry.

**Dr Stretton**—If you go to chapters, I am not sure that there are actually very many chapters in the report, so it would be grossly misleading to say a number of chapters.

**Senator CARR**—We will get to the number of chapters there are in the report.

**Ms Gosling**—Sections.

**Senator CARR**—So a number of chapters drafted by—

**Ms Williams**—A number of pieces.

**Senator CARR**—A number of sections, chapters—whatever you want to say. A body of the report is drafted by the secretariat made up of officers or former officers of the department.

**Ms Williams**—The secretariat. They were not all former officers.

**Senator CARR**—Sure. The department has paid for this report. They have managed it.

**Ms Williams**—The department has been asked to do the secretariat; so yes, we found the money for it.

**Senator CARR**—That is right. There is no dispute that you paid for it—\$220,000 has been paid by the department.

**Ms Williams**—As you would know, Senator Carr, departments often have to find money for these sorts of things.

**Senator CARR**—I will come to where you found this money in a moment. I want to get it clear in my own mind. You have the department drafting sections of it through officers or former officers through the secretariat, the department paying for the report and managing the timetable, and the department's secretary and assistant secretary reading the report before it goes to the chair of the council.

**Ms Williams**—We read a draft of the report.

**Senator CARR**—That is right—a draft copy. But this is a report to the chair of the council. I am wondering how you could reassure me that this is not really a council report at all but—

**Ms Williams**—All I can do, Senator Carr, is give you a firm assurance that this is a council report—sorry, a review report. The review drafted or redrafted the report. I gather there is very little that is likely to remain of what the secretariat originally did. I did not in any way comment on what Dr Carroll should do with the report. I mentioned that it needed smoothing and clarity.

**Senator CARR**—But Dr Stretton has suggested to us how he could make improvements to the report.

**Ms Williams**—No, I think you may have misunderstood.

**Dr Stretton**—I intended to say—and I apologise if I did not; I thought it was what I said—that there are issues about the clarity of the message.

**Senator FAULKNER**—I assume it was Dr Carroll, the chair, who gave you the report. Would that be right, Ms Williams?

**Ms Williams**—Yes.

**Senator FAULKNER**—Did he hand it to you, send it to you?

**Dr Stretton**—I think he asked the secretariat to—

**Ms Gosling**—He asked the secretariat to provide copies.

**Ms Williams**—He came to see me.

**Senator FAULKNER**—He asked the secretariat to provide copies. Was it the same copy for you, Dr Stretton, or a different copy?

**Ms Williams**—It was probably a copy that we photocopied or something.

**Senator FAULKNER**—I want to know how many copies of this thing are floating around in the department when we are assured that the department did not have a role.

**Ms Williams**—Mine is no longer floating around.

**Senator FAULKNER**—Where is yours?

**Ms Williams**—I shredded it.

**Senator FAULKNER**—You shredded it?

**Ms Williams**—Simply because I thought it was not worth while—

**Senator FAULKNER**—Fair enough. What about you, Dr Stretton?

**Dr Stretton**—It is in my safe.

**Senator FAULKNER**—Were any others provided, Ms Gosling?

**Ms Gosling**—No, not outside the secretariat. Obviously, all members of the secretariat team have access to the panel's papers in terms of providing a service.

**Senator FAULKNER**—Can you assure this committee that the only two reports provided to the department went to the secretary and the deputy secretary? Can you give me that assurance?

**Ms Gosling**—Obviously, in my role overseeing the secretariat I have access to the panel's papers as well. But, in terms of people outside those core people working to the review panel, the only copies have been to Ms Williams and Dr Stretton.

**Senator FAULKNER**—Can you give me an assurance that, outside the secretariat, the only departmental officers who have sighted the report, to your knowledge, are Ms Williams and Dr Stretton?

**Ms Gosling**—Yes, I can.

**Senator FAULKNER**—Are you aware of anyone in the National Museum who might have sighted this draft report?

**Ms Gosling**—Not to my knowledge.

**Senator FAULKNER**—I do not expect you to necessarily know that. Ms Casey, are you aware of anyone who has sighted this draft report?

**Ms Casey**—Absolutely not.

**Senator FAULKNER**—And you certainly have not?

**Ms Casey**—No.

**Senator FAULKNER**—Minister, was your office provided with a copy of the draft report?

**Senator Kemp**—Not as far as I know. I have not seen it.

**Senator FAULKNER**—But you do not know if your office was provided with a copy?

**Senator Kemp**—No, we have not been provided with one.

**Senator FAULKNER**—As far as we know, Ms Gosling, in terms of the secretariat, of the only two copies that were generated one went to Ms Williams, who shredded it, and the other to Dr Stretton, who has stuck it in the safe?

**Ms Gosling**—That is right.

**Senator CARR**—Have you got a copy as well, Ms Gosling?

**Ms Gosling**—As I said, obviously in my role I have access to all of the papers of the panel.

**Senator CARR**—So there are six copies outside of the committee itself.

**Ms Gosling**—I am not sure that I would put it that way. I do not know whether members of the secretariat team have printed off hard copies or whether they are working on it on screen.

**Senator CARR**—Six persons, then, outside of the committee itself.

**Ms Williams**—Do you mean: have copies or have seen it?

**Ms Gosling**—Have seen it; have had—

**Senator CARR**—One at a time.

**Ms Williams**—There are four in the secretariat, there is Dr Stretton—

**Senator CARR**—And that includes Ms Gosling as part of the secretariat?

**Ms Gosling**—Yes.

**Senator CARR**—There are four there plus the two—the departmental secretary and the assistant secretary. So there are six outside of the immediate committee review?

**Ms Gosling**—That is right.

**Senator CARR**—You have made a distinction between those who have got copies and those who have seen it. Are you able to enlighten me further? Are there others who have actually seen it?

**Ms Gosling**—No. I was just saying that to talk about six copies suggests that each member of the secretariat has currently printed off a hard copy and has it in their safe—

**Senator CARR**—Who knows?

**Ms Gosling**—I do not know whether that is the case. They may be working on it on screen or whatever. The four people working with the review panel have access to their documents and, in addition to that, there was a copy provided to Dr Stretton and a copy provided to Ms Williams.

**Senator CARR**—Has Mr Staley been sent a copy?

**Ms Gosling**—Not at this stage; not to my knowledge.

**Senator FAULKNER**—Not that you know of.

**Ms Gosling**—Not that I know of.

**Senator FAULKNER**—Do we know whether Senator Alston's office or Senator Alston have been sent a copy?

**Ms Gosling**—Not to my knowledge.

**Ms Williams**—Not to my knowledge. In fact, I would say no, except that you never know—

**Senator FAULKNER**—Not to your knowledge, but in fact you would say no. That is a bit of a leap of faith, is it not?

**Ms Williams**—Can I stay with 'Not to my knowledge'?

**Senator FAULKNER**—Yes, of course you can, and that is a reasonable answer.

**Dr Stretton**—Certainly the secretariat has not been asked to send a copy and we have not sent a copy.

**Senator FAULKNER**—I understand that, Dr Stretton. If Ms Gosling tells me that her secretariat has not sent a copy to Senator Alston or to Senator Alston's office, I accept that. And that is what you have said, is it not, Ms Gosling?

**Ms Gosling**—That is right.

**Senator FAULKNER**—Who knows what any member of the committee might do with a copy of this draft report. It is possible when I go back to my office I find yet another leak, another brown paper bag on my desk. It is unlikely but always possible.

**Senator CARR**—You live in hope, don't you?

**Senator FAULKNER**—It is true, is it not, Ms Gosling, that you can comment in terms of the secretariat, but as far as members of the review panel are concerned they also have this material available to them? I am not suggesting they provide it to anyone outside the panel, but that is outside your control, is it not?

**Ms Gosling**—That is right, Senator.

**Senator FAULKNER**—So it could be anywhere.

**Senator CARR**—Where did the \$220,000 come from?

**Ms Williams**—We had to reorder the priorities within the department.

**Senator CARR**—What particular priorities were reordered?

**Ms Williams**—It is really just across the board. Some things were delayed, as usual when you have to find money for a report. We had to do the same for other reports where the secretariat has been provided from the department.

**Senator CARR**—Can you indicate what programs were actually delayed?

**Ms Williams**—I do not think it was as clear as that.

**Senator CARR**—What projects?

**Ms Williams**—It is a fairly tight department and we just make certain that we do the things that have priority. It was not a case of saying ‘Knock this off’ or ‘Knock that off.’ It was the case that we have so much money and we prioritise—

**Senator CARR**—So you cannot identify any particular project which has had to be delayed?

**Ms Williams**—No. It was not done like that

**Senator CARR**—What other internal reviews of the Museum has the department funded? I put aside the pricing review, which is a joint project.

**Dr Stretton**—I am not aware of any.

**Ms Casey**—No, not unless you are—

**Dr Stretton**—You would know, I think. There are none, Senator.

**Senator CARR**—Have any other cultural agencies had internal reviews funded by the department?

**Dr Stretton**—If you could give me latitude in the answer to the question: for example, there was the Gonski review into government support of the film industry, which was not actually looking at one review—

**Senator CARR**—Was that an internal review of the agency?

**Dr Stretton**—It was a review of government support to four or five agencies.

**Senator CARR**—No, an internal review of the agency itself.

**Dr Stretton**—It was looking at government support for the films program through five agencies. The other one that might roughly fit into that category was the Mansfield review of the ABC, if you want to call that a cultural organisation in some sense.

**Senator CARR**—Yes. Mansfield was an internal review.

**Dr Stretton**—It was a similar situation where the government asked for a review of the ABC in the same way—it was not the same way, no, because that was the government and this is the council. So it is different. Gonski was a government appointed review, so in that sense they are different.

**Senator CARR**—It is very unusual, is it not?

**Dr Stretton**—There are a couple of examples where it has happened.

**Senator CARR**—There is one. The other was not an internal review at all. It was a review of a government program across a number of agencies. What was the original reason given to the department as to why it was necessary for this review to be conducted and funded by the department and not by the National Museum’s council?

**Ms Williams**—I am beginning to regret it, but I think we offered—so we actually took some of the burden off the Museum so they did not have to fund it.

**Senator CARR**—So it was a generous offer by the department?

**Ms Williams**—Yes.

**Dr Stretton**—We were asked if we would fund it, I think. I assume it related to the fact that there was a desire for the secretariat to be independent from the Museum as well as from everyone else.

**Ms Williams**—I wrote to the chair of the Museum about the secretariat. I said: ‘The department has been able to reallocate its priorities in establishing the secretariat and it seems that it will be able to meet the anticipated costs of the review. This has, however, been difficult and, should the scope of the timing of the review be expanded, I may need to talk to you about any additional funding involved.’

**Senator CARR**—What date was that letter?

**Ms Williams**—It was 21 February.

**Senator CARR**—When were you first told that you would be funding this review?

**Ms Williams**—Dr Stretton’s and my memories are slightly different. I may be wrong, but I thought we had a discussion where we said we thought we could have it—

**Dr Stretton**—We would probably have to take that on notice and check. I am honestly not sure of the date.

**Senator CARR**—Were you told by the minister?

**Ms Williams**—We might have to check what the situation was. My memory is—and Dawn may remember something, I do not know—that we felt it would be an extra difficulty if the Museum were asked to fund it, so we reordered priorities. My memory may be at fault.

**Ms Casey**—I think the chairman may have asked the department team.

**Dr Stretton**—I think that is right. I attend Museum council meetings as an observer. I think at that meeting they talked about it and he looked at me and said—

**Ms Casey**—‘And you will fund it.’

**Dr Stretton**—‘And you will provide the secretariat services.’

**Senator CARR**—What date was that?

**Ms Casey**—I think that might have been the December meeting last year. I do not know the exact date.

**Senator CARR**—December 2002?

**Ms Casey**—No, 1 November.

**Dr Stretton**—We will check the date, just to be sure.

**Senator CARR**—As to the actual budgeting arrangements that you have arrived at, the department calculated all those figures for you, did they not?

**Ms Gosling**—Yes.

**Ms Williams**—We really talked about what we could manage. I think we put a cap on it and worked within that.

**Senator CARR**—So you worked backwards from the cap?

**Ms Williams**—To some extent. It came both ways. I think Ms Gosling worked it out and I am afraid I put it back a bit.

**Ms Gosling**—I think some calculations were made on the number of meetings and the number of sitting days, and you allow for some unexpected things that you had not actually planned for. That was checked off with the secretary as to whether it was within the ballpark of what the department could afford.

**Senator CARR**—Will the final report or the penultimate draft, if you like, go to the council before or after it has gone to the department or departmental officials?

**Ms Williams**—The head of the review is now drafting it.

**Ms Gosling**—I assume you mean anyone in the department outside of the secretariat team. I think we would probably have to take that on notice and check with the chairman of the review panel when he next meets with the secretariat as to what the next steps are. I suppose really at this stage he is focusing on drafting the report and the finer details of what will happen with the penultimate draft have not actually been discussed with him at length.

**Senator FAULKNER**—Was the panel informed that the secretary and deputy secretary of the department were going to receive this early copy of the report?

**Ms Gosling**—I will take that on notice. I want to check. I think they were advised that they had gone, but I am just not quite sure. I would have to check whether it was before or after the event.

**Senator FAULKNER**—Thank you for that. Can you indicate to the committee whether the panel was informed or the panel decided that drafts might go elsewhere?

**Ms Gosling**—No. In fact, the panel's view is that drafts should not go further than they have.

**Senator FAULKNER**—Where have they gone? That is the issue. I accept absolutely the evidence that you have given us, but I wondered whether the panel or the chairman of the panel had made any decisions about seeking any further views about the draft.

**Ms Gosling**—Not to my knowledge.

**Senator FAULKNER**—The truth is you would not know, and I would not expect you to know.

**Ms Gosling**—There are certainly not discussions at panel meetings about that.

**Senator CARR**—Given that this is a review that is being undertaken in the main with the council—this is a council review, is it not, ostensibly?

**Ms Gosling**—That is right.

**Senator CARR**—We may well argue about what other processes are involved, but what opportunities will the council have to make comment or amend the report that is being done in its name?

**Ms Gosling**—Again, I would have to take that on notice. As I said, the focus at the moment is on the drafting and it is something that I would have to consult the chairman of the panel about in terms of what the plans would be with the penultimate draft.



**Senator CARR**—It would be normal in reviews of this type that the body that is being reviewed would have the opportunity to amend, comment upon, correct a report, would it not?

**Ms Casey**—It would depend. I recall—not in my current job—where people have called for an independent review and the review panel has said, ‘Here’s our independent review.’ It is then up to the council whether or not they decide to accept and implement all the recommendations. I do not think it is necessary that a draft should have to go to the council if they have called for an independent review.

**Senator CARR**—This is a highly controversial matter. I would have thought that there may well be argument about questions of fact.

**Ms Casey**—I am sure there will be truculence by a whole range of people. It is the nature of the Museum.

**Senator FAULKNER**—Do you recall at the last round of the estimates, Ms Williams, that eventually the terms of reference for the review were tabled? It was at the last round of estimates, wasn’t it?

**Ms Williams**—Yes.

**Senator FAULKNER**—It took a while to extract them. There seemed to be a lot of argy-bargy about a few of the terms of reference. Since then I have had an opportunity to look at them and ponder the terms of reference. I want to be clear on a couple of issues in relation to those terms of reference. Firstly, the examination will include whether the Museum has complied with its role and functions as set out in the act, its charter and other relevant documents. Can someone assist me with what the other relevant documents are?

**Ms Gosling**—Obviously in the process of the establishment of the Museum there were a number of documents that illustrated and amplified what the role of the National Museum was. It was a major government decision and there is not one document that you can point to and say, ‘Those are the rules,’ as it were. So a range of documents may be relevant.

**Senator FAULKNER**—I know you are trying to help me, Ms Gosling, but you did not actually succeed on this occasion.

**Ms Gosling**—Sorry, Senator!

**Senator FAULKNER**—Can you help me with that at all, Ms Casey? You may not be able to.

**Ms Casey**—There are a number of documents that we certainly thought the Museum staff thought should be included in the terms of reference—and is why I suspect it has other relevant documents. They included the Pigott inquiry which established the Museum act. There was the interim council’s vision for the Museum. When it was first established that seemed pretty significant. There were a statement of aims and charters that had been developed over many years—a number of papers that we had certainly used in developing the Museum on Acton Peninsular that we thought were relevant.

**Senator FAULKNER**—Thank you for that; that is helpful. The reason I have directed my question to you, Ms Gosling, in your role in the secretariat, was that I wondered how this was being interpreted by the panel.

**Ms Gosling**—Certainly those documents that Ms Casey has referred to have all been available for the panel and which they have had reference to.

**Senator FAULKNER**—Minister, are you able to assist on this. I have a couple of issues about the terms of reference. I wonder whether I can be assisted with them. The first goes to term of reference 1. You have ticked off on these terms of reference or, at least, you have been consulted about them.

**Senator Kemp**—Yes.

**Senator FAULKNER**—Did you actually approve them or were you consulted?

**Senator Kemp**—Let me go the first point—the issue of documents. The explanation Ms Casey gave, if I can hark my memory back, seems to be the relevant thinking behind it. Of course, the government was consulted and we are comfortable with those terms of reference.

**Senator CARR**—I am sure you are.

**Senator FAULKNER**—I do not doubt that. All I am trying to do here is to nail down what these other relevant documents are. Given they are referred to in the terms of reference, I assume this is a crucial issue for the panel.

**Ms Gosling**—Could I take that on notice, because there are the documents that Ms Casey referred to but there may be some others that I cannot recall at the moment and we could provide you with a list of those the panel has had before it.

**Senator FAULKNER**—I would appreciate that. Minister, this question goes to the second term of reference and is ‘whether the government’s vision in approving funding for the development of the Museum has been realised’. What is the government’s vision?

**Senator Kemp**—I think the vision, from memory, is the one that was set out in the original act that governs the Museum. I think that outlined the raw directions in which the Museum would develop. We are just waiting to see, of course, whether that has in fact occurred.

**Senator FAULKNER**—In the National Museum of Australia Act 1980?

**Senator Kemp**—I think that is the act, yes. I will just consult with some of my colleagues here on this. The act set out the functions of the Museum. There is a variety of areas set out in the act. In the broadest sense, the government intended the Museum to be an institution combining the best of contemporary techniques and new media technologies in order to offer a range of experiences of wide appeal. The Museum was to establish partnerships with state, regional and international cultural institutions. So there is a variety of areas.

**Senator FAULKNER**—But that is the first term of reference: ‘whether the Museum has complied with its role and functions as set out in the National Museum of Australia Act 1980, its charter and other relevant documents’. The second term of reference is ‘whether the government’s vision in approving funding’—

**Senator Kemp**—I have gone through some of those elements.

**Senator FAULKNER**—Is that not the first term of reference?

**Senator Kemp**—Let me just tell you what the government’s vision was. There are a number of aspects to that vision. The government intended that the Museum be an institution providing the best of contemporary techniques, with new media technologies, in order to offer

a range of experiences and provide appeal. There were to be permanent, changing and travelling exhibitions and blockbusters. It was intended that audiences beyond Canberra would be reached using information and communication technologies. I spoke about the partnerships and, in particular, said that the opening exhibitions and the social history spaces were to celebrate the Centenary of Federation and the key themes of Australian society—to reflect on and celebrate our journey as a nation. It was envisaged that research facilities and collections would be accessible to scholars, students and communities for research and reinterpretation. So I think that gives you some sense of the sort of vision that the government had for the Museum.

**Senator FAULKNER**—What is that document you are reading from?

**Senator Kemp**—This is from my briefing note.

**Senator FAULKNER**—It is not your briefing note at all.

**Senator Kemp**—No, it is a briefing note. It has just been given to me.

**Ms Gosling**—That statement is also available on the web site.

**Senator FAULKNER**—Yes, of course—I have read it!

**Senator Kemp**—Good.

**Senator FAULKNER**—So it is something off the web site.

**Senator Kemp**—If you have read it, I am rather surprised you asked me to go through it again.

**Senator FAULKNER**—I am asking you what your vision is—the government's, not yours.

**Senator Kemp**—That is what I was outlining for you.

**Senator FAULKNER**—I think we have clearly established what it is—or what it is not in this case. So does the government's vision differ from the Museum's legislative charter?

**Senator Kemp**—We will be looking to see how the Museum has given effect to that charter. There are some issues that we have raised there.

**Senator FAULKNER**—Does the government's vision differ from the Museum's legislative charter? You may not have heard the question.

**Senator Kemp**—It carries it further, I would have thought. I think the points I have made show that.

**Senator FAULKNER**—How does the government's vision relate to the Museum's legislative charter? Can you just tell me.

**Senator Kemp**—There is a legislative charter for the Museum which clearly sets out the basis for the Museum. Then you asked me to develop this further, and I have outlined, from the document which is publicly available, some of the matters that the government has been looking at.

**Senator CARR**—The vision you have referred to is from the charter, isn't it? You have been reading from the charter—is that right?

**Senator Kemp**—I have been reading from the National Museum's review of exhibitions and public programs.

**Senator CARR**—That is right, but it is the charter, isn't it? It is all consistent with the charter.

**Senator Kemp**—Senator Faulkner asked me about the legislative basis—

**Senator FAULKNER**—I thought I would just throw in a question and see if you had a vision. You do not, and we will just move on.

**Senator Kemp**—Yes, we do.

**Senator FAULKNER**—It is just that you do not know what it is—if you have one.

**Senator Kemp**—It has been outlined to you.

**Senator CARR**—I asked you a question before about whether or not the council would be given an opportunity to review the report before it was accepted. I understood that this was to be taken on notice. Did I understand that correctly?

**Ms Gosling**—That is right.

**Senator CARR**—Will the final report be made public?

**Senator Kemp**—That is a matter for the council, but it would be my expectation that the report would be made public.

**Senator CARR**—So there would be no reason why the government would want to recommend against it being made public?

**Senator Kemp**—I would not think so.

**Senator FAULKNER**—You cannot have it both ways, Senator Carr. The minister has indicated that it is a matter for the council. It is not a matter for the government.

**Senator Kemp**—You then asked me whether I would have any objection, and my expectation is that the review would be made public.

**Senator FAULKNER**—Unless I am missing something here, you have indicated it is a matter for the council. That is fair enough.

**Senator Kemp**—That is exactly what I have said.

**Senator FAULKNER**—That is fair enough. It is not actually a matter that you or Senator Alston—or government or cabinet—will make a decision on.

**Senator Kemp**—Excuse me for answering Senator Carr's question! I was asked for my attitude.

**Senator FAULKNER**—I would not mind if you broke your duck—that would be good.

**Senator CARR**—Ms Casey, have there been any changes to any of the Museum labelling since the review began?

**Ms Casey**—I would have to look at that. We have been making amendments and changes since we opened. There is nothing specifically linked to this review.

**Senator CARR**—Recently there has been considerable publicity concerning the views of Mr Keith Windschuttle. There was a report on the weekend on Channel 9 that suggested there had been criticism of the Museum's labelling on some of the Indigenous displays. Have any of those been changed?

**Ms Casey**—They have been changed, but the changes were not necessarily related to Keith Windschuttle's discussion. He did not only pick on the labels; he complained about the whole—

**Senator CARR**—The whole thing—he did not like the whole thing.

**Ms Casey**—exhibition. As a result of the debate that we had at the Museum, which included Keith Windschuttle, we did amend some labels, but it was not at his recommendation. I think Professor Mulvaney suggested a couple of amendments—and quite rightly, I have to say, because some of the labels were looked at in terms of tone as opposed to complete accuracy as far as dictionary meanings go.

**Senator CARR**—Yes. Minister, are you familiar with Mr Windschuttle's views on the Museum?

**Senator Kemp**—I have read newspaper articles. I do not think I have ever spoken to Mr Windschuttle.

**Senator CARR**—Sorry, it is Dr Windschuttle—I do not mean to be rude to him. They are Dr Windschuttle's views.

**Senator Kemp**—Thank you for that, Senator!

**Senator CARR**—Do you agree with his view about historians' treatment of Aboriginals?

**Senator Kemp**—I do not claim to be an expert on his particular views. I have not studied his views and I do not propose to make any comment on them here.

**Senator CARR**—So you are not able to advise the committee as to whether or not you find his conclusions persuasive?

**Senator Kemp**—I think I have answered that with my preliminary comment.

**Senator FAULKNER**—I must say I think that is a fair enough response to that question.

**Senator Kemp**—Thanks very much, Senator.

**Senator FAULKNER**—That is all right. Try this one for size.

**Senator Kemp**—It is much appreciated.

**Senator FAULKNER**—Do you have the portfolio budget statement there, Minister Kemp?

**Senator Kemp**—Right.

**Senator FAULKNER**—I think this is best directed to you. I want to ask a question about section 1. I hope this will be close to the last question or the last set of questions I ask—probably everyone else does too.

**Senator Kemp**—What page are you referring us to?

**Senator FAULKNER**—It is section 1 of the National Museum PBS. I photocopied it because I am sick of carting the things around, so I think I have chopped off the page number. I might have it here. I will have to look it up.

**Ms Williams**—I think we have found it.

**Senator FAULKNER**—What page is it, by the way, Ms Williams?

**Ms Williams**—Page 479.

**Senator FAULKNER**—Ms Williams, would you have last year's PBS with you?

**Ms Williams**—No, unfortunately I do not.

**Senator FAULKNER**—I want to draw a comparison between the two documents. I can get the extract photocopied for you.

**Ms Williams**—We will try to find it.

**Senator FAULKNER**—If you do not have it, I might let Senator Carr continue and I will come back to that. They are just checking whether this document is available, Senator Carr.

**Ms Williams**—We are just looking for it.

**Senator FAULKNER**—We can come back to that in a moment.

**Senator CARR**—Minister, I was seeking to follow up this issue of the government's view of the mission of the Museum and changes that you might be trying to shepherd through. Do you hold the view that there is a settled view of Australian history?

**Senator Kemp**—There are number of historians who, I suspect, have a variety of views on key aspects of Australian history. I think there is a very significant debate on the view of Australian history.

**Senator CARR**—Is it appropriate that the Museum reflect that debate?

**Senator Kemp**—I have no objection to a serious debate being reflected. It depends on the topic. Is there a settled view on when Australia was settled and when the First Fleet arrived? There would be a settled view on that. There is a very vigorous debate occurring in relation to Australian history, which you would be aware of.

**Senator CARR**—There are some views you would not accept. You would not accept a racist view, would you?

**Senator Kemp**—I have no sense that anyone could ever point to any racist comment that I have made.

**Senator CARR**—I am not suggesting that.

**Senator Kemp**—This government does not accept racist views.

**Senator CARR**—No government, I would think, that we are likely to elect in the foreseeable future would, but we would not accept a Holocaust denial view, would we? There are limits as to what the Museum is entitled to present, surely.

**Senator Kemp**—One of the things that may well come out of the review is our looking forward to what particular aspects it is appropriate for a very important institution like this to develop. There is a vigorous debate in Australian history. From my point of view, I am

comfortable with institutions that can reflect that debate. There are some aspects of Australian history where there is a generally settled position and on others there is still a debate occurring.

**Senator CARR**—The point is that there is a vigorous debate and it is absolutely consistent with the Museum's charter that the nature of that debate be reflected within its public displays.

**Senator Kemp**—I have no argument with the history, and particularly the complexities of history, being outlined where appropriate. That does not cause me any concern.

**Senator CARR**—And that is not inconsistent with the charter?

**Senator Kemp**—I would hope that where there is not a settled position people can have the chance to see that there may be a diversity of views.

**Senator FAULKNER**—Can I return to the question I was going to ask. Ms Williams, have you been able to locate the PBS?

**Ms Williams**—Yes, we have.

**Senator FAULKNER**—As I said, we have a deprived life here in opposition so we tend to try and work our way through the PBS and budget papers. I want to quote from last year's PBS, page 365. This may best be directed to Senator Kemp, I am not sure.

**Senator Kemp**—Ask the question and then we will work it out.

**Senator FAULKNER**—I quote from the relevant sentence in the overview:

The role of the National Museum of Australia (NMA) is to research Australian history, develop and maintain representative collections and present widely accessible programs which illustrate the story of Australia.

I think I have quoted it correctly, haven't I?

**Ms Williams**—You have.

**Senator FAULKNER**—That was last year's portfolio budget statements. Now let me go to page 479 of this year's portfolio budget statements and read the first sentence:

The role of the National Museum of Australia (NMA) is to research Australian history, develop and maintain representative collections and present widely accessible programs.

I do not want to sound pedantic, but I wondered why the words 'which illustrate the story of Australia' had been dropped.

**Ms Williams**—I will pass this to Ms Casey, because it is the Museum's draft, not ours.

**Ms Casey**—I cannot recall, but I think the next paragraph has changed as well. I think we just changed it because last year's was in a format where we had just started and opened the new Museum. So there is no hidden agenda. We just dropped that off.

**Senator FAULKNER**—I am not suggesting that there is. As I said, it might be a very pedantic question from me. But, as I sat down, bored witless with preparation for the unending hearings of Senate estimates and looking at the portfolio budget statements, it was the first thing in the overview that hit my eye—the fact that those words 'which illustrate the story of Australia' do not appear. This is something that—

**Ms Casey**—They actually do. They are down a bit further.

**Senator FAULKNER**—You are saying that the other paragraphs have been redrafted. Can someone explain the point of the redraft then?

**Ms Casey**—The redraft was to tighten it and focus it on what we are currently doing. In the first couple of years we had just opened. It seemed to read as though we were still just developing and opening. So we wanted to change it. We had a bit more time this year to focus on it.

**Senator FAULKNER**—This is something prepared out of the National Museum itself, though, isn't it?

**Ms Casey**—Yes.

**Senator FAULKNER**—I do not see it as a controversial thing, but it does seem to me to be very odd. I still think it is a little odd.

**Ms Casey**—We just thought we would tighten it and make it much more reflective of what we are currently doing.

**Senator FAULKNER**—Are they 'widely accessible programs which illustrate the story of Australia'?

**Ms Casey**—Yes, but we have—

**Senator FAULKNER**—Now they are just 'widely accessible programs'.

**Ms Casey**—But we continue with 'the stories of Australia and Australians' down in the next paragraph. We have linked it. We just thought it was a tighter description of what we are doing. We have not changed.

**Senator FAULKNER**—So are you saying to me that the fact that the final sentence of the second paragraph reads 'The combination of objects, research and presentation enables the National Museum of Australia to tell the stories of Australia and Australians in ways that enlighten, stimulate and inspire people' basically picks up that phrase and gives it more emphasis? Is that the explanation for it?

**Ms Casey**—Yes. In fact, I was involved in working with Adrian on these words. It just seemed to me that the way it read previously was as if 'which illustrate the story of Australia' was an afterthought.

**Senator FAULKNER**—I think that you will be just delighted that someone has actually read the overview.

**Ms Casey**—Yes, I am delighted!

**Dr Stretton**—We are very impressed!

**Senator Kemp**—I think that was a very telling point. Thank you for asking the question.

**Senator FAULKNER**—It may be a very pedantic point, as I indicated before I asked the question, but it did strike me as interesting that it had changed. I am still not 100 per cent clear on why it has changed, but what I am being told is that it is an improvement.

**Ms Casey**—I thought that it was an improvement.



**Senator FAULKNER**—Fair enough.

**Senator Kemp**—What would make you particularly happy, Senator, is that I did not have anything to do with it.

**Senator FAULKNER**—Not only do I know that you would have had nothing to do with it, Senator Kemp, but also I was certain you would not have even read it.

**Senator Kemp**—I certainly did not pick up that nuance that so troubled you.

**Senator FAULKNER**—Had you actually read it?

**Senator Kemp**—I have now read it, yes.

**Senator FAULKNER**—I think it is very risky that the minister does not read his portfolio budget statements, but in your case I am not in the least bit surprised.

**Senator Kemp**—Good on you, Senator.

**ACTING CHAIR**—That is the end of questions for the National Museum. Thank you.

**Proceedings suspended from 9.25 p.m. to 9.36 p.m.**

**Department of Communications, Information Technology and the Arts**

**ACTING CHAIR**—We will now consider departmental output 1.1, Policy advice, program management and agency support which promotes access to and excellence in Australia's cultural activities and preservation and development of our cultural collections.

**Senator LUNDY**—I would like to turn firstly to the review of cultural institutions. The department's funding has been cut by some \$0.4 million in 2003-04, rising in the out years to \$0.6 million. I have obviously been noticing that there are cuts in various parts of institutions and so forth, but can you tell me how those savings are going to be made?

**Ms Williams**—We have not got the exact figures. It actually covers two bits of the department. One is ScreenSound Australia which, as you know, is currently part of the department, and the other is Old Parliament House. Both of those were affected by the cultural agencies review.

**Senator LUNDY**—Were those cuts made as a result of the cultural agencies review?

**Ms Williams**—The treatment of depreciation, yes.

**Senator LUNDY**—I am still trying to get my head around the treatment of depreciation, particularly from a whole-of-department perspective. Perhaps we should start there.

**Ms Williams**—Would you like me to take you through the issue?

**Senator LUNDY**—My understanding, for example, is that the Archives have been advised of the results or implications for them of the cultural institutions review but that there are other institutions which have not been advised of the results.

**Ms Williams**—I think all the ones affected have been advised. It has been in the budget papers.

**Senator LUNDY**—The impression I got was that the full implications were not understood by some of the institutions.

**Ms Williams**—I do not think so. I think what the Archives representatives were trying to say was that the reductions are clear but that there will be another look at exactly what the long-lived assets are, and I think that will be done—and the people involved can correct me—jointly with the Australian National Audit Office. Therefore, their rearrangement of what actually was transferred to running costs, the exact amount, is still to be fined down. The principle has been decided, and the cuts to the agencies involved have been decided. But there is still a review to go through to decide exactly what amount is transferred from depreciation into running costs so that it can be used for preservation.

**Senator LUNDY**—And that is what is meant by the reference in the PBS, on page 38, where it says:

As a result of this review, it is expected increased funding will be made available to agencies to expand preservation and conservation activities.

**Ms Williams**—Yes.

**Senator LUNDY**—If all these implications are budgeted for, and in the Archives scenario we heard about, I think, \$21 million—

**Ms Williams**—The Archives is \$0.605 million in the first year, in 2003-04.

**Senator LUNDY**—That is the cut.

**Ms Williams**—Yes.

**Senator LUNDY**—What was the figure nominated from the depreciation transfer?

**Ms Williams**—That still has to be worked out. That is the review that is to be done with the ANAO.

**Senator LUNDY**—Do those figures have to appear in the portfolio budget statement, or have they?

**Ms Williams**—I think they will be additional.

**Dr Stretton**—They will be in the additional estimates PBS.

**Senator LUNDY**—That is really what I want to clarify because, as far as I can ascertain, there has been no collective statement on the financial implications for institutions as a result of that review. Have you broken down those figures at all?

**Ms Williams**—The cuts to these five institutions are clear. The exact amount that is transferred—and it is not an implication in terms of another cut—is a transfer from depreciation into the more usable ‘running costs’ for preservation.

**Senator LUNDY**—I know it is not related to the cut, but I am asking if it is related to a bottom line increase?

**Ms Williams**—No. The overall bottom line remains the same.

**Senator LUNDY**—So why would those figures need to be reflected as additional estimates?

**Ms Williams**—Because the exact amount that does refer to long-lived assets still has to be reviewed. It is actually refining the amount that will be moved from depreciation into running costs.

**Senator LUNDY**—Has the minister made any statement about that whole implication that this money will be made available for preservation and conservation, other than what is referenced in the budget papers?

**Ms Williams**—It was in the budget press releases.

**Senator LUNDY**—Yes, but no amount was put on it then, or no estimate of how much money would be transferred.

**Ms Williams**—No.

**Dr Stretton**—What is required is that the agencies will look at the way in which they treat their collections assets at the moment. They will do that with the Audit Office because, obviously, if there is a change in the way they do that they would want to make sure that the auditors will be happy with that arrangement. The reason that needs to appear in the additional estimates PBS is that, as you would appreciate, the depreciation funding—

**Senator LUNDY**—Moves from one column to another.

**Dr Stretton**—That is exactly right—or it moves from one row to another, actually. The depreciation is in a separate appropriation, so that will fall and the general running costs line will increase by the equivalent amount.

**Senator LUNDY**—If that is the scenario, can we go through each of the institutions so that you can tell me which ones are directly eligible, for want of a better word, for that transfer of depreciation to recurrent?

**Ms Williams**—The institutions involved are the Archives, and you have already spoken to them, the National Gallery of Australia, the National Museum of Australia and two parts of the department that we have just mentioned—that is, ScreenSound Australia and Old Parliament House.

**Senator LUNDY**—So back to the 0.4 and rising to the 0.6, they are the elements of the department's budget affecting ScreenSound that are the equivalent of the budget cuts we have already canvassed in the other agency.

**Ms Williams**—Yes.

**Senator LUNDY**—Gee, we are getting there. The Archives was able to nominate a figure of about \$21 million. I am sorry, was that right? I am getting some odd looks.

**Dr Stretton**—I may be wrong, but I thought that the \$21 million—and I must admit that at the time I wondered what that was as well—was the amount that they have spent so far. Certainly the level of funding they receive through depreciation of their collection at the moment is in the order of \$13 million.

**Senator LUNDY**—So why would they say \$21 million?

**Dr Stretton**—I cannot answer that question.

**Ms Williams**—We can find out for you. We did not know where that figure came from.

**Senator LUNDY**—It is a shame you did not say that at the time.

**Ms Williams**—I am just told that they may be referring to the total depreciation.

**Senator LUNDY**—Total depreciation—so it is not necessarily depreciation just associated with the collection?

**Ms Williams**—But we will check that for you.

**Senator LUNDY**—You might want to give them a reality check.

**Ms Williams**—Yes.

**Senator LUNDY**—So \$13 million is the figure for the depreciation of their collections in the Archives?

**Dr Stretton**—If it is any different, we will let you know.

**Senator LUNDY**—What about the Gallery? Do have a figure for the current amount for the depreciation of their collection?

**Ms Williams**—Can we take these questions on notice?

**Dr Stretton**—This year the Gallery received \$5.5 million for the depreciation of their collections. As I said, they have to do the review with the Audit Office and decide how much of that \$5.5 million stays as depreciation and how much will become preservation.

**Ms Williams**—Is that only long-lived collection depreciation, not total depreciation?

**Dr Stretton**—That is the only part that we are doing here.

**Ms Williams**—But that is not total depreciation; whereas we think the \$21 million may be total depreciation.

**Senator LUNDY**—Yes. But the \$13 million is figure is the long-lived depreciation of the collections?

**Ms Williams**—The Archives figure here in the same column is actually \$15.4 million for long-lived collection depreciation.

**Senator LUNDY**—And the depreciation of the Gallery's long-lived collection is currently \$5.5 million?

**Ms Williams**—\$5.55 million.

**Senator LUNDY**—For the Museum?

**Ms Williams**—For the Museum it is \$1.41 million.

**Senator LUNDY**—And ScreenSound?

**Ms Williams**—It is \$9.33 million.

**Senator LUNDY**—And Old Parliament House?

**Ms Williams**—\$0.11 million.

**Senator LUNDY**—Can you tell me why, given the relative size of the collections and so forth, those figures would vary in that way?

**Ms Williams**—It really depends on what they have got for long-lived assets. For example, the core business of ScreenSound Australia—who have really been hit by the current treatment of depreciation—is preserving, and they could not use the depreciation for that preservation. That is one area that has been extremely pleased about the change.

**Senator LUNDY**—I am just trying to get a holistic view of why the amounts vary. It is certainly not relative to the size of the institutions; is it relative to the size of their collections, or the long-lived parts of them?

**Ms Williams**—It is relative to the type of collection, I think.

**Senator LUNDY**—Okay.

**Dr Stretton**—It is also the rate at which the asset deteriorates, which obviously influences the depreciation.

**Senator LUNDY**—So the Archives and ScreenSound have assets that deteriorate faster than assets in the Gallery and the Museum?

**Ms Williams**—A lot of ScreenSound's assets are deteriorating badly, and their job is to—

**Senator LUNDY**—I appreciate that. I just trying to get an understanding of this. I presume that as a result of the budget papers all of these institutions and agencies are fully aware of this change. What are they doing now? Are they working with you or working with the Audit Office to finalise this transfer? What happens next?

**Dr Stretton**—At this stage, they are awaiting the new guidelines to be published by the department of finance. Once that happens, they will work with the Audit Office to do the review of the way in which they treat their assets.

**Senator LUNDY**—What is the time frame, as you understand it, for the Finance guidelines?

**Dr Stretton**—I have not spoken to them recently, but it will certainly be within the next month or so.

**Senator LUNDY**—So once those guidelines are available they then sit down with the Audit Office and work it out for their particular institution. At what point do those funds become available to these institutions to spend on preserving their collections?

**Dr Stretton**—They have the funds now.

**Senator LUNDY**—I appreciate that, but they are in the wrong column now, so they cannot spend them.

**Dr Stretton**—That is true, but they can spend some of those funds in the immediate months, and then once they know—

**Senator LUNDY**—Just through accounting it through the new system, their bottom line will then work out okay?

**Ms Williams**—Yes, and it will be adjusted.

**Dr Stretton**—They will know what their bottom line is; they will know what will be adjusted.

**Senator LUNDY**—So they are not hanging out for that process to be completed before they spend money on preservation?

**Ms Williams**—Once the review is done and agreed, then they can count on that.

**Senator LUNDY**—They can count on spending that money.

**Ms Williams**—They can count on the adjustment in additional estimates.

**Senator LUNDY**—Just to be clear on that, because of the way the budget is structured, at any time within the next financial year they could expend those funds on preservation—for example, notwithstanding a delay in that Audit Office exercise?

**Ms Williams**—I think they would have a fair idea of the money, but obviously the quicker the review is done the better and the more exact idea they will have of what they have to spend on preservation.

**Senator LUNDY**—Is this exercise in changing the accounting treatment of depreciation the only outcome of the cultural institutions review?

**Dr Stretton**—No. It was the one which we spent a lot of time on, as you can appreciate given the complexity. But we also looked at the question of shared services and whether there was a potential for increased efficiencies by sharing services. In that area we found that, in terms of corporate services, generally the agencies performed well against the benchmarks that were used. There were a number of operational areas where we thought that a more collaborative approach could be very effective and we have asked for more work to be undertaken in the following areas.

The first is collections storage. You can appreciate that each of the collection agencies have storage demands that are growing over time. We will be doing a study with them as to whether, by taking a more collaborative approach to that issue, we can come up with more cost-effective solutions. The second is digitisation. Again, that is a core component of collection agency operations, with a range of applications and various levels of experience and practice across the agencies. We will be working with the collecting agencies to try and identify opportunities to enhance cross-agencies strategies and so on. The third is conservation. Again, we will be commissioning a further examination, working closely with the collection agencies, to examine the potential benefits of sharing conservation activities. The last is procurement, which does not just relate to the collection agencies. Again, we will be looking at whether it might be possible to harness economies of scale by working with all of the agencies within the portfolio. So they are the main areas.

**Senator LUNDY**—Are you doing more work on shared services?

**Dr Stretton**—In those areas that I have identified.

**Senator LUNDY**—So they are all a subset of shared services?

**Dr Stretton**—Yes.

**Senator LUNDY**—What else?

**Dr Stretton**—We also looked at the issue of entry fees. You will appreciate that the government decided not to change entry fee arrangements for the moment, but in doing the work of the review we were aware that most of the data on the impact of either introducing entrance fees or taking off entrance fees was based on overseas evidence. We have asked the agencies to collect more information and do more research on that issue so we can get more information on the likely impact of entrance fee changes in Australia.

**Senator LUNDY**—You are doing another report on that?

**Dr Stretton**—No, we are not doing a report on it. We have just asked the agencies to collect information, do more thinking, do more research and then report back.

**Senator LUNDY**—How is that being framed for the agencies? Is that a request to find a way to do it, or does it come back to us with options on how to do it?

**Dr Stretton**—I imagine we will work with them in terms of the type of information that we think needs to be collected. We will work with them on the type of research that might be done. It may well be that we decide to do some collaborative research or they may decide to do it internally. I am not quite sure because we have not done that work yet.

**Senator LUNDY**—That sounds a lot like that is where you want to go—if you devote resources to finding best ways to do it or whatever. Is that where you think you will end up—with at least some formal consideration of fees?

**Dr Stretton**—When the group looked at the whole question of entrance fees it very quickly became apparent, as you would appreciate, that the Maritime Museum currently charges entrance to its general exhibitions.

**Senator LUNDY**—I think I am a member of that.

**Dr Stretton**—With the Gallery and the Museum, there is free entrance to the general exhibitions but they charge for blockbusters or special exhibitions. When you move to the Library and the Archives, for example, the exhibition is a fairly small part of their total activity, compared with the Gallery. The amount of exhibition space they have is much smaller. The group doing the review did not think it was feasible to charge entrance fees there. So you very quickly come down to the key issue, which is: do you wish to charge entrance fees for the general exhibitions for the Gallery and the Museum? The government recently made decisions on both of those. At the same time it seemed that, when we tried to do an analysis of this, most of the data related to overseas. We have a situation now with the Melbourne Museum where they recently changed their entrance fees. It will be very interesting to see an Australian example and how that might work.

**Senator LUNDY**—It is like a watching brief on the fees issue but also a request for the NMA to do research into potential fee structures, or additional fee structures.

**Dr Stretton**—Or the likely implications or the impacts of charging fees, because you will appreciate that it is not just about the number of—

**Senator LUNDY**—Haven't they done that before?

**Dr Stretton**—Not in a way that necessarily enabled you to get an across-the-board picture of what the impacts would be. As you would appreciate, the impact is not only directly in terms of the entrance fees—the number of visitors—and the revenue you might get from that, but also in terms of the consequential impact on revenue earned from the shop, from the cafes et cetera and possible sponsorship. It is quite a complex area when you try to do that sort of modelling.

**Senator LUNDY**—When do they have to report back by?

**Dr Stretton**—I think it will be an ongoing watching brief on that one. On the other ones that I mentioned earlier, we would certainly be hoping to do work over the next financial year.

**Senator LUNDY**—Can you provide a copy of the report that arose out of this review?

**Dr Stretton**—It was a paper prepared for the budget, so I expect not.

**Senator LUNDY**—I think I asked the minister previously whether or not the review was going to be made public and I think he was far more optimistic about it being made public, from my memory.

**Dr Stretton**—I do not remember that at all. It was a cabinet-in-confidence document.

**Senator LUNDY**—Was it always going to be a cabinet-in-confidence document?

**Ms Williams**—Yes.

**Senator LUNDY**—My memory must not serve me well.

**Senator Kemp**—It is the habit of government occasionally to have cabinet-in-confidence documents.

**Senator LUNDY**—We have seen a few of them.

**Senator Kemp**—Not as many as you would like, Senator!

**Senator LUNDY**—In the implications of the sorts of things you have talked about, there does not strike me as being anything particularly sensitive or unbeknown.

**Senator Kemp**—What is the point you are making?

**Senator LUNDY**—There has been a huge amount of interest in the cultural institutions review and their implications. I would have thought that, in the circumstances, you would have been quite happy to share it around.

**Senator Kemp**—We have given very extensive descriptions of the results of that review. The results have been pretty widely welcomed. I have not noticed any blistering attacks in the media on the outcome of the review.

**Senator LUNDY**—All the more reason for you to release the report, I would have thought. It would have made you feel quite confident to release it into the public domain.

**Senator Kemp**—It was not the usual practice of your government to release cabinet-in-confidence documents. I have to tell you that it is not the practice of this government.

**Senator LUNDY**—I thought it was worth a try.

**Senator Kemp**—I think you knew what my answer would be, Senator.

**Senator LUNDY**—I am still being too predictable, I can tell.

**Senator Kemp**—I know that hope springs eternal, but I think you could make a fair bet what my response would be.

**Senator LUNDY**—I know that you encouraged a great deal of input into the review as it was proceeding and created a significant expectation that there would be some dramatic change. I think it is fair to say that that has not been the case. What we can see is a series of cuts across agencies.

**Senator Kemp**—That would be the most biased interpretation of the results of the review that one could possibly make.



**Senator LUNDY**—I am thinking in sensationalist terms.

**Senator Kemp**—You would say, for example, that the merger of the AFC and ScreenSound was pretty important and a very significant outcome.

**Senator LUNDY**—We have not got to that one yet. I am talking about these other things.

**Senator Kemp**—You would say that Questacon going to DEST was an important outcome.

**Senator LUNDY**—We have not got to these yet.

**Senator Kemp**—You did make a point that expectations were raised—I do not want to quote you unfairly—and you suggested we ended up with a few cuts. I would have to say that that would be the most narrow reading of the review and budget announcements that there could possibly be. You have already had evidence led to you today about the importance of the changes in depreciation. Mr Stretton has outlined to you the significance of the ongoing work regarding fees.

**Senator LUNDY**—I think you are misinterpreting me.

**Senator Kemp**—If you speak to the people associated with Bundanon, they would say they were delighted with the report. If you speak with the people at NIDA, it is a tremendous outcome.

**Senator LUNDY**—These are changes to the budget. You will not release the report of the review, so you can say that all of these budget changes are as a result of the review and all of the cuts and the transfer of money out of some institutions and into others is all part of the review. Unless you release the report, how are we supposed to know that?

**Senator Kemp**—What cuts are you talking about, Senator?

**Senator LUNDY**—How do we know that you are not just dressing it all up and the report did not really say much at all? We do not know that.

**Senator Kemp**—People are interested in outcomes. We have announced outcomes from the review and these outcomes have been widely welcomed.

**Senator LUNDY**—Depreciation cuts and restructuring a merger and a bit of money for a couple of institutions like NIDA and Bundanon, which I will come to.

**Senator Kemp**—Money for a couple of institutions like NIDA and Bundanon? Very important to both those institutions.

**Senator LUNDY**—I understand that, but it is also very clear, as was stated in the budget documents, that those increases were funded out of the cuts across other institutions directly within your budget allocation.

**Senator Kemp**—And the changes to depreciation, the preservation arrangements, I think were very widely welcomed.

**Senator LUNDY**—Is there a bottom-line cost to your department for that? No. It is an innovative accounting mechanism that probably solved a problem that should have been resolved when you introduced accrual accounting anyway but did not. So let us get some perspective here.

**Senator Kemp**—Are you critical of the announcements in relation to NIDA? Are you critical of what we have done in relation to Bundanon? Are you critical of the changes in the preservation arrangements?

**Senator LUNDY**—I would never criticise more money for an arts institution.

**Senator Kemp**—If you are critical, you are putting yourself completely outside virtually all of those institutions, I have to say.

**Senator LUNDY**—I am critical of the government's methodology of conducting this review. I am critical about your not releasing the report publicly. I am critical of the fact that, despite the depreciation issue, institutions are having to cut staff to fund the budget cuts in this year's budget, with the questions about the preservation transfers as yet unresolved. They are the things I am critical about. We have been through that with the institutions, and we know that they have applied job cuts as a direct result of the funding cuts, regardless of the depreciation issue. So do not get too carried away.

**Senator Kemp**—Have you any idea of the amount of money that this government has put into these cultural institutions, of which you are now holding yourself out as the great defender? Do you have any idea of the overall figures?

**Senator LUNDY**—You tell me what your overall budget is.

**Senator Kemp**—Let me just say that in the last year of the Labor government—

**Senator LUNDY**—It is actually not a comparable figure. There has been an institution built in the meantime.

**Senator Kemp**—And that is not important?

**Senator LUNDY**—There has been significant input from the ACT government, for example, with the extension of the NGA.

**Senator Kemp**—And that is not important?

**Senator LUNDY**—You cannot compare raw figures. That is ridiculous and a joke.

**Senator Kemp**—You tell me you cannot compare the figures. The figures that the last Labor government put in were \$116 million for 1995-96 to the Maritime Museum, the Archives, the Gallery, the Library and the Museum and this year the figure is \$204 million.

**Senator LUNDY**—That is a ridiculous comparison and irrelevant.

**Senator Kemp**—And you tell me that that is not important and we have starved these institutions. I would have to say, Senator, you are just not looking closely at these figures. New institutions have been established.

**Senator LUNDY**—You are not making credible comparisons.

**Senator Kemp**—And why not?

**Senator LUNDY**—Because you are not.

**Senator Kemp**—That is not an answer.

**Senator LUNDY**—You are not, because there have been so many changes with how those cultural institutions have either been managed or structured, or built, and all the rest of it.

**Senator Kemp**—But all that is about building institutions, is it not? The government has been about building cultural institutions and we have actually done that, and you tell me that that is not important. This is what it is all about.

**Senator LUNDY**—What I see is a budget where you have applied cuts and jobs are being lost at a time when, for example, the digitisation strategy for many of these institutions requires investment.

**Senator Kemp**—Your policy documents would be the thinnest policies I have ever read; but, having said that, I cannot recall you promising new money for these institutions. I cannot recall Simon Crean, in his budget reply, making any announcements regarding more money for these institutions. So you will excuse us if we think that all you are trying to do is to make a rather sad political point which, when you look at the raw figures, falls over. If these things were so important, if the Labor Party felt that we were going down the wrong track, why didn't Simon Crean, in his budget reply, make any statement?

**Senator LUNDY**—You sound like a stuck record. Every time you are under a bit of pressure, you come out with this lecture. You have done it about four times so far in this estimates round.

**Senator Kemp**—This is real pressure, I tell you!

**Senator LUNDY**—It is pretty boring.

**Senator Kemp**—You have asked me a question. You asked me what was important about the review, and I have told you a number of very significant measures. Then you said we have starved these institutions, and I quoted the key figures, and you said that that is not comparative because this is about building.

**Senator LUNDY**—Unless you release that report, we do not know whether Finance has said, 'Cut this percentage from your budget,' and you have come up with a range of initiatives to try to make it look good. We do not know that. We will take your word for it, I suppose. You said it in a press release, so it must be true!

**Senator Kemp**—Governments are perfectly entitled to reorder priorities.

**Senator LUNDY**—Say that again.

**Senator Kemp**—This is what governments should do, and in the reordering of those priorities people can judge a government. Bundanon was a very important initiative, as was—

**Senator LUNDY**—I bet Warwick Smith was happy with it. He is an old pal of yours, isn't he? He is the chair of the Bundanon Trust—yes?

**Senator Kemp**—Yes.

**Senator LUNDY**—Did he lobby you personally?

**Senator Kemp**—He was very keen to get some change—

**Senator LUNDY**—I know he was happy.

**Senator Kemp**—There we are. Prove my point. A big tick.

**Senator LUNDY**—Whose door did he have to knock on besides yours to get it? Did he go and see Senator Minchin as well?

**Senator Kemp**—It takes more than Warwick Smith coming to see me to get a significant change in the budget.

**Senator LUNDY**—Does it?

**Senator Kemp**—I would like to feel that I had that power, but I do not.

**Senator LUNDY**—Maybe he knocked on Mr Howard's door—although I think he is in a different faction.

**Senator Kemp**—But what is the point you are making?

**Senator LUNDY**—I am just having a go because you are getting boring. I will come back to the Bundanon Trust.

**Senator Kemp**—It is a rather pathetic go, I would have to say. Can you do a bit better than that?

**Senator LUNDY**—It looks like a bit of a mates club again as usual.

**Senator Kemp**—So it is a bit of a mates club to fix up Bundanon, which everybody wanted.

**Senator LUNDY**—I am not saying Bundanon is not deserving, but I am cannot resist making the link.

**Senator Kemp**—You cannot resist, but it is quite irrelevant.

**Senator LUNDY**—The message is: if you appoint Liberals to those sorts of boards, you get more money.

**Senator Kemp**—Do you think people who have been former members of parliament should not be appointed to boards?

**Senator LUNDY**—There is probably a case in there somewhere. Have you got your eye on a board, Minister Kemp? I know Senator Alston has.

**Senator Kemp**—What a pathetic response. You attack this government for appointing a former member of the Liberal Party to a board and then I ask you whether you are opposed to this in principle, and then of course your mind turned to all the former Labor members of parliament who were appointed by the Labor government to boards and you thought you had better start fudging the issue.

**Senator LUNDY**—If we made two columns which looked at all of the boards Liberal members have been appointed to and the ones that former Labor members have been on and then did a funding analysis on who has been more successful, it would be an interesting project—maybe a library research project.

**Senator Kemp**—Is that your most telling point for the evening?

**Senator LUNDY**—No, not at all; it is ridiculous.

**Senator Kemp**—I am relieved to hear that.

**Senator LUNDY**—Give my regards to Warwick Smith when you see him, when he picks up the cheque.

**Senator Kemp**—The hour is late. Have you got anything else of substance that you want to tackle?

**Senator LUNDY**—I think we are about halfway through the response.

**Senator Kemp**—I know that public servants are fascinated by you wanting me to give Warwick Smith your regards. Could you kindly turn your mind to the business at hand. We have senior public servants here who are just craving to answer questions.

**Senator LUNDY**—If you would be quiet for a little while, I might be able to get back to the point.

**Senator Kemp**—Stop asking me questions then.

**Senator LUNDY**—Stop giving boring political speeches.

**Senator Kemp**—Stop asking me questions. It is very simple; it is in your hands.

**Senator LUNDY**—Shared services, the entry fee issues and other elements of the perhaps never to be publicly released report into the cultural institutions.

**Dr Stretton**—You mentioned Bundanon and NIDA also coming out of that review, and the depreciation—I think that is it. Senator Kemp also mentioned the recommendations regarding Questacon, ScreenSound and the AFC.

**Senator LUNDY**—You forgot to mention the cuts.

**Dr Stretton**—That was part of the depreciation arrangements.

**Senator LUNDY**—Why is it?

**Ms Williams**—As well as the actual change from depreciation moneys to preservation moneys because those depreciation funds had been rising in a way they probably should not have—because the assets have been appreciating—that is why the cuts were taken, to get them back to nowhere near where they had started from but to take a bit off the top.

**Senator LUNDY**—You have not worked out just how much that is yet.

**Ms Williams**—No. We have taken an amount off the top to fund Bundanon and NIDA.

**Senator LUNDY**—How did you calculate that? Was it just enough to fund NIDA and Bundanon?

**Ms Williams**—Yes. Sorry, I thought you meant how did we apportion it across the agencies, which I do not know the answer to.

**Senator LUNDY**—That is a good question, though.

**Ms Williams**—It is apparently proportional to the long lived assets.

**Senator LUNDY**—It is proportional to the long lived assets. So can you step me through that formula.

**Ms Williams**—Those were the amounts we just gave you.

**Senator LUNDY**—I appreciate that. For example, the cut to the Archives which I think we worked out was \$2.7 million over the three years.

**Ms Williams**—I do not have a total figure here, but it is 0.605 in the first year, 0.725 in the second, 0.942 in the third and 1.063 in the fourth.

**Senator LUNDY**—So what does that equal?

**Ms Williams**—It is 3.335.

**Senator LUNDY**—How does 3.335 relate to 15.4?

**Ms Williams**—The amount that was required to—it is not as straightforward as this because Bundanon had an investment fund which was run down—get something decent for the fourth year for Bundanon and NIDA was divided across those particular agencies I gave you a list of, depending on their long lived collection of assets. It was a proportional spread across those agencies depending on the amount, the size, of their long lived collection.

**Senator LUNDY**—If the cut was 3.35 all up to the Archives proportional to 15.4 million of their long lived assets—

**Ms Williams**—Could we give you all the figures, which will save your having to write them down and do the percentage?

**Senator LUNDY**—I am just trying to test the fact that there is a direct relationship between this and the money that was taken from the agencies that was, as you say, conveniently enough to fund Bundanon and NIDA. What that says to me is that you just came up—

**Ms Williams**—It has just been pointed out to me that the 15 we have been talking about is one year, not across the four years.

**Senator LUNDY**—Were the other figures you gave me just one year or across the four years?

**Ms Williams**—I gave you the figures across the four years and then the total of 3.335.

**Senator LUNDY**—That just makes it a very complex formula, doesn't it?

**Ms Williams**—We could give you the figures. We did not try to slide anything through.

**Senator LUNDY**—It seems to me that, whatever the relationship, it is very tenuous and seems to have been driven more by wanting to fund the eminently worthy causes of Bundanon and NIDA, and you just hang it off in some proportional formula on those cuts anyway.

**Ms Williams**—I am sure our colleagues in the Department of Finance and Administration would have liked to have taken more. They could have argued that in fact the increase in depreciation because of the appreciating assets could have been bigger, but we managed to retain it to the amount that would be needed to fund Bundanon and NIDA.

**Senator LUNDY**—The department overall delivered a whole-of-government saving, didn't it?

**Ms Williams**—The saving that I mentioned to you for the one per cent of running costs, yes.

**Senator LUNDY**—And how much was that overall?

**Ms Williams**—I do not remember whether it was you I mentioned this to before or somebody else, but it was made up of the closure of the government bookshops and, in 2003-04 only, a residual amount of \$596,000, which was spread across all agencies in the portfolio.

**Senator LUNDY**—I do not think it was me. How much was that overall saving?

**Ms Williams**—The amount that was spread over all agencies in the portfolio was \$596,000.

**Senator LUNDY**—What was the amount attributed to the closure of the bookshops?

**Ms Williams**—The closure of the bookshops was \$4.9 million in the first year.

**Senator LUNDY**—What savings were returned on a whole-of-government basis by the whole department—the closure of the bookshops, say \$4.9 million, and the \$0.596 million? This is very interesting, isn't it, Minister?

**Senator Kemp**—It is gripping stuff, Senator.

**Ms Williams**—We are just finding the correct figure. You are trying to find out, across the four years, what savings were found?

**Senator LUNDY**—Yes, for the whole department—what you are collectively losing from the portfolio.

**Ms Williams**—For the whole portfolio it equals a one per cent cut—we will find you the figure—in running costs.

**Senator LUNDY**—While you are doing that, was the closure of the bookshops a response to the review at all? Was it linked in any way?

**Ms Williams**—No. They were run by NOIE and, in fact, increasingly had to be funded by government—and, increasingly, agencies are not using the bookshops. They are doing their own thing, putting information online. The figure is in the portfolio budget statements on page 513. You will see the line across there for the government bookshop network closure.

**Senator LUNDY**—And they are savings coming straight out of the portfolio; they are not being reallocated in any way?

**Ms Williams**—They go towards the required one per cent of running costs savings. In the first year only, there was a figure to make up because the bookshop closure did not actually meet the figure that was required in the first year. That is why we have that figure I read out to you of \$596,000, which was spread right across portfolio agencies.

**Senator LUNDY**—So that one per cent figure is nearly \$5.5 million for the next financial year?

**Ms Williams**—Yes.

**Senator LUNDY**—The saving across the out years constitutes the one per cent portfolio saving. How is that worked out?

**Ms Williams**—Very roughly; it was not exactly that. That really, apart from the first year, is the savings from the closure of the bookshops.

**Senator LUNDY**—Sorry—say that again.

**Ms Williams**—Apart from the first year, it is roughly the savings from the bookshops, which covered what we were required to find, which was the one per cent of running costs.

**Senator LUNDY**—I bet you were glad when you found that, Minister—something to shut down to deliver your savings!

**Senator Kemp**—This government is quite entitled to reorder priorities. This is a government that is concerned with building and doing important things for the nation. If you have a tough budget, you have to have some reordering of priorities, but I think those priorities are in line with what the Australian people want.

**Senator LUNDY**—There is \$0.4 million going to the MacArthur Museum in Brisbane. I have a serious confession to make and that is that I am personally not familiar with that institution. Can you tell me a little about it, please.

**Senator Kemp**—Which institution are you talking about?

**Senator LUNDY**—The MacArthur Museum. I presume you are very familiar with it, Minister. What is it a museum of?

**Senator Kemp**—Have you ever heard of General MacArthur?

**Senator LUNDY**—Yes.

**Senator Kemp**—What did he do?

**Senator LUNDY**—He had something to do with a war, I think, didn't he?

**Senator Kemp**—Yes, he was the major—

**Senator LUNDY**—And which war was that?

**Senator Kemp**—He was the commander of the Allied forces in this region.

**Senator LUNDY**—So it is a war museum—a Second World War museum.

**Senator Kemp**—He was based for a time in Brisbane, if my memory serves me correctly.

**Senator LUNDY**—He was too.

**Senator Kemp**—So they are creating a museum which commemorates the role of General MacArthur.

**Senator LUNDY**—It sounds like a fine project. Is this the first time you have put money into the museum? Is this like establishment money?

**Senator Kemp**—This is the first time—from memory—that they have requested funding. We were able to provide them with \$350,000 in the budget, and of course they will be raising funds from elsewhere as well.

**Senator LUNDY**—Is it a one-off grant or is it likely to be ongoing?

**Senator Kemp**—No, this is a one-off grant.

**Senator LUNDY**—I will look forward to visiting it. I am sure you will be invited to the opening.

**Senator Kemp**—We will see what we can do to arrange for you to come along.



**Senator LUNDY**—I will find my way there, Minister; thanks. For outcome 1 in Budget Paper No. 4, page 73, the actual available appropriation for 2002-03 was \$93 million and in the coming year it is \$63 million.

**Dr Stretton**—What page are you on?

**Senator LUNDY**—It is Budget Paper No. 4, which I do not have with me; I am just referring to my notes. I am making an assumption that that has something to do with depreciation. If you can clarify that for me that would be useful. There must be some issue in my notes.

**Ms Gale**—For your information, most of the drop in our depreciation is CUC.

**Senator LUNDY**—I see: the capital use charge.

**Ms Gale**—Yes, that is mostly the drop. Other than the measures the secretary has announced, predominantly it is the CUC dropping off.

**Senator LUNDY**—Can you very quickly explain the capital use charge and how it would have that sort of impact on the budget?

**Ms Gale**—I can point you to the page number in the documents.

**Senator LUNDY**—I know that the minister is an expert on the capital use charge. I can tell by the smile on his face. Maybe you should pass on the brief to him.

**Senator Kemp**—I am amazed that you would have the gall to raise the capital use charge at this time of the evening.

**Senator LUNDY**—Is it complex? Why do you say that?

**Senator Kemp**—I think it is reasonably complex, but this time of the evening I think you will find it particularly complex.

**Senator LUNDY**—I have no doubt that I would find it complex in any circumstance.

**Senator Kemp**—Why don't you explain in the most straightforward language you can the capital use charge?

**Senator LUNDY**—Go for it. What page are we on?

**Ms Gale**—It is on page 80. Look at the figures for 2002-03, at the bottom of the first column. The capital use charge is provided to the agency as revenue from the government but paid on the balance sheet, so you see a surplus of \$33,844. If you look at the next column, which is the figures for 2003-04, you see nothing. Therefore, our appropriations go from \$147 million to \$115 million, which is predominantly the CUC drop, other than the measures—

**Ms Williams**—This is the accounting treatment which, as I mentioned before, will no longer be applied, from next year. It was in and out, and the money is no longer funded to agencies.

**Senator LUNDY**—This is the one that has no impact on—

**Ms Gale**—It was a calculated charge of 11 per cent of net assets on the balance sheet. So it was a straight calculation—you have your balance sheet, your assets and liabilities, and 11 per cent of that became your CUC, which you got in the appropriation and then you paid back at the end of the financial year.

**Senator LUNDY**—That will do for the capital use charge. I will place any further questions I have on notice.

**Senator Kemp**—I think we have explained the capital use charge to you before.

**Senator LUNDY**—Just do not ask me to explain it back to you.

**Senator Kemp**—I think you should check the previous *Hansards*. I think it has been explained to you.

**Senator LUNDY**—I am sure it has.

**Ms Williams**—It is gone from now on, so we can all forget it.

**Senator LUNDY**—We can all be extremely grateful.

**Senator Kemp**—I do not think it will happen again. We will not see its like again.

**Senator LUNDY**—The Myer report recommended a total funding increase of some \$15 million, but the federal budget only makes provision for about \$3 million, increasing to \$6 million. That is my understanding. Can you tell me why the government is not accepting all of the recommendations provided by the Myer report?

**Senator Kemp**—I think that the figures—and someone can correct me if I am wrong—are \$3.4556 million, which represents a contribution of \$20 million over the forward estimates—

**Senator LUNDY**—Sorry, \$19.5 million over four years, but \$36 million was recommended in the report.

**Senator Kemp**—That will be matched by the states. I must say there were many announcements in the budget that were welcomed by particular groups, but there were probably few that were welcomed with more enthusiasm than the government response to the Myer report. In fact, let me share one with you. I will quote Tamara Winikoff, the Chief Executive of the National Association of the Visual Arts. This is the report in the paper—

**Senator LUNDY**—Have you framed it?

**Senator Kemp**—It says:

... Tamara Winikoff, chief executive of the National Association for the Visual Arts, who called the Federal Arts Minister Rod Kemp on Wednesday morning, post-budget, to congratulate him on the move.

And I can confirm that did in fact occur. This is what Tamara Winikoff said—

**Senator LUNDY**—Did it make you feel all warm and fuzzy inside?

**Senator Kemp**—It goes on to say:

'It gives endorsement of the highest level to the contribution of the visual arts and crafts sector to the richness of Australian cultural life,' Winikoff said.

What an endorsement! As a minister I have received that sort of endorsement for a whole range of things, but that is a pretty good endorsement. People will always want more money—that is correct. It is correct, as you say, that the Myer report recommended more money. But I must say that the government response was very much welcomed. As I said, it gives almost \$20 million over four years, which will be matched, I believe, by the states and territories. You have a good 'in' here with the ACT government, so you will probably be

lobbying hard to make sure that they do as much for the Myer report as we have done. So it is very much a good news story. I appreciate the question.

**Senator LUNDY**—I note the report recommends that \$2 million of Commonwealth funding be contingent on states and territories, providing a total combined contribution of \$6 million per annum. If the states do not match the Commonwealth funding for whatever reason, does that mean you will not be providing any funds?

**Senator Kemp**—The states will be matching Commonwealth funding. I am not going to—

**Senator LUNDY**—I presume they will be. But I just want to know the terms and conditions of the Commonwealth offer.

**Senator Kemp**—I do not propose to give a hypothetical response. In fact, the response from the states has been very positive. I think the two biggest states have already indicated—and Dr Stretton will correct me if I am wrong—that they are very supportive of the recommendations and they will be responding very positively. I have no doubt that the other states will also do that. You are a Labor senator and these are Labor governments. I am sure that you would berate them if they failed to respond to the Myer report in the way the Commonwealth government has.

**Senator LUNDY**—I do not mean to bring you down, Minister, but—

**Senator Kemp**—I have yet to see that happen!

**Senator LUNDY**—I think the purpose of my question is that there are obviously some out there who had a higher expectation, and a higher yet expectation of the government's response, particularly on just \$3 million in the first financial year. That is actually less than half the amount recommended in the Myer report.

**Senator Kemp**—Senator, this is a tough year—

**Senator LUNDY**—Can I ask you a genuine question about why you have structured the funding in the way you have across the out years?

**Senator Kemp**—Just let me respond—

**Senator LUNDY**—and why didn't you go the whole hog?

**Senator Kemp**—This was a tough year. Of course, as I said, people would have liked more. But they are still very much delighted with the government's response. I think that applies to Rupert Myer and to various lobby groups. We are delighted that they believe that, in a tough year, the government was able to make a very significant contribution. The structuring, I think, makes sense. As we work it through—as the funding programs and funding initiatives are planned and carried through—I think that phasing does make sense. It is worth while noting—and I think these are figures that the secretary mentioned to me some days ago—that the Nugent report of the federal and state funding base represented—

**Senator LUNDY**—Minister, are you getting sidetracked again? May I ask you another question about the Myer inquiry report?

**Senator Kemp**—No, I am actually showing you that the Nugent report showed a 16 per cent rise in funding for the performing arts. This, in the final year, with our expectation that

the states will match, would represent about 33 per cent. Although this was below the recommendation of the Myer report it shows that the response is a very significant response.

**Senator LUNDY**—Keep talking for a minute.

**Senator Kemp**—No, I won't. You will have to come back and ask me a question.

**Senator LUNDY**—Does the government intend to implement the resale royalty scheme, as recommended by the Myer report?

**Senator Kemp**—That is now under consideration by ministers. A decision will be made on that in due course.

**Senator LUNDY**—My understanding is that the Myer report recommended a further \$250,000 be allocated for the implementation of that scheme. In your consideration of that, will it be contingent upon another budget allocation for that purpose?

**Senator Kemp**—Let's just see how the government responds to that. I do not want to preempt the government response.

**Senator LUNDY**—Is it the department that is investigating this or have you engaged a consultant or any external advisers on this project?

**Senator Kemp**—The department has provided advice to me.

**Senator LUNDY**—So it is in your office already?

**Senator Kemp**—I am consulting with other relevant ministers, then a recommendation will be made to the government.

**Senator LUNDY**—Soon?

**Senator Kemp**—As soon as possible.

**Senator LUNDY**—Can you be any more specific than that?

**Senator Kemp**—No, Senator, I cannot. That is about as specific as I can be.

**Senator LUNDY**—Going back to the issue of general saving across the department, we know how the various institutions are meeting their proportion of those cuts—well, sort of: for some of them we did not go into the detail. Can you tell me whether the department has given any direction to the agencies and institutions about how they should achieve those general cuts?

**Ms Williams**—No, it has not.

**Senator LUNDY**—So they have to work it out for themselves?

**Ms Williams**—Yes.

**Senator LUNDY**—As far as those savings go, I know in each of the tables for the agencies it is spread across, but do you have a table that itemises the dollar amount for each of—

**Ms Williams**—That totals the \$596,000?

**Senator LUNDY**—Yes.

**Ms Williams**—Yes, I do.

**Senator LUNDY**—And do you have that for each of the out years?

**Ms Williams**—That cut is only in the first year.

**Senator LUNDY**—Of course, because the bookshop covers it off for the rest of the time.

**Ms Williams**—Yes.

**Senator LUNDY**—Are you able to run through those figures for me?

**Ms Williams**—I can, or I can provide you with a chart if it is easier.

**Senator LUNDY**—If you have it there, that would be great.

**Ms Williams**—We will find you one, Senator. I have scribbled on mine.

**Senator LUNDY**—I have a question in relation to that. I do not have the tables in front of me, but I understand that the Archives have to find \$69,000 with appropriations of some \$65 million and the AFC with appropriations of \$23 million only have to cut \$7,000. It does not seem to be—

**Ms Williams**—But it is of running costs, not of total appropriation. They have different amounts of program money.

**Senator LUNDY**—So that is inequitable, if you like, or—

**Ms Williams**—I think it is very equitable, because it is clearly on running costs.

**Senator LUNDY**—And that is why there is that discrepancy, for example, in those two. If you could provide me with a table—

**Ms Williams**—Yes.

**Senator LUNDY**—The grant allocation for *Playing Australia* for October 2002 was \$2.6 million, yet in the latest round of funding only \$1.6 million has been allocated. This is a regional initiative of theatrical productions, I understand. Can you explain the reduction in this particular project?

**Dr Stretton**—It is not a reduction. There is an annual appropriation to the program, but the program has two rounds each year. The way the program works is that the first round is much larger than the second round. There has been no cut to the appropriation for *Playing Australia*.

**Senator LUNDY**—Does that mean that in 2004-05 it goes back up to \$2.6 million, or is it not funded that far in advance?

**Dr Stretton**—I am not sure that I understand.

**Senator LUNDY**—Financial year 2003-04 is the next financial year, which is what the \$1.6 million is for, so does it go back up to \$2.6 million for the one after that?

**Dr Stretton**—*Playing Australia* is funded out of a larger program called the cultural development program. Each year the minister decides the allocation of funding across the various elements of that. We will be putting a brief to the minister very shortly about next year. The year after that we would be doing in 12 months time.

**Senator LUNDY**—Within that cultural development program, is it possible for the minister to allocate two- or three-year funding, and is this program the recipient of a two-year funding round?

**Dr Stretton**—There is not a two-year funding round; there are two rounds each year.

**Senator Kemp**—There are two funding rounds each year. That is where you have got the \$1.6 million from.

**Senator LUNDY**—I still do not understand.

**Senator Kemp**—Let me just take you through it. This is a very important program.

**Senator LUNDY**—It is indeed.

**Senator Kemp**—I am very glad that you are taking an interest in it.

**Senator LUNDY**—I am very glad that you can answer the question—I think.

**Senator Kemp**—Correct me if I am wrong, but some \$3.6 million a year is allocated to the program. So what you have probably fastened onto there is the first year. It comes out of a wider program, the cultural development program, and the government will decide on the allocations that come out of that program. But I think I can say that we would give Playing Australia a very high priority. It is a very effective program. A lot of benefit is given for not a huge amount of money. It is certainly very strongly supported in the arts community.

**Dr Stretton**—The \$1.6 million you mentioned was the amount for the second round this year. So the total appropriation for this year is around \$3.6 million.

**Senator LUNDY**—Just on that broader program from which Playing Australia is funded, what is the timing of those funding rounds? Do you make the allocations prior to the financial year starting?

**Senator Kemp**—We just made an announcement in the last couple of weeks. That was based on the recommendations I received from the Playing Australia committee.

**Senator LUNDY**—You did make another allocation to Playing Australia?

**Senator Kemp**—The announcement was made about a week ago.

**Senator LUNDY**—So how much did you announce for Playing Australia?

**Senator Kemp**—We announced a wide range of grants to organisations. Perhaps someone could refresh my memory of the total.

**Dr Stretton**—I do not think we have that information here, Minister. We can provide that on notice, Senator.

**Senator LUNDY**—Is it less than previous allocations?

**Dr Stretton**—As I said earlier, the annual allocation for Playing Australia has not been cut. Maybe there is a misunderstanding. The minister was talking about the results of the second round of Playing Australia for this year, which were announced recently.

**Senator LUNDY**—Yes, we were at cross-purposes. My question related to the minister's discretion in allocating the wider cultural development fund and the timing of that.

**Senator Kemp**—As to the timing of that, we are getting some advice from the department in the near future, as I have indicated, and that will be discussed between Senator Alston and me.

**Senator LUNDY**—Do you discuss that prior to the start of the next financial year? Do those funding rounds cover the calendar year or financial year; what is the timing of the decision making?

**Dr Stretton**—It is the financial year.

**Senator LUNDY**—So you have already made the decisions for this coming financial year?

**Senator Kemp**—For the coming year we have just funded the second round and we are now looking at the next round—you can take that up, Dr Stretton.

**Dr Stretton**—I am sorry, we are all getting too tired.

**Senator LUNDY**—There is an overlap then?

**Dr Stretton**—The round of Playing Australia, which was announced just recently, was the second round of the 2002-03 year.

**Senator LUNDY**—Right, and that was the 1.6?

**Senator Kemp**—You are thinking of the next financial year.

**Senator LUNDY**—Yes.

**Dr Stretton**—The amounts will be decided very shortly for the next financial year.

**Senator LUNDY**—That is for the overall cultural development, and that will determine how much Playing Australia is allocated in the next financial year, albeit that you will not announce those details until later.

**Senator Kemp**—We will not announce it, but I think I can assure you, Senator, that we will be giving Playing Australia a high priority.

**Senator LUNDY**—Will they get the same amount or more?

**Senator Kemp**—Let us just wait and see.

**Senator LUNDY**—After your glowing report, I am making the assumption that they will not get less.

**Senator Kemp**—Senator, one would always like to do better but we will just have to carefully look at it.

**Senator LUNDY**—So you are not able to commit now to at least the same funding?

**Senator Kemp**—No, I am not able to give you the figures now, but I think that people who know me will know that I am a very strong supporter of this program. It is one I hope the government can expand in the future at some time.

**Senator LUNDY**—What are your thoughts on the practicality of having multiyear funding for organisations like Playing Australia? You would be far more across the certainty provided by triennial funding for these organisations.

**Senator Kemp**—By multifunding do you mean a guaranteed three-year funding, or do you mean funding from a variety of sources?

**Senator LUNDY**—No, I mean funding for three years.

**Senator Kemp**—There are some bodies within Playing Australia that do get a longer term commitment.

**Senator LUNDY**—You can understand the point about the certainty and planning.

**Senator Kemp**—I think it is certainty. There is an interesting tension here: on the one hand it provides certainty but on the other hand it is a competitive arrangement whereby companies make their proposals to the Playing Australia committee, and these are carefully assessed. You would not want to lock out new proposals coming forward from other established or newly established companies that have decided they would like to become a part of Playing Australia.

I think a number of state governments are probably adopting the Playing Australia model for some of their own intrastate funding for the arts. You asked about funding from a variety of sources, and I think the more the states expand those types of arrangements the more help it will be to the performing arts companies.

**Senator LUNDY**—You are not really in a position to give any details about the next funding round but I do have some questions on notice, including whether you would provide me with a report that shows the geographic location of the successful projects.

**Senator Kemp**—Yes, we can do that. We do get assessments on how the money is being spent. There have been concerns from some states about whether they are getting a fair share, and the Playing Australia committee attempts to address that. It is a program that we are seeking to continually finetune and improve. We get a lot of feedback on it. There are organisations that are very keen on triennial funding arrangements but, on the other hand, we want to encourage new organisations as well. It is an important program.

**Senator LUNDY**—I would like to turn briefly now to Visions of Australia. Can you tell the committee how the membership of the Visions of Australia committee is decided?

**Senator Kemp**—Principally by me.

**Senator LUNDY**—By you?

**Senator Kemp**—As you know, I am a very consultative character so I—

**Senator LUNDY**—Is it a mates club?

**Senator Kemp**—No, it is actually a club into which you try and get appropriate people with the skills to assess the various proposals which are brought forward.

**Senator LUNDY**—Do you have mates with the appropriate skills?

**Senator Kemp**—It is getting late. I have got a—

**Senator LUNDY**—Were you formally acquainted with any of the appointees on the Visions of Australia committee?

**Senator Kemp**—Even after all these years in politics I probably have one or two mates. That is correct.

**Senator LUNDY**—Do you? I do not believe it!

**Senator Kemp**—As you know, in politics you tend to lose them rather than gain them.

**Senator LUNDY**—Were you formally acquainted with any of the committee members?



**Dr Stretton**—We are trying to get the—

**Senator Kemp**—Is there anyone you are particularly worried about?

**Senator LUNDY**—No, I am just—

**Senator Kemp**—Is there anyone on the committee who really worries you? You can ask me about that person.

**Senator LUNDY**—I am doing the correct thing in asking you to be accountable for the appointment process.

**Dr Stretton**—The chair is Alan Dodge, who you probably know as the CEO—

**Senator Kemp**—I am sure they are all people I would like to be mates with. But I do not think that I would say that there are people there whom I have known particularly well in a previous manifestation.

**Senator LUNDY**—Who are they?

**Senator Kemp**—We are getting you the names.

**Dr Stretton**—We might have to take it on notice, but they include Alan Dodge, who, as I said, is the chair, and who is the director of the gallery in Western Australia.

**Senator Kemp**—Ross Gibbs from the National Archives is on it.

**Dr Stretton**—He was previously the CEO of the Victorian archives. Jeff Mincham is on it—he is a craftsman from South Australia. We will get the rest of the names and give them to you on notice. I am sorry; I do not have that information with me.

**Senator Kemp**—You will find it is a pretty distinguished committee, like all the committees that I appoint.

**Senator LUNDY**—Are they basically appointed at your discretion? So you will have a chat with a potential—

**Senator Kemp**—I generally consult. First of all, you ask, ‘What are the skills we have got and what particular skills do we need?’ And you then inquire around to try and find the names of people who can match these particular skills needs. After I have satisfied myself that they are providing some additional skills to the committee, and making sure that there is appropriate representation from the states, I make the appointment.

**Senator LUNDY**—I have got some questions that I will need to place on notice, given the time, including a question on notice for the minister about details about his acquaintance with any of the appointees on that board.

**Senator Kemp**—This is beneath you! I urge you not to demean yourself by putting this on notice.

**Senator LUNDY**—It is late. You could write that yourself—you would have to write it yourself, because only you would know.

**Senator Kemp**—It is an unworthy question and I am not prepared to allow any research to be done to answer it—that is what I may well say. It is unworthy of you.

**Senator LUNDY**—That would be a very interesting project for the officers of the department.

**Senator Kemp**—Officers of the department would come and ask, ‘What on earth is Senator Lundy on about?’ and I would say, ‘I don’t know, but I don’t think we should do any further research into this.’

**Senator LUNDY**—Do not worry; I will take care of it. I will write the brief myself!

**Senator Kemp**—I do not think you are going to unearth anything there, I have to tell you. I think a fair proportion of the committee were probably appointed before my time—at least, I think the chair and a number of others on the committee were—so you had better ask McGauran too.

**Senator LUNDY**—They might be his mates, if you do not know any of them.

**Senator Kemp**—I have to say—

**Senator LUNDY**—You obviously know them. Don’t you? You did know them before they were on the—

**Senator Kemp**—The answer to when I met these people for the first time is probably that I had a chance to meet them prior to or just after an appointment. It is one thing to have a political crack at somebody—we understand that—but is another thing to—

**Senator LUNDY**—You have got form. I just feel compelled to go there.

**Senator Kemp**—Another thing: you do not want to demean the people who take on these jobs.

**Senator LUNDY**—Do you think being associated with you is being demeaning?

**Senator Kemp**—No, but you do not want to demean them by saying that they have been appointed just because they are friends of mine. When you look at the people here, you look at Alan Dodge, the Director of the Art Gallery of Western Australia; Ross Gibbs, Director-General of the National Archives; Helen Withnell, Assistant Director Public Programs, Australian War Memorial; Tony Ellwood, Deputy Director, National Gallery of Victoria; Jeff Mincham, Chair, Office of Regional Development, South Australia; Mr Phillip Gordon, Aboriginal Heritage Unit, Australian Museum; Ms Denise Officer, Chief Executive Officer, Artback NT Arts Touring; and it goes on, concluding with Mr Bill Bleathman, Director, Tasmanian Museum and Art Gallery, Hobart. I have not played one round of golf with any of these people.

**Senator LUNDY**—I am reassured.

**Senator Kemp**—Nor one game of tennis, nor have I been to a pub to have a beer with them, as far as I can remember.

**Senator LUNDY**—I expect next time I ask you questions about this that you will have done at least one of those things with each of them.

**Senator Kemp**—I can confess that I have been over to the Visions of Australia Committee and had, I think, a cup of tea with them. I like to keep in touch with them, but I do make the point that these people are working very hard. They are not paid a great deal for what they do.

Their work is important and to try to demean them by saying that they have been appointed just because they are mates is untrue and unfair. I hope you feel duly upset by that.

**Senator LUNDY**—You look irate! Not. I note that the position of Director of the National Portrait Gallery has been advertised recently. I thought I would give you the opportunity to give the reason behind that advertisement.

**Senator Kemp**—I think it is required under the Public Service Act, actually.

**Senator LUNDY**—Do not be smart.

**Ms Williams**—No, that is—

**Senator Kemp**—No, that is the reason.

**Senator LUNDY**—Very good.

**Ms Williams**—Andrew Sayers had come to the end of his five-year contract and, under the rules, we have to advertise. He has, of course, retained that job.

**Senator Kemp**—And I can say that I have not played a round of golf with Andrew Sayers, nor have I had a beer at the pub with him, but he looks a very worthy gentleman and I will see what I can do.

**Senator LUNDY**—I want to place on the record my acknowledgment and my party's acknowledgment of the fine work done by Mr Sayers during his appointment at the National Portrait Gallery.

**Senator Kemp**—Good. It was a requirement, I understand, under the act to readvertise the position.

**Senator LUNDY**—Indeed it was, but that is not the reason I raised it, as I am sure you understand.

**Senator Kemp**—I am not sure I do. I think some of your research staff gave you a bad question. I would speak to them severely.

**Senator LUNDY**—It was to acknowledge the work of Mr Sayers, in case you did not get it.

**Senator Kemp**—That is why you did it. We are all happy to say that.

**Senator LUNDY**—And to wish him all the best for the future.

**Senator Kemp**—The National Portrait Gallery is an excellent institution in Canberra. I know that Mr Sayers has considerable ambitions for the National Portrait Gallery.

**Senator LUNDY**—It has fared very well under his stewardship.

**ACTING CHAIR**—That seems to be a good note on which to finish this part of the inquiry. That finishes this estimates committee inquiry into the Arts and Sport portfolio. I thank the officers for their attendance today.

**Senator Kemp**—Can I also thank all the officers who came here today. It has been a very long day. I particularly thank those officers who have not been called to the table and have sat through this hearing of varying degrees of interest, in particular ScreenSound. Ron Brent is here and I record my appreciation for the work he has done. We also have officers here from

Questacon and Professor Durant is here. Neither of those two gentlemen had a chance to perform before this committee. Had they been called, they would have done exceptionally well. This is probably the last time Questacon will be appearing before this committee. Again, I record my appreciation for that particular institution and its officers.

**ACTING CHAIR**—Thank you, Minister, for your gracious words. I am sure the officers appreciate them.

**Committee adjourned at 11.00 p.m.**