



COMMONWEALTH OF AUSTRALIA

# Official Committee Hansard

## SENATE

FINANCE AND PUBLIC ADMINISTRATION LEGISLATION  
COMMITTEE

ESTIMATES

**(Budget Estimates)**

TUESDAY, 25 MAY 2004

CANBERRA

BY AUTHORITY OF THE SENATE



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**SENATE**

**FINANCE AND PUBLIC ADMINISTRATION LEGISLATION COMMITTEE**

**Tuesday, 25 May 2004**

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

**Senators in attendance:** Senators Brandis, Conroy, Crossin, Fifield, Forshaw, Harradine, Johnston, Mackay, Mason, Murray and Robert Ray

**Committee met at 9.10 a.m.**

**PRIME MINISTER AND CABINET PORTFOLIO**

Consideration resumed from 24 May 2004

**In Attendance**

Senator Hill, Minister for Defence

**Department of the Prime Minister and Cabinet**

**Executive**

Ms Patricia Scott, Deputy Secretary

Mr Andrew Metcalfe, Deputy Secretary

**Economic policy advice and coordination**

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

**Social policy advice and coordination**

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

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

Ms Jenny Bourne, Assistant Secretary, Strategic Policy and Development

Ms Jackie Wilson, Acting First Assistant Secretary, Social Policy Division

**International policy advice and coordination**

Ms Gillian Bird, First Assistant Secretary, International Division

Mr Miles Jordana, First Assistant Secretary, National Security Division

Ms Julie Yeend, Assistant Secretary, Ceremonial and Hospitality

**Support services for government operations**

Ms Barbara Belcher, First Assistant Secretary, Government Division

Mr Alex Anderson, Assistant Secretary, Legal and Culture Branch

Mr Peter Hamburger, First Assistant Secretary, Cabinet Division

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

Ms Judy Costello, Assistant Secretary, People and Resource Management

**Australian National Audit Office**

Mr Pat Barrett, Auditor-General

Mr Oliver Winder, Deputy Auditor-General

Mr Michael Watson, Group Executive Director, Audit Assurance  
Mr Trevor Burgess, Group Executive Director, Audit Assurance  
Mr Steven Lack, Acting Group Executive Director, Performance Audit  
Mr Warren Cochrane, Group Executive Director, Performance Audit  
Mr Denzil Bourne, Senior Director, Governance and Services  
Mr Darren Box, Executive Director, Research and Development Branch

**Australian Public Service Commission**

Mr Andrew Podger, Public Service Commissioner  
Ms Lynne Tacy, Deputy Public Service Commissioner  
Mr Jeff Lamond, Merit Protection Commissioner  
Mr Mike Jones, Group Manager, Corporate Strategy and Support  
Ms Julia Smith, Group Manager, Organisational Performance and Values Group

**Office of National Assessments**

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

**Office of the Commonwealth Ombudsman**

Prof. John McMillan, Commonwealth Ombudsman  
Mr Ron Brent, Deputy Ombudsman  
Ms Natalie Humphrey, Contract Manager

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

Mr Ian Carnell, Inspector-General

**Office of the Official Secretary to the Governor-General**

Mr Malcolm Hazell, Official Secretary to the Governor-General  
Ms Amanda O'Rourke, Director, Honours Secretariat  
Mr Gary Bullivant, Corporate Manager

**CHAIR**—I declare open this public hearing of the Senate Finance and Public Administration Legislation Committee. Today we continue our examination of budget estimates 2004-05 for the Prime Minister and Cabinet portfolio. This morning we will commence with the Office of the Status of Women and then move to the agencies listed on the agenda. Following these agencies, the committee will resume its examination of the Department of the Prime Minister and Cabinet, from output group 3 onwards. The committee has set Friday, 9 July 2004 as the date for the submission of written answers to questions that are taken on notice. I remind officers that the Senate has resolved that there are no areas in connection with the expenditure of public funds where any person has the discretion to withhold details or explanations from the parliament or its committees unless the parliament has expressly provided otherwise.

I further remind officers that an officer of a department of the Commonwealth or of a state shall not be asked to give opinions on matters of policy and shall be given reasonable opportunity to refer questions asked of the officer to superior officers or to a minister. Evidence given to the committee is protected by parliamentary privilege. I also remind witnesses that the giving of false or misleading evidence to the committee may constitute a contempt of the Senate.

I welcome Senator Hill, the Minister for Defence and Minister representing the Prime Minister and officers of the Prime Minister and Cabinet portfolio. Is there an opening statement from Ms Scott or Ms Flanagan this morning?

**Ms Flanagan**—I want to correct a figure that I gave yesterday in an answer to Senator Faulkner on the rephase of moneys between 2002-03 and 2003-04. I said that we had rephased \$7.5 million. It is actually \$7.6 million.

[9.13 a.m.]

#### **Office of the Status of Women**

**CHAIR**—We will commence with general questions to OSW.

**Senator CROSSIN**—Ms Flanagan, can we start by having a look at this booklet, entitled ‘What the Australian government is doing for women’. This was produced by you and OSW, is that correct?

**Ms Flanagan**—Yes, that is correct.

**Senator CROSSIN**—Can you give me an explanation why this year there was no official women’s budget statement produced by Treasury?

**Ms Flanagan**—Treasury does not produce the women’s statement; OSW always produces the women’s statement. In the past it has become part of the budget papers, but that is not necessarily common practice. There have been a variety of methods by which the government has let women know what is in the budget for them.

**Senator CROSSIN**—For the last six years, from memory, it has been a blue booklet in a similar format to that of every other specific area. Can you tell me why it was not released on budget night?

**Ms Flanagan**—We decided this year that a better way to do it and to get more information both about what was in the budget and in current programs would be to have a press release on budget night and to put on the web site a quick reference card with what was in the budget for women. That was available on budget night. It gave us some time to include as much information as possible and to put the booklet out a couple of days after budget. We thought this was a better way of getting information to the public on what the Australian government has been doing for women.

**Senator CROSSIN**—So who made a decision to rejig the way information has got out about budget implications for women?

**Ms Flanagan**—It was done in consultation with the Minister assisting the Prime Minister for the Status of Women.

**Senator CROSSIN**—With Senator Patterson?

**Ms Flanagan**—With Senator Patterson, yes.

**Senator CROSSIN**—So you are telling me that OSW and Senator Patterson decided to launch the statement after the budget?

**Ms Flanagan**—Yes. We did it in consultation with the office.

**Senator CROSSIN**—There was no input from Prime Minister and Cabinet and no direction from the Prime Minister's office?

**Ms Flanagan**—There was input but no direction.

**Senator CROSSIN**—Are you also telling me that you needed to wait until the budget was brought down before some of the detail in this booklet was known to OSW?

**Ms Flanagan**—What we are saying is that, in terms of getting information checked both for ongoing programs and budget measures and in order to have it accurate, it took a couple of days after the budget. It took longer to print this because it is not a simple printing process. Because it is more of a glossy booklet there were additional printing timelines.

**Senator CROSSIN**—What sort of information in this booklet were you waiting on?

**Ms Flanagan**—We were not necessarily waiting on the information. What we were trying to do was to get it finally checked through the processes, so we ran it back through Treasury just to make sure that we had everything done, and then we had to print and collate it.

**Senator CROSSIN**—That could not have been done before budget night?

**Ms Flanagan**—No, it was not possible to do it before budget night.

**Senator CROSSIN**—Why not?

**Ms Flanagan**—Because the printer that we were using was also doing all of the budget documents, and so this one was done immediately after all of the budget documentation had been prepared.

**Senator CROSSIN**—It has not been a problem for the last six years, so why was there such a significant change this year?

**Ms Flanagan**—Because, as I say, what had been printed in the past was a very simple blue statement with just a cover on it. The pictures that were incorporated and the design work for the booklet were reasons for the delay.

**Senator CROSSIN**—On page 19 you have a section about women in small business. Is it true that the only thing the Australian government is doing for women in small business is allowing them to register and pay the GST annually?

**Ms Flanagan**—That is what was in the budget. The booklet is divided into two sections: what was in the budget for women and ongoing initiatives that are currently in place for women. There is a section starting on page 42 which talks about working women and women in business, which also has initiatives to assist women in business. So if you turn to page 42—

**Senator CROSSIN**—On page 19 you are telling me that there is only one aspect of the budget that is assisting women in business. Is that right?

**Ms Flanagan**—We ask departments to let us know what they think is relevant to include in a women's statement on what is in the budget that is relevant to women, and this was identified as an initiative. But, as I say, we also identify the ongoing programs.

**Senator CROSSIN**—You think that that is adequate?



**Ms Scott**—It is also true to say that some general budget measures will also have an impact, indirectly, on business. For example, tax cuts will lead to increased consumption and businesses will benefit. But that is a specific small business measure.

**Senator CROSSIN**—The only one.

**Ms Scott**—On page 42 and 43, going on to page 44, a series of measures are outlined that relate to women in business. That is four pages all up.

**Senator CROSSIN**—I move to the forward estimates, then, for OSW in the current budget. Can you clarify some figures for me? The budget estimate for 2003-04 was \$21.5 million.

**Ms Flanagan**—The budget estimate, yes.

**Senator CROSSIN**—And you actually spent \$25 million. That is a difference of around \$3.5 million. What is the difference there?

**Ms Flanagan**—There are two differences. First of all, as you say, that was the budget figure. In additional estimates, we rephased some money—and we possibly talked about this last time—for the personal safety survey because the Australian Bureau of Statistics cannot conduct that survey for us until, I think, 2005-06. We had to rephase some money so that we could pay for it at that time. In addition to that, an additional \$5.1 million has been appropriated in this budget to enhance the campaign for the elimination of violence against women.

**Senator CROSSIN**—Can you tell me specifically what makes up that \$3.5 million overspend?

**Ms Flanagan**—Let me just run through the figures for you. It is not an overspend. We started with a figure for the 2003-04 budget of \$21.542 million. We rephased around \$1.5 million, bringing the base back to \$19.910 million—that is reflected in our additional estimates figure work—and we then added \$5.1 million. That is the money appropriated. So our total appropriation as of today is \$25.010 million, and that is what we are expecting to spend against.

**Senator CROSSIN**—Your budget estimate for 2004-05 shows only \$11.5 million.

**Ms Flanagan**—Yes, and that is as a result of a number of things. As we explained yesterday when discussing women's programs, the base changes over time. We rephased the figure of \$7.6 million from 2002-03 to 2003-04, which increased the figure in 2003-04, and we have added \$5.1 million this budget. So that the more natural level—

**Senator CROSSIN**—What is the breakdown of that \$5 million? What will it be used for?

**Ms Scott**—It is predominantly going to be used for the production of a booklet but also for services related to a help line associated with the campaign for the elimination of violence against women.

**Senator CROSSIN**—The \$5 million is all going towards the rephased campaign. Is that right?

**Ms Scott**—Yes, and there is a further \$1.6 million in 2004-05.

**Senator CROSSIN**—What will that be for?

**Ms Scott**—That will cover, again, basically the same two elements—services associated with the referral service and the costs associated with the printing, publishing and distribution of the booklet.

**Senator CROSSIN**—I will come back to some of those figures in a moment. In your forward estimates program in other years, particularly if I go back two budgets to the 2002-03 program, each of your major initiatives was broken down. For instance, the Informed Choices for Women program was broken down into ‘communications’ and ‘data warehouse’ and the other women’s programs were broken down into three or four areas. That was not done last year. Last year there were specific line items. I notice the same has occurred this year: there are only specific line items. Why is that? Why is not each of the administratively funded programs given a breakdown and a cost against them?

**Ms Flanagan**—As we have said before, we are part of providing information through a portfolio budget statement and a decision is taken about how that is reflected. As we have also said, having those line items broken down, it changes from year to year. At the beginning of each year, we discuss with the minister what the spending priorities will be with the money that we have available for that particular year, and those spending priorities change over time.

**Senator CROSSIN**—Under the Partnerships Against Domestic Violence 2, there is a \$3.4 million budget estimate. What sorts of programs will be covered by that output?

**Ms Flanagan**—This is for 2004-05?

**Senator CROSSIN**—Yes.

**Ms Flanagan**—As I say, we need to discuss with the minister what we will be doing with that money. At the moment we are getting together some suggestions as to how that can be done. There are some ongoing initiatives under Partnerships Against Domestic Violence that will need to be funded. For example, some of that money will be spent on the campaign as will some of the money from NICSA. You are referring to page 64?

**Senator CROSSIN**—Yes, I am.

**Ms Flanagan**—We will draw on those two amounts of money to fund the campaign.

**Senator CROSSIN**—How much of the \$3.4 million PADV2 money will be used for the campaign?

**Ms Flanagan**—I do not think we have that breakdown. We are still trying to set priorities for all of our programs for next year.

**Senator CROSSIN**—Why is it not possible to give me that amount?

**Ms Flanagan**—I can certainly give you an estimate for the campaign across those two programs of what we expect to spend in 2004-05, but for other elements that will be very difficult to do.

**Senator CROSSIN**—Out of the \$8.5 million, how much do you expect to spend on that campaign?

**Ms Flanagan**—We expect to spend—and this is an estimate—\$4.7 million of that figure.

**Senator CROSSIN**—Are there any ongoing programs out of PADV2 that will need to continue to be funded?

**Ms Flanagan**—As PADV2 finishes at the end of 2004-05, at this stage we can only allocate funding for another year under that program.

**Senator CROSSIN**—What is the total funding out of that \$3.4 million that you are going to need for that year?

**Ms Flanagan**—Out of the \$3.4 million, at the moment \$1.3 million is allocated to the campaign. So, in effect, we have \$2.1 million.

**Senator CROSSIN**—You are saying that come June 2005, unless there is money in next year's budget, PADV2 will stop—is that correct?

**Ms Flanagan**—That is correct.

**Senator CROSSIN**—How much of the next allocation for the National Approach Against Sexual Assault will go towards the new rephased campaign—\$3.4 million, is it?

**Ms Flanagan**—It should be \$3.4 million, yes.

**Senator CROSSIN**—What other programs will be covered by that allocation?

**Ms Flanagan**—There are a couple of things. This is where we did some rephrasing for the personal safety survey. I think there is a small amount of money next year for start-up costs and doing research and sampling for the personal safety survey. There is some money set aside to assist women who have been trafficked and that was drawn from that program before new money was allocated for that at additional estimates.

**Senator CROSSIN**—How much money is that?

**Ms Flanagan**—We have made an estimate based on the number of clients we might have of around \$500,000 or \$600,000, but that is assuming we get around 90 clients who need to be assisted under that program. To date we have had a lot fewer than that.

**Senator CROSSIN**—When I look at your forward estimate for 2005-06, I read into that that you are going to spend \$3.4 million on the rephased campaign but that the rest of the money will be carried over for another year. Is that your intention?

**Ms Flanagan**—No, we are trying to set priorities for the remainder of that money to be spent during the following year. There are already some things, such as trafficking, that we know we need to leave money aside for out of the remainder. We also have a contract with a centre for sexual assault and have contracted for a data analyst to look at research on sexual assault.

**Senator CROSSIN**—Can you take me through what programs are under the National Approach Against Sexual Assault? There is \$500,000 to assist women who have been trafficked?

**Ms Flanagan**—They are not programs; they are initiatives.

**Ms Farrelly**—Under the national initiative, the current projects include, as Ms Flanagan mentioned, the data analyst position at the Australian Institute of Criminology which is doing specific research on sexual assault and the criminal justice system.

**Senator CROSSIN**—How much money is being set aside for that?

**Ms Farrelly**—There is \$429,572. We also have the Australian Centre for the Study of Sexual Assault, which is run out of the Australian Institute of Family Studies. That centre has a web site, conducts research and produces papers on sexual assault. As Ms Flanagan mentioned also, we have the safety survey which is in development.

**Senator CROSSIN**—How much is allocated to the centre producing that web site?

**Ms Farrelly**—The total across the years 2002-03 to 2004-05 is \$1.1 million.

**Senator CROSSIN**—What is left for this year?

**Ms Farrelly**—I do not have the specific allocation for 2004-05, but I could get that. For the centre for sexual assault it is \$545,112 for 2004-05. The data analyst position is \$170,000.

**Senator CROSSIN**—What other initiatives are covered under that?

**Ms Flanagan**—We have not finally allocated all of the money. We need to discuss with the minister the remainder of the money that has not yet been committed and what she would like to do with it over the following year. We are writing a paper at the moment against all of the programs about her priorities and how she would like to see it spent.

**Senator CROSSIN**—How much does that leave for the National Approach Against Sexual Assault after you have taken out those three or four initiatives?

**Ms Flanagan**—I am told that that pretty much adds up to \$5.1. So we have the \$3.4, which is to go to the campaign. We have \$545,000 to go to the sexual assault centre. We have \$170,000 for the data analyst working with the Australian Institute of Criminology. We have \$300,000 for the safety survey and \$675,000 allocated to trafficking. I note on trafficking that, while that is an allocation, we did not reach a similar allocation this year.

**Senator CROSSIN**—When will you know what the minister's priorities are for this financial year? What is the timeline for that?

**Ms Flanagan**—As I said, I commissioned yesterday a paper that we will put to her which goes across all of the programs, noting that some priorities have already been set. So we will ask her, firstly, to endorse those priorities, if she is still happy with them, and, secondly, what she would like to do with the remaining money that is not yet committed. We would hope, early in the new financial year, to have agreement to that so that we can start to implement it.

**Senator CROSSIN**—So you would say that by early July you will be looking at—

**Ms Flanagan**—I cannot commit to that, but certainly we are hoping to have the paperwork to her in the near future.

**Senator CROSSIN**—Are any of these programs run outside of OSW, or do you control all of these programs?

**Ms Flanagan**—They are run outside but they are usually done under contract. For example, the Australian Institute of Family Studies run our centre on sexual assault but we have a contract with them setting out what we expect to have delivered.

**Senator CROSSIN**—And the trafficking initiative money is taken out of OSW and given to DIMIA?

**Ms Flanagan**—No. A range of portfolios have money for the trafficking initiative and the amount of money we have is to run a support package for victims. In addition to that, other support is provided through Family and Community Services in terms of people's access to special benefit and they also have access to medical and pharmaceutical—

**Senator CROSSIN**—How many victims would you have assisted last year, and what is the average amount spent per victim?

**Ms Flanagan**—To date, under the new program—that is, the program that we started in January this year—we have only assisted seven.

**Ms Bourne**—The figure is seven to date.

**Senator CROSSIN**—How much money per person has been allocated?

**Ms Bourne**—There is not a specific allocation per person.

**Senator CROSSIN**—On average, what is the cost for each victim? On average, are you spending \$4,000 or \$40,000?

**Ms Bourne**—As we mentioned last time, this package has been operational since January. To date, the data is very sparse. We cannot give you an exact amount. It does depend on the individual needs of the client.

**Senator CROSSIN**—How much money have you spent in this area since January?

**Ms Flanagan**—I know we have the amount; it is just whether we have it with us. We will find that for you.

**Senator CROSSIN**—Perhaps you can keep looking for that while I keep asking questions. How many victims are you anticipating, if you have a budget allocation of \$675,000?

**Ms Bourne**—Enough money has been allocated to support 70 victims in this financial year and 90 in the out years.

**Senator CROSSIN**—These are 70 and 90 victims of trafficking?

**Ms Bourne**—Yes.

**Ms Flanagan**—Noting that that was just an estimate, in October last year when we put this package together, we were trying to make an upper limit estimate of how many victims there might be. The actuality of what is happening to date is that we have only had seven victims, even though we have made provision for 90.

**Senator CROSSIN**—If you could just keep hunting and tell me how much money you have spent since January, that would be useful.

**Ms Flanagan**—I am advised that we have spent \$26,700 to the end of April.

**Senator CROSSIN**—So you average about \$3,000 to \$3,500 per victim.

**Ms Bourne**—At this stage, Senator, part of the issue is that we need to set up and pay for an infrastructure to be able to respond very quickly when a victim of trafficking has been identified by the AFP, so there are some infrastructure costs and then there are individual costs associated with particular victims.

**Senator CROSSIN**—So you are saying it might not be that high per victim.

**Ms Bourne**—No, Senator.

**Senator CROSSIN**—You keep referring to a financial table. Is that able to be tabled?

**Ms Flanagan**—Which financial table?

**Senator CROSSIN**—You keep holding up a single sheet of paper, I notice.

**Ms Flanagan**—This one here is just an internal working document. I just read out the amounts that we have—

**Senator CROSSIN**—So that working document is not able to be tabled.

**Ms Flanagan**—We can certainly give you the figures themselves from this table, but I would prefer not to give the table because it is an internal working document with a range of different things—ministerial approvals, brief numbers and things like that.

**Senator CROSSIN**—I will keep working down the list. We are up to the Women's Development Program, which is \$1.5 million. What is anticipated to be covered under that?

**Ms Bourne**—There are a number of elements to the Women's Development Program. There are four major components: project and capacity building, training and mentoring, commissioned research and the national secretariats. Next year the national secretariats will be continuing.

**Senator CROSSIN**—That is \$300,000, I take it.

**Ms Flanagan**—It is \$600,000.

**Senator CROSSIN**—They are \$200,000 each now, are they?

**Ms Flanagan**—No, there are four of them and they are \$150,000 each.

**Ms Bourne**—We have recently advertised for project grants under the Women's Development Program. They closed last week.

**Senator CROSSIN**—How much will be allocated against that?

**Ms Flanagan**—It will be \$500,000.

**Ms Bourne**—Then the training and mentoring and commissioned research, again, is subject to agreement by the minister.

**Senator CROSSIN**—And those two components leave you with only \$400,000. Correct?

**Ms Bourne**—Yes, approximately.

**Senator CROSSIN**—What does the National Leadership Initiative consist of?

**Ms Bourne**—There are a number of elements, again. There are executive search services that we provide—

**Senator CROSSIN**—How much is allocated against that?

**Ms Bourne**—There is not a specific allocation. Again, these will need to be agreed with the minister. There is the Appoint database—

**Senator CROSSIN**—What sort of database?

**Ms Bourne**—The Appoint database. We maintain a monitoring system that allows us to provide reports on the number of women on Commonwealth boards. There is the Honouring Women program, where we have the high-profile ambassadors. We also have Indigenous activities and sports leadership grants under the category of women in under-represented sectors.

**Senator CROSSIN**—You do not have a nominal amount allocated against each of those?

**Ms Bourne**—Not at this stage, Senator, no. You need to discuss that with the minister.

**Senator CROSSIN**—All up, you are anticipating that that will be a little bit less than half a million dollars. Is that right?

**Ms Bourne**—Yes.

**Senator CROSSIN**—Tell me a bit about the Indigenous initiative.

**Ms Bourne**—It is a range of Indigenous activities, and the focus this year has been on leadership and sports leadership. They seem to be very successful.

**Senator CROSSIN**—What was the amount allocated in the current year?

**Ms Flanagan**—We can give you what was spent. For example, we sponsored a number of scholarships for Indigenous women to attend the Indigenous leadership—

**Ms Bourne**—Yes. That was \$84,000. For sport leadership for women in rural and remote communities it was \$209,000.

**Senator CROSSIN**—I turn to Informed Choices for Women. What is that made up of?

**Ms Bourne**—Again, there are a number of components. There is the Women's Data Warehouse, which is a single source for information and data about women and their role in Australian society. The women's Internet portal is part of that program as well. In addition, many of our publications are funded through this element.

**Senator CROSSIN**—What do the other women's programs consist of?

**Ms Bourne**—Again, there are a whole series of different elements. This program is designed to assist and advance the status of women, and there are various projects undertaken. The time use fellowships, the analysis of the longitudinal study of women's health, the women's reproductive health project, the centenary artwork—

**Senator CROSSIN**—I promise you I will not go there this morning, all right?

**Ms Bourne**—Thank you, Senator.

**Ms Flanagan**—We were ready!

**Ms Bourne**—It is also where we fund the ministerial council activities trust fund—a whole range of different things.

**Senator CROSSIN**—Do you have a breakdown of moneys against those? You would be able to tell me what you have allocated for the centenary artwork—the fountain?

**Ms Flanagan**—We can tell you what we have allocated for the centenary artwork. We can tell you what we have spent this year. But, again, because some of this has not been finalised we might not, for example—

**Senator CROSSIN**—But in relation to the centenary artwork we are talking about the fountain now, aren't we?

**Ms Flanagan**—Yes.

**Senator CROSSIN**—It has been ticked off by the Joint Standing Committee on the National Capital and External Territories, so that is an amount you know you are going to spend.

**Ms Flanagan**—Yes.

**Senator CROSSIN**—How much is that?

**Ms Flanagan**—This one is slightly complicated by the fact that we have already paid them some money for the fan, and so it will be paying them the residual. We have not yet received a final bill for how much the fountain is going to cost, but we have a guarantee from the National Capital Authority that it will be within the allocation that we had provided.

**Senator CROSSIN**—Whatever is left from the fan debacle. Is that right?

**Ms Flanagan**—From the change from a fan to a fountain to commemorate women's suffrage.

**Senator CROSSIN**—So you do not have a final allocation of that money yet. I thought you had one.

**Ms Flanagan**—We have an allocation but we do not yet have a final cost from the NCA.

**Ms Bourne**—Again, in relation to the projects under that next year we need to have that discussion with the minister.

**Senator CROSSIN**—What did it cost to produce the booklet this year?

**Ms Flanagan**—The cost of printing 2,000 copies was \$26,922.

**Senator CROSSIN**—Only 2,000 copies?

**Ms Flanagan**—We have produced 2,000 copies, but it is a very popular book and it looks as though we are going to have to do another print run. We just produced 2,000 copies initially. That amount of money also includes the printing of the folder, the quick reference guide, the two media releases and the booklet that were included in this package.

**Senator CROSSIN**—So what is the cost per booklet then? I am holding a fortune.

**Ms Flanagan**—What was included in the cost of the booklet was the design and layout. The marginal cost of producing further booklets will be much cheaper because this figure includes those up-front costs.

**Senator CROSSIN**—Yes, but at the moment what is the amount per booklet?

**Ms Flanagan**—Out of that \$26,922 the booklet cost \$15,443. At this stage if you wanted to average it out, it cost \$7.70 per booklet; but I would prefer to get you the actual design and set up costs, which will be amortised over any further printing of the booklet.

**Senator CROSSIN**—Going back to the breakdown, are there any new initiatives that OSW are planning?



**Ms Flanagan**—Yes, I suspect so, but until we talk to the minister we are not quite sure what they will be.

**Senator CROSSIN**—Are you saying that of the list of programs and the elements of each program, there are some of these that will not continue? Or are you anticipating that all of those you have outlined for me in the last half hour will continue?

**Ms Flanagan**—Some of them. For example, for the longitudinal study of women's health, which we funded this year, we had a memorandum of understanding with the department of health. Because they have new money in this budget, we will no longer be required to fund that.

**Senator CROSSIN**—Why is that? Is the health department taking that over?

**Ms Flanagan**—It is a health department survey.

**Senator CROSSIN**—They are going to fund it in future, are they?

**Ms Flanagan**—They have received new money in the budget to continue funding for the longitudinal study of women's health. So that will be an amount that we actually paid out this year. We felt it was important for that study to continue so we supported it this year. We will not need to do that next year, for example.

**Senator CROSSIN**—So how much does that save you?

**Ms Flanagan**—It was \$800,000 this year under the Partnerships Against Domestic Violence.

**Senator CROSSIN**—Not under 'other women's programs'?

**Ms Flanagan**—No, that was a separate study where we drew data from the longitudinal study of women's health.

**Senator CROSSIN**—Instead of trawling through this verbally, are you able to give me a list such as we get from most other portfolios—particularly education, with which I am familiar—that outlines things exactly? There must be some ongoing programs, ones that will not stop on 30 June. Do you have a list somewhere of these six areas broken down into initiatives that will be ongoing no matter what, with the amounts next to them?

**Ms Flanagan**—We can tell you what we currently have allocated and what we expect to spend next year, with the caveat that the minister might want to change those priorities.

**Senator CROSSIN**—Let us start there. Do you have a list of those?

**Ms Flanagan**—We can take it on notice to get that to you.

**Senator CROSSIN**—How quickly can you get it to me? I would have thought you would bring that with you today. This is now the third year that we have asked questions about the specifics of the budget, and each year we have had to draw this information out of you. I thought you might have brought it with you today.

**Ms Flanagan**—I reiterate that we have not yet set priorities for next year. We can give you what we have spent this year and what we have spent it on. That is possible to do. We can give you a list of those things that, in effect, we are committed to under contract for next year. There is an amount of money that will be freed up because we will not spend it next year, and

we have just talked about the longitudinal study on women's health, and/or money that has not been committed. Until we discuss with the minister how she wants to spend that money, we cannot give you a full list of how the money will be spent in 2004-05, simply because we have not yet decided.

**Senator CROSSIN**—So you can certainly give me a list of what is under contract and what must continue?

**Ms Flanagan**—Yes.

**Senator CROSSIN**—How quickly can we get that list?

**Ms Flanagan**—We can get somebody to try to draw it up now, but I do not know how long it will take.

**Senator CROSSIN**—You have certainly got an amount of money that will be freed up. Is that correct?

**Ms Flanagan**—We can make predictions about this but, as I say, we have not yet discussed it with the minister. For example, there are things that are not contracted and for which we might have made an initial allocation, but the minister might decide she wants to use that money in a different way.

**Senator CROSSIN**—I understand that. Let us just get this clear: we are talking about three buckets of money. We are talking about a bucket of money that is under contract, that is not negotiable, that you must spend.

**Ms Flanagan**—Yes.

**Senator CROSSIN**—You surely can get me a list of those programs and initiatives and the amounts.

**Ms Flanagan**—Yes, we can.

**Senator CROSSIN**—We are talking now about a bucket of money that will be freed up, such as the women's longitudinal health survey. I am not asking you to tell me what it might possibly be spent on, but surely you can say to me, 'There's X thousands of dollars which we will now be able to allocate somewhere else because it's freed up.' Surely you can give me that column of money. There must be another line item of moneys not yet committed. You probably have in your mind how you want to commit the money. You are telling me that the minister has to sign off on it and I understand that. What I want from you is the amount of money that you have to allocate against programs. So those are three columns of money that I think you can provide to me.

**Ms Flanagan**—In effect there are two columns: the money that is already contracted and locked in and the money that is not. We can get that for you, although I do not know how quickly.

**Senator CROSSIN**—Perhaps you might want to find that out while we go on to the next lot of questions. You say that you have a list of new initiatives for OSW and that you have yet to get the minister to approve them. Is that correct?

**Ms Flanagan**—We are drawing up a list at the moment.

**Senator CROSSIN**—Can you clearly explain to me why you are one of the very few departments that have to wait for their budget allocation to do that? Why can't you anticipate or consult with the minister prior to the budget?

**Ms Scott**—I think there is potential misunderstanding here. Money is allocated to those program areas, and within those programs there are funds available for individual initiatives and that is not terribly different from some other areas of government administration.

**Senator CROSSIN**—Such as? Give me an example then, Ms Scott.

**Ms Scott**—For example, in the area of tourism there is a grants program where there is money allocated each year to that program but at the start of the year the money is not allocated to individual grant recipients because you have to wait for applications.

**Senator CROSSIN**—But you have got an idea what you are going to spend the grants money on, don't you?

**Ms Scott**—That is the same here; we have got money allocated to individual programs, but you are going beyond the program to individual initiatives and subelements and so on. Of course not all of that money is fixed down, because you would expect there would be some discretion where ministers can reprioritise funding. You are going to the subelements. The money for the individual programs is set out in the budget.

**Senator CROSSIN**—I guess what I want to know is: why does that occur between 24 May and early July rather than being allocated before May?

**Ms Scott**—It is not unusual, Senator. For example, when you look at some of the larger portfolios there are probably so many programs that you do not necessarily delve into the detail of subelements and initiatives, but that is effectively where you are getting to when you are looking at individual initiatives here.

**Ms Flanagan**—The other thing is that, until the budget is brought down, we do not really know what our budget is. Either we could have had our money cut or we could have had an increase. That is why we wait until after the budget has been brought down before we consult with the minister on next year's expenditure.

**Senator CROSSIN**—So you are telling me that you do not know the final allocation to OSW until the day the budget is handed down; is that correct?

**Ms Flanagan**—No, I am not saying that. I am saying that on budget night it is very clear to everybody what our budget is and that seems to me to be an appropriate time to start consulting with the minister about what her spending priorities will be for the following year.

**Senator CROSSIN**—I want to go to the forward estimates 2005-06 which is, according to the budget papers, only \$3.364 million. Is that because those programs are due to stop in June of 2005?

**Ms Flanagan**—Yes; if you go to page 64—

**Senator CROSSIN**—Yes. So if you are expecting any of those programs—the PADV and the National Leadership Initiative and the Informed Choices for Women—to continue from July next year, then we would expect to see a budget allocation next year. Is that correct?

**Ms Flanagan**—That is correct, and that is another discussion we will need to have with government.

**Senator CROSSIN**—So at this stage those programs are all due to stop?

**Ms Flanagan**—That is correct.

**Senator CROSSIN**—The additional \$3 million incurred by OSW—I think we might have covered this—in 2003-04 was not anticipated in the budget estimate; is that correct? That is the difference between the \$21 million and the \$25 million?

**Ms Flanagan**—No, we have extra money. The \$5.1 million has been appropriated to us in the budget, so we have a new appropriation of \$25.01 million.

**Senator CROSSIN**—Can you clarify something for me. I understand that yesterday Senators Faulkner and Ray talked about the \$1.1 million in cancellation fees for the rephasing of the campaign. You had actually spent nearly \$2.7 million though prior to it being cancelled. Is that correct?

**Ms Flanagan**—The campaign has not been cancelled; it has been refined.

**Senator CROSSIN**—We are talking about cancellation fees, so some elements must have been cancelled.

**Ms Flanagan**—Yes, some elements have been cancelled, but the campaign itself has not in any way, shape or form been cancelled. It is going to proceed.

**Senator CROSSIN**—But you had already spent \$2.7 million to date. Is that correct?

**Ms Flanagan**—Yes, as of February.

**Senator CROSSIN**—And then, on top of that, there was the \$1.1 million in cancellation fees.

**Ms Flanagan**—Yes, that is correct.

**Senator CROSSIN**—What is the total allocation so far for the violence against women campaign? My understanding is that you will have spent about \$3.846 million. Is that right?

**Ms Scott**—The total allocation for the campaign is \$20.4 million, as a result of the additional funding provided in the budget. So it went from \$13.7 million to only \$20.4 million. It is a larger budget for the campaign.

**Senator CROSSIN**—In this year's budget an extra \$7 million has been given specifically for this campaign. Is that correct?

**Ms Scott**—An additional \$5.1 million was allocated in 2003-04 and \$1.6 million in 2004-05.

**Senator CROSSIN**—So the \$5.1 million was on top of the \$13 million?

**Ms Scott**—That is correct. Both amounts are additional to what had previously been allocated.

**Senator CROSSIN**—If we take the total amount of \$20.4 million, \$3.846 million has been spent?

**Ms Scott**—No.

**Senator CROSSIN**—If I add up the two amounts in the answer you have given me—\$2.746 million is what has been expended to date. Does that \$2.7 million include the \$1.1 million cancellation fee?

**Ms Scott**—The figure of \$2.7 million, used yesterday, was from an answer to estimates hearings in February. That was the figure as at that date.

**Senator CROSSIN**—As at the February date?

**Ms Scott**—That is right.

**Senator CROSSIN**—So it is more now?

**Ms Scott**—That is right.

**Senator CROSSIN**—What is it now?

**Ms Flanagan**—As at 12 May the figure that we have spent is \$5.483 million. That includes the \$2.7 million that was spent up to February, a media buy of \$1.6 million with Universal McCann and the cancellation fee of \$1.1 million.

**Senator CROSSIN**—So all up, you have spent?

**Ms Flanagan**—Until 12 May we had spent \$5.4 million. That has actually been paid out.

**Senator CROSSIN**—That is almost as much as the additional amount you were given last year, isn't it?

**Ms Scott**—No. The \$1.6 million media buy is available for when the campaign is launched. So although it has been expensed—

**Senator CROSSIN**—It is not wasted?

**Ms Scott**—No, it can be reused.

**Ms Flanagan**—The other money is not wasted either.

**Senator CROSSIN**—So \$5.4 million and we still have not seen any ads yet? That is a pretty good return for your money!

**Ms Scott**—The campaign is well developed.

**Senator CROSSIN**—This one is. This is round two, isn't it? Can you tell me the current number of staff employed at OSW. Are there any staffing changes or differences projected over the forward estimates?

**Ms Bourne**—The allocation is \$47.4 million for 2003-04.

**Senator CROSSIN**—Is that for full-time or full-time equivalent?

**Ms Bourne**—Full-time equivalent. We currently have 32 ongoing positions—of which seven are part time—and nine non-ongoing positions—of which two are part time—which totals 41, so we are running a little under at the moment.

**Senator CROSSIN**—Do you have a budget for the equivalent of about 50 staff?

**Ms Bourne**—For 47.4.

**Senator CROSSIN**—You have a budget for 47 staff?

**Ms Bourne**—Yes.

**Senator CROSSIN**—What is the actual name for 2006 violence survey? The safety survey, is it?

**Ms Flanagan**—It is called a personal safety survey.

**Senator CROSSIN**—And the cost that is anticipated?

**Ms Flanagan**—\$3.4 million over three years.

**Senator CROSSIN**—How is the survey going to be conducted? It is to be done by the ABS.

**Ms Flanagan**—It is going to be conducted by the Australian Bureau of Statistics. We are paying for the sample for women and the ABS is looking at including a sample for men on how they are affected by violence. We are hoping that some elements of the 1996 survey will remain in the 2005 survey so that we can do some sort of comparative analysis.

**Senator CROSSIN**—What is the aim of the survey?

**Ms Flanagan**—The aim of the survey is to have a comprehensive look at what is happening in women's lives when it comes to violence—whether it is domestic violence, whether it is happening to young women, to middle aged women or to older women and whether it is geographic. It is based on a similar sort of analysis that was conducted in the 1996 survey.

**Senator CROSSIN**—What purpose would the ABS have in also contacting men in this? Is it something that OSW believe ought to happen?

**Ms Farrelly**—The ABS now have a policy of all of their surveys covering both men and women. It is for that reason that they will be funding the male component of the survey.

**Senator CROSSIN**—The ABS will be funding that?

**Ms Flanagan**—Yes, we are only funding the women's component of the survey. To clarify, the \$3.4 million is over four years, not three.

**Senator CROSSIN**—Okay. Is it part of, or separate to, the \$6.7 million announced for the campaign on the elimination of violence?

**Ms Flanagan**—It is completely separate.

**Senator CROSSIN**—It will be conducted by phone or by mail? How are ABS planning to do that?

**Ms Flanagan**—I am told face-to-face interviewing.

**Senator CROSSIN**—Right around the country?

**Ms Flanagan**—Yes.

**Senator CROSSIN**—How will they do that? Will they knock on doors?

**Ms Farrelly**—They use their normal sampling process, which is done around the country based on the population in each state and territory.

**Senator CROSSIN**—How many women in Indigenous communities will that include?

**Ms Flanagan**—It will be based on the proportion of Indigenous women in the population. We did look at including an Indigenous component but it was very expensive to get a big enough Indigenous sample in the survey to have meaningful statistics. So we have decided not to proceed with an Indigenous component of the survey simply because, firstly, there was an issue about conducting a survey on such a sensitive topic in Indigenous communities and, secondly, the cost was almost more than the amount of money that we have allocated to the survey.

**Senator CROSSIN**—How are you going to collect data about safety issues for Indigenous women if they are not included in this survey?

**Ms Scott**—I think they are included. They will be in the sample in the same proportion as Aboriginal women are in the community generally.

**Senator CROSSIN**—That is one per cent, though.

**Ms Flanagan**—It is two per cent.

**Senator CROSSIN**—But surely the rates of domestic violence in Indigenous communities are much higher than you would find anywhere else.

**Ms Scott**—Yes. But if you gave a greater weighting to the number of Aboriginal women, you would skew the survey results.

**Senator CROSSIN**—Has thought been given to conducting a separate or specific survey for Indigenous women?

**Ms Scott**—That is what Ms Flanagan just indicated to you. They specifically looked at a separate survey for Indigenous women, and the cost of that would have been greater than the cost of the women's safety survey generally.

**Senator CROSSIN**—It would have been more than \$3.4 million?

**Ms Flanagan**—Some of the quotes we were given were more than \$3.4 million. They are very difficult surveys to conduct. We explored a range of options with the ABS including nesting some questions behind other surveys that they were doing on health, for example. But it was not possible. A lot of work is done on violence in Indigenous communities, so just because it is not part of this survey does not mean we are not committed to getting that sort of information. A range of qualitative and other work is being done.

**Senator CROSSIN**—Is it collecting comparable information to the 1996 survey?

**Ms Flanagan**—Yes, that is what we are trying to do.

**Senator CROSSIN**—Why wasn't there a survey in 2001, at the five-year mark?

**Ms Flanagan**—I do not know. I do not think any of us were around at that time. We finally have one that will be conducted 10 years after.

**Senator CROSSIN**—No-one has any corporate knowledge why there was not a survey five years after the original survey?

**Ms Flanagan**—I do not know that there was ever a commitment to conduct one five years after the original survey. The people at the table do not have corporate knowledge going back to 2001.

**Senator CROSSIN**—What sort of preparation is there for this survey? Are you looking at questions with the ABS and the sampling data? Are you involved in that process?

**Ms Farrelly**—A paper has been developed by the ABS. The ABS consulted across all the states seeking input into the survey questions. Those will be assessed by a reference committee that we are a member of.

**Senator CROSSIN**—I understand the new title of the national campaign is the Elimination of Violence Against Women—is that correct?

**Ms Scott**—That is correct.

**Senator CROSSIN**—Does this mean that the government might now ratify the optional protocol of CEDAW?

**Ms Flanagan**—No, it does not mean that.

**Senator CROSSIN**—Can you give me a reason why the government has still not ratified that optional protocol? I understand the original reason was that they were waiting to do an inquiry into their treaties process. That has now been completed. Has OSW been given a reason why the optional protocol still has not been signed, because my understanding is that original excuse is no longer there?

**Ms Bourne**—The optional protocol is about reporting and access to a separate jurisdiction at the UN, and to date Australia has not agreed to sign up to that.

**Senator CROSSIN**—I know that. The reason we were given was that the government was inquiring into their treaty processes. That has now occurred, and I am wondering whether you have an update on why the optional protocol has not been signed now. Does OSW take any ongoing interest in monitoring or inquiring into this?

**Ms Flanagan**—Yes, we certainly do. We can take that on notice and get back to you.

**Senator CROSSIN**—You cannot tell me the latest reason from the government for not signing the protocol?

**Ms Flanagan**—We were not aware that the treaties process had been completed.

**Senator CROSSIN**—Why is that? Most of us in parliament seem to know that. What is currently being done to progress Australia's full ratification of CEDAW without reservations—paid maternity leave and women in combat? What progress is being made towards overcoming those reservations?

**Ms Flanagan**—I think the Australian government has said in the past that, as you have pointed out, these are the only two remaining matters under CEDAW. The government's policy is that it will not put women into front-line combat duties and I do not think it is going to resile from that any time soon. In terms of paid maternity leave, you would be aware that in this budget the government announced a lump sum of \$3,000 on the birth of a child available to anybody. There are also a range of other—

**Senator CROSSIN**—Available to anybody, or available to the primary carer?

**Ms Flanagan**—Available to the person that has the child, as I understand it.

**Senator CROSSIN**—The primary carer, who might not necessarily be the mother.



**Ms Flanagan**—I will have to check that. The wording that we have here is that it is a universal maternity payment for each newborn child, so it does not go to—

**Senator CROSSIN**—My understanding—and you might want to take it on notice—is that it is to be paid to the primary carer, who may or may not be the mother.

**Ms Flanagan**—We will take that on notice. The documentation we have in front of us does not specify.

**Senator CROSSIN**—We might need to rerun it. Let us go back to the two reservations.

**Ms Flanagan**—In terms of paid maternity leave, the government has announced a lump sum payment of \$3,000 and we will define who that goes to.

**Senator CROSSIN**—It is not necessarily paid maternity leave, is it?

**Ms Flanagan**—It is not a scheme as defined or as some other countries run, but there is a range of other things that the Australian government does for families and to support people. Each country has different systems of social support.

**Senator CROSSIN**—Would it be your view that this payment of \$3,000 equates to satisfying the reservations in CEDAW when it comes to paid maternity leave? Would that be the view of OSW?

**Ms Flanagan**—I would not like to put a view from OSW on whether the government believes that that will satisfy the reservation. I would need to check that with government.

**Senator CROSSIN**—It is a payment; it is not based on an average weekly wage or the minimum weekly wage. It is not indexed or linked to the CPI. It can hardly be called paid maternity leave, can it?

**Ms Flanagan**—Again, each country has a range of different initiatives to assist women.

**Senator CROSSIN**—We are not talking about each country; we are talking about a specific budget initiative.

**Ms Flanagan**—Yes, and we would need to check whether the government would like to argue that the \$3,000 satisfied the reservation in terms of the CEDAW report. I have not checked that with them yet.

**Senator CROSSIN**—You were not consulted about that prior to this package being put together and announced?

**Ms Flanagan**—In terms of whether it would remove the reservation in the CEDAW report, no.

**Senator CROSSIN**—What about the women in combat?

**Ms Flanagan**—The government has a clear policy on women in combat.

**Senator CROSSIN**—Which is?

**Ms Flanagan**—Which is that expressed in the combined report that we made under CEDAW—that is, the government is not going to change its policy on having women in front-line combat.

**Senator CROSSIN**—One of the issues I want to raise with you is that I would like to know whether OSW were consulted about women in non-traditional trades and occupations. Were you consulted about that program being scrapped?

**Ms Flanagan**—Yes.

**Senator CROSSIN**—In what format was your consultation? Were you asked for your advice or about the impact of the decision on women?

**Ms Scott**—There were discussions within the different areas in the department and there was preparation of written advice.

**Senator CROSSIN**—How many women are in non-traditional trades in this country?

**Ms Scott**—We have that information but we do not have it with us today.

**Ms Flanagan**—We will need to take that question on notice.

**Senator CROSSIN**—Then I take it that you would not be able to tell me whether the number of women in non-traditional trades has increased or decreased over the last number of years?

**Ms Flanagan**—As I say, we can take that question on notice.

**Senator CROSSIN**—Is this information that you were asked for? Is it information that OSW monitors?

**Ms Scott**—In preparing the advice OSW looked at a range of issues related to that, and one of the sources of information was what was happening to trends at the time.

**Senator CROSSIN**—Can you remember what that was?

**Ms Scott**—No.

**Senator CROSSIN**—Ms Flanagan, are you able to remember?

**Ms Flanagan**—No, that is why we need to take it on notice. We certainly keep that sort of data but we do not have it with us today.

**Senator CROSSIN**—Is it the view of OSW that we have reached a point in this country where the number of women in non-traditional trades is such that we do not need to have a specific program anymore? Is it the view of OSW that we have enough engineers and women participating in occupations which they would not normally that we need to sit back and say, 'Let's scrap the program. We've accomplished what we need to do'?

**Ms Flanagan**—I do not know that OSW should offer a view about this. Government policy has been decided through the budget. We had input into that process and provided advice, and a decision was taken.

**Senator CROSSIN**—Did you support the program being scrapped?

**Ms Scott**—Senator, you know full well that we will not go into the content of our advice to the government.

**Senator CROSSIN**—Can you tell me why the program has been scrapped?

**Ms Scott**—From memory, the portfolio concerned is Employment and Workplace Relations and that question might best be directed to them.

**Senator CROSSIN**—But you work across portfolios.

**Ms Scott**—Correct.

**Senator CROSSIN**—So you must also know the reason that the program was scrapped.

**Ms Scott**—Budgets are all about priority setting.

**Senator CROSSIN**—So this is not a priority, then, as far as OSW is concerned. The government is not concerned about getting more women into the non-traditional trades area.

**Ms Scott**—My recollection of the issue is that it was about response rates, but I would have to check the information. I simply cannot recall it. In all the proposals that we see this is just one of a large number.

**Senator CROSSIN**—Have you ever conducted any research into this area? You have a look at the number of women on Commonwealth boards and the number of women in leadership roles, but have you ever done any research about the number of women in non-traditional areas?

**Ms Flanagan**—Again, we will need to take that on notice. I note that the Women's Data Warehouse has a lot of information that tracks these sorts of things, but whether we have actually commissioned research I would have to take on notice.

**Senator CROSSIN**—What do you think will be the outcomes of this budget proposal? What do you think the impact on women will be?

**Ms Scott**—That is asking us to give an opinion, and I do not think that is appropriate.

**Senator CROSSIN**—So OSW does not monitor what the impact of funding or not funding certain programs is. Last year you decided that you were going to fund the Longitudinal Study on Women's Health. You must have made a decision that not funding that was not a good thing so you committed funds to it.

**Ms Scott**—As I indicated earlier, my recollection of the discussion is that it included the consideration of response rates.

**Senator CROSSIN**—In terms of what?

**Ms Scott**—Explicit consideration of response rates to the initiative.

**Senator CROSSIN**—So it is not something that OSW would monitor or look at the impact of.

**Ms Flanagan**—There are a range of things that we research and monitor. As I say, we try to provide a facility—such as that through the data warehouse—where we look at what is happening to women generally in all facets of life. I imagine that this would be just one element of that.

**Senator CROSSIN**—Ms Flanagan, would you say that the government takes OSW seriously and takes your advice seriously?

**Ms Flanagan**—We certainly are asked for advice and we provide that advice to government. As you would appreciate, in a Public Service environment that advice is only one part of the process. They receive advice from others as well, and they weigh up the advice that they receive and make a decision.

**Senator CROSSIN**—You must have advised them that scrapping the program was okay.

**Ms Scott**—We are not going into the content of the advice we provided.

**Senator CROSSIN**—If you provided them with contrary advice, they obviously do not take you too seriously.

**Ms Scott**—It would be inappropriate to presume what advice we provided. We are not going into the content of the advice we provided on that issue.

**Senator CROSSIN**—It would be most unusual for OSW to advise that the women in non-traditional trades program ought to go. I would have thought that would be most unusual from OSW.

**Ms Scott**—Senator, you can presume what you wish, but I suggest that we are not going to go into the advice we provided. We did look at response rates, and that is a relevant issue.

**Senator CROSSIN**—One can only assume that your advice has been snubbed by government.

**Senator FIFIELD**—Chair, on a point of order: we covered this ground extensively yesterday.

**Senator CROSSIN**—I do not think we went into the non-traditional trades area yesterday. We might have gone into the campaign, but not this area.

**Senator FIFIELD**—On this particular point of order, Chair: advice to government is something that has not been disclosed to committees in times past, and I do not think it is about to be today.

**CHAIR**—Senator Fifield, let us just see how we go. I will be monitoring Senator Crossin.

**Senator CROSSIN**—It is good to see that we have two chairs here today. Picking up the thread of what I was saying, one can only assume that that was the outcome—publicly, that is the only assumption that people can possibly make. How many non-governmental organisations are currently involved in your secretariat? You have four secretariats. How many NGOs are covered by them?

**Ms Flanagan**—Fifty-three organisations.

**Senator CROSSIN**—Is that an increase from the last time we asked this question? I think it might be.

**Ms Bourne**—Yes. It is an increase of three.

**Senator CROSSIN**—Similarly, for other years can you provide me with a list of those organisations associated with the secretariat?

**Ms Flanagan**—Yes, we can take that on notice and provide it to you.

**Senator CROSSIN**—Are there any organisations that receive separate funding outside the four secretariats?

**Ms Flanagan**—There are organisations that, for example, through the women's development grants that are offered each year might get an amount of funding for a particular year to undertake a project or for capacity building. For example, under the women's

development grant program, Project Respect was given \$25,000 for capacity building this year.

**Senator CROSSIN**—Do you have a list of those?

**Ms Flanagan**—Yes, we do.

**Senator CROSSIN**—Can you tell me which NGOs were involved and what amount they would have got outside the secretariats?

**Ms Flanagan**—We certainly have the list of those that received the grants this year. We can give that to you. I think there were 13 organisations.

**Senator CROSSIN**—If you could give me those I would appreciate it. I understand that the minister announced in March a new round of women's funding grants. Is that correct?

**Ms Flanagan**—Yes.

**Senator CROSSIN**—Is that the usual timing of that announcement?

**Ms Bourne**—Yes.

**Senator CROSSIN**—It is usually done in March?

**Ms Bourne**—It is usually done in the lead-up to the beginning of the new financial year.

**Senator CROSSIN**—When were successful applicants informed of their funding last financial year?

**Ms Bourne**—I would have to take that on notice. I do not know off the top of my head.

**Senator CROSSIN**—When do you anticipate that applicants might be informed of their successful grant applications this year?

**Ms Bourne**—Applications closed last Friday. I understand that they are currently sorting the applicants to ensure that they meet the eligibility criteria. I understand that those eligible will be sent to the panel later this week, and then the panel has to consider it. Then it goes to the minister for approval.

**Senator CROSSIN**—Can you find out for me when people found out last year that they were successful and when you are anticipating that that might occur this year?

**Ms Bourne**—Yes.

**Senator CROSSIN**—Tell me about the \$15,000 given to the Women's Action Alliance.

**Ms Bourne**—The Women's Action Alliance wanted to fund a project to assist careers teachers in secondary schools to present to students a view of mothering as a career change and as one of a number of careers that a woman may have during her working life. They were provided with \$15,000 to undertake a pilot project and this was to ensure the project's relevance and validity, because they were originally seeking substantially more than that.

**Senator CROSSIN**—It was in fact \$40,000, wasn't it?

**Ms Bourne**—Yes.

**Senator CROSSIN**—Is this an allocation of grant money outside the process that is announced in March? When did they apply for this money?

**Ms Bourne**—Yes. There are two elements. There is the overall grant process that we were just talking about, but other organisations throughout the year may approach the minister for funding. They after consideration may be granted some money.

**Senator CROSSIN**—What exactly is this money going to do? I understand it is going to developing a lesson plan on motherhood for inclusion in the careers curriculum. Is that right?

**Ms Bourne**—We have asked the Women's Action Alliance to prepare material and then to obtain from relevant state and territory education authorities in-principle agreement to the broad dissemination and distribution of the information.

**Senator CROSSIN**—Is this a unit of work or a lesson plan?

**Ms Bourne**—At this stage we have asked them to ensure that they have an appropriately qualified project officer and that they work to identify and confirm meetings with various stakeholders and to prepare a presentation, a pro-forma template and other materials that will illustrate what this project is about to stakeholders.

**Senator CROSSIN**—They are expected to do that with \$15,000?

**Ms Bourne**—Yes, as a pilot. They are to prepare that material and talk to stakeholders.

**Senator CROSSIN**—Why did OSW not direct these people to go and talk to each state and territory government and get curriculum officers who are already in place to develop this if it was such a great idea?

**Ms Bourne**—They approached us to prepare this project and the minister agreed that this was a reasonable way to go. I am sure curriculum officers in various state and territory governments would say that in their crowded curriculum it is perhaps difficult to prepare more. This group said they would do that, and we have asked them to go away and test the concept before we would consider more substantial funding.

**Senator CROSSIN**—Is there a lesson plan for fathers being developed?

**Ms Bourne**—I am not aware of that.

**Senator CROSSIN**—Why would you provide money just for motherhood?

**Ms Bourne**—Organisations approach us with proposals.

**Senator CROSSIN**—You do not necessarily have to fund them, though, if they do not make sense.

**Ms Bourne**—This is a project that we think requires some exploration.

**Senator CROSSIN**—Was it funded because it was brought to you by the Women's Action Alliance, despite its aims and objectives or content?

**Ms Flanagan**—There are selection criteria that we use for all of these grants.

**Senator CROSSIN**—What are the selection criteria for this?

**Ms Flanagan**—We can give you those selection criteria. They are publicly available. They are published, I think, on our web site so that people are aware of them. Then we set up a panel to actually—

**Senator CROSSIN**—What aspects of the selection criteria did this particular grant meet?

**Ms Bourne**—It is about capacity building activities.

**Senator CROSSIN**—For whom?

**Ms Bourne**—For the community as well as the Women's Action Alliance.

**Senator CROSSIN**—So by the Women's Action Alliance developing a lesson plan that organisation builds in capacity, does it?

**Ms Bourne**—We have not asked them to prepare a lesson plan.

**Senator CROSSIN**—Their newsletter says they are 'developing a lesson plan on motherhood for inclusion in the Careers Curriculum'. Perhaps they are not doing what you think they are doing.

**Ms Bourne**—We have a contract with them and we will monitor that contract. The things that I read out were the outcomes that they have achieved and reported to us.

**Senator CROSSIN**—I am failing to see how this \$15,000 builds the capacity of that organisation.

**Ms Flanagan**—It does not necessarily need to build the capacity of the organisation. I will read out what I believe to be the selection criteria:

Policy projects must contribute to public policy or service development and capacity building activities must demonstrate outcomes that will strengthen the organisation and make it operate more effectively.

That is in that term. It continues:

All proposals must be relevant to current women's issues and address at least one of OSW's policy goals—eg economic self-sufficiency and security; optimal status; elimination of violence; maintenance of optimal health and well-being.

So the idea is not just capacity building for the organisation but that they also contribute to furthering the goals of women.

**Senator CROSSIN**—And it is the view of OSW that lessons on motherhood will do that?

**Ms Flanagan**—For some sectors of women, yes, that is a very important thing to do. There are a range of organisations that apply for this, as you might imagine. There is a selection panel set up with outside experts and they assess them against the selection criteria.

**Ms Bourne**—I can clarify that. The panel is for the projects but these particular grants are done on an individual application basis.

**Senator CROSSIN**—So it is a direct application to the minister. Is that correct?

**Ms Bourne**—Some of the applications come to OSW; some go to the minister.

**Senator CROSSIN**—Did this go directly to the minister?

**Ms Bourne**—I do not recall. I could find out for you.

**Senator CROSSIN**—If they go directly to the minister, what is the criteria for approval?

**Ms Flanagan**—The Women's Action Alliance grant of \$15,000 is in the women's development program. As I described, there is a panel that selects these and makes recommendations to the minister.

**Senator CROSSIN**—So when would the panel have got that grant? Was it part of the normal grants process or was it outside that?

**Ms Flanagan**—This one was part of the normal grants process.

**Senator CROSSIN**—Was that last year's grants process?

**Ms Flanagan**—Yes.

**Senator CROSSIN**—Who sits on that panel?

**Ms Bourne**—It was the Department of the Prime Minister and Cabinet; the Department of Communications, Information Technology and the Arts; the Department of Transport and Regional Services; and the Department of Family and Community Services. A representative from Minister Vanstone's office also participated last year.

**Senator CROSSIN**—So the panel consists of five government officers. Is that correct? Five government officers sit on the panel.

**Ms Bourne**—Four, and somebody from the minister's office last year.

**Senator CROSSIN**—Technically, we are not talking about outside external or independent expert advice, are we?

**Ms Bourne**—No.

**Senator CROSSIN**—We are talking about an in-house government panel, basically.

**Ms Scott**—We are talking about a number of people outside the Office of the Status of Women. When I look at the description of the project—distribution of information to secondary school careers advisers regarding mothering, the most challenging career of all, and other family matters—it seems reasonably consistent with the criteria.

**Senator CROSSIN**—That might be your personal view. Did someone from DEST sit on the panel?

**Ms Scott**—It is obviously the view of the panel—

**Senator CROSSIN**—Did someone from DEST sit on the panel?

**Ms Bourne**—No.

**Senator CROSSIN**—So no-one with an education background was involved in a grant submission that was looking at units or lesson plans in curriculum for careers advisers.

**Ms Bourne**—All the grants are considered at the same time.

**Ms Scott**—You cannot have every portfolio represented on the panel.

**Senator CROSSIN**—You would not think to co-opt them?

**Ms Scott**—I do not think it requires particular expertise to think that an awful lot of women in Australia turn out to be mothers and that mothering is a particularly important challenge in their life, and that providing material in that area would be desirable. We could call in an expert from DEST, but I am not too sure that we would have needed that expertise.

**Senator CROSSIN**—But we did have curriculum and lesson plans along those lines, like 30 years ago. There is a very good reason why it is not in the curriculum these days.



**Ms Scott**—I am not aware of what that reason would be. Can you enlighten me?

**Senator CROSSIN**—I would have thought that these days you might want to talk about balancing work and family or enhancing career as well as having a family, rather than mother and baby classes. It is a bit like going back to the 1940s, isn't it?

**Ms Scott**—I think the aspect of this is that, in a careers program, material relating to mothering is still relevant.

**Senator CROSSIN**—That is why I am saying I would have thought it would have been much broader and included fathers as well, given that this is the 21st century.

**Ms Scott**—I may be wrong, but I still think most adult women have to mix family responsibilities with work.

**Senator CROSSIN**—But that is not what this lesson plan is about, is it? It is about motherhood. It is not about work and family.

**Ms Scott**—Therefore it is relevant to most women then.

**Senator CROSSIN**—And men as well, I would have thought, and partners, and families. That is the catchcry of the government, isn't it?

**Ms Scott**—I have not seen the material they have developed but obviously it is relevant to the great bulk of Australian women.

**Senator CROSSIN**—I still fail to see why your criteria suggest that you believe this program ought to be funded.

**Ms Scott**—We have set out the process that it went through. It went through a panel process. The advice is that it met the criteria.

**Senator CROSSIN**—Without any DEST official being on it.

**Ms Scott**—We did not have an official who was a history expert or a nursing expert. We cannot cover every field. It is not realistic to imagine that we can do that. We have to compare—

**Senator CROSSIN**—But the allocation of money is purely on a political basis then, isn't it? Women's Action Alliance were given the money purely on a political basis.

**Ms Scott**—I think we have indicated a number of times in the answer that it met the criteria.

**Senator CROSSIN**—In my remaining time I want to go back to the rephased campaign and ask a number of questions about that. Can you reiterate for me what was the rationale for moving from a prevention campaign to a crisis campaign? Why has it now totally changed its focus and been rephased totally?

**Ms Scott**—The Prime Minister is on the public record as indicating that he did not consider it satisfactory that the call to action in the old campaign was to visit a web site—that for women in need looking for support who have been, say, the victims of rape or sexual assault, that call to action was inadequate and unsatisfactory and a more appropriate call to action was required. That is why the government has determined to establish a specialist hotline to be run by Lifeline which will provide on-line counselling and referral service.

**Senator CROSSIN**—So the Prime Minister directly interfered in this campaign and rephased it?

**Ms Scott**—The Prime Minister is on record in the House, indicating that he was personally dissatisfied that the call to action was not strong enough. The decision was taken by government.

**Senator CROSSIN**—Did you consult existing sexual assault services or domestic violence services in the rephasing of this campaign?

**Ms Scott**—We did have discussions with the sector in relation to the preparation of the original campaign and more recently in relation to some new material.

**Senator CROSSIN**—Who did you consult with recently then, or who did you discuss this with recently?

**Ms Flanagan**—I have recently contacted both Vanessa Swan, who is the head of the sexual assault service peak body, and Maria Hagias, who is the head of the domestic violence peak body.

**Senator CROSSIN**—What is the title of those organisations?

**Ms Flanagan**—The domestic violence peak is called WESNET and the sexual assault peak is called NASASV.

**Senator CROSSIN**—You consulted with WESNET about the rephased campaign—what it was going to consist of and what its focus was now. Is that correct?

**Ms Flanagan**—No. What we did was to advise them of the changes that have been made.

**Senator CROSSIN**—You did not consult them; you told them?

**Ms Flanagan**—We had discussions with them to let them know how the campaign was being changed.

**Ms Scott**—There have also been discussions with some service providers regarding referral arrangements.

**Senator CROSSIN**—Along the lines of what exactly?

**Ms Scott**—The central plank of the revised campaign is a helpline. The helpline will provide telephone counselling to people seeking help. We will also have a booklet, and in the booklet we propose to list a range of services that are available.

**Senator CROSSIN**—You spoke to the services before you included them in the booklet? Is that right? Have you got their approval, told them they are going to be there and what has happened?

**Ms Scott**—That is the process that has commenced.

**Senator CROSSIN**—It is not finished yet?

**Ms Scott**—No.

**Senator CROSSIN**—Have you any indication of the aspects of the ad that men were specifically uncomfortable with? Did you get any feedback about that?

**Ms Scott**—We have had research throughout the development of the campaign, but it is not our practice to release research of a campaign.

**Senator CROSSIN**—You release a whole lot of other research. You mean it is not your practice to release research that might enlighten us as to why it has been scrapped?

**Ms Scott**—No, it does not. The research was not the issue at hand. The question was the call to action.

**Senator CROSSIN**—The re-question was the call to action. Technically, you could run two campaigns, couldn't you? You could run a campaign about changing the attitudes of men and you could run another campaign targeted at the victims. Is that right?

**Ms Scott**—The general approach we are adopting is to have a community awareness campaign directed at the community, particularly younger people. We expect it to be—

**Senator CROSSIN**—Particularly men who suffer with ADD, I now understand. There is still a need to have a campaign targeted at attitudes, isn't there?

**Ms Scott**—The campaign is principally directed at raising community awareness and providing support to women in need. I am confident that it will achieve the purpose of highlighting the seriousness of the issue and of the need for people to take action and it will provide a mechanism for them to find support, help and assistance. We would also hope that it would demonstrate the need for some people to change their attitudes. It will strongly send the message about the unacceptability of violence against women.

**Senator CROSSIN**—What training in sexual assault do the Lifeline counsellors receive?

**Ms Scott**—Ms Flanagan might help me here but Lifeline counsellors currently undergo 19 weeks of part-time training. All counsellors on the phones will be experienced.

**Senator CROSSIN**—Experienced in what way?

**Ms Scott**—Experienced in that they have already done counselling on the telephone and they would have had training provided by Lifeline. They will also be given specific training related to the campaign.

**Senator CROSSIN**—They will have done specific sexual assault counselling?

**Ms Flanagan**—Lifeline told us that they believe that domestic violence issues have been covered in the course that they provide counsellors at the moment, but there will be a need to provide some additional training on sexual assault.

**Ms Scott**—They already receive calls on their existing hotline related to sexual assault and domestic violence. They consider this more a concentration of their work through the dedicated hotline that will be established.

**Senator CROSSIN**—How long will the phone line be operational?

**Ms Scott**—The phone line will operate for 12 months.

**Senator CROSSIN**—What will happen after that?

**Ms Scott**—At this stage the contractual arrangement is for 12 months. I imagine that could be reviewed, depending upon the response to the helpline.

**Senator CROSSIN**—What is the cost and the tender of the new hotline?

**Ms Scott**—We did answer a number of questions related to this yesterday. I am happy to go through them again, but they were extensively covered yesterday. There are set-up costs and direct billing arrangements, depending upon the number of calls received. That is probably the easiest way to explain it.

**Senator CROSSIN**—Can you tell me why you have not used or why you have bypassed operational sexual assault hotlines?

**Ms Scott**—Yes. We answered a series of questions on this yesterday. Again, I am happy to summarise responses we provided by saying there is no national, 24-hour, seven-days-a-week service that could take the range of calls that we anticipate will arise from the helpline. Some people will seek assistance with sexual assault and some with domestic violence. Some will seek assistance in relationship counselling, some will seek assistance in relation to friends, family, colleagues at work and so on. There simply is not one national hotline at present that can service all those needs in the time frame that we want, which is 24 hours, seven days a week.

**Senator CROSSIN**—If a person does not have access to a telephone line, what happens? You are going to tell me that you believe everybody has access to a telephone line, aren't you? I can think of a number of Indigenous communities across the Top End that do not have functioning telephones.

**Ms Scott**—There is already extensive government funding each year to a range of non-government organisations and also, through direct funding, to government organisations that provide assistance with respect to domestic violence and sexual assault. This campaign will supplement those existing services. There is considerable Commonwealth expenditure already in this area, so I guess we need to take into account that this is an additional service and not the only service available.

**Senator CROSSIN**—Will the advertisements direct people to a place where they can get assistance or will it only be to a telephone number?

**Ms Scott**—It will direct people to a hotline.

**Senator CROSSIN**—What if there is no chance of someone getting to that hotline? If you are being bashed by your husband, are you supposed to pick up the phone with one hand while you are being punched? How is that supposed to work?

**Ms Scott**—Ideally, I guess, if a person is actually being attacked at the time and they had a means to communicate, we would want them to contact the police. I am trying to think of a set of circumstances where this person cannot contact someone who can then contact the police. We are talking about an extreme circumstance.

**Senator CROSSIN**—Why are people directed to ring the police, then, in this instance?

**Ms Scott**—I think, if you refer to the Prime Minister's answers in the House where he has referred to what he considers to be appropriate responses to people who have been subject to a crime, in certain circumstances people clearly should be contacting the police. But we are also conscious from statistics that a lot of women do not report cases of sexual assault and domestic violence. They need to talk it through with someone before they feel confident

enough to then take the next step. Lifeline counsellors have got exactly the sort of experience we want: an open style that allows people to talk through the issues and seek resolution by taking action.

**Senator CROSSIN**—I have two more questions, and I will put the rest on notice. Can you tell me whether you are going to run the ads at all times through the day on all channels? Will they be on television, in papers and on radio?

**Ms Scott**—We have not got to that stage of determining the media by—

**Senator CROSSIN**—And it is clearly now a campaign that is being run and controlled by the Prime Minister and Cabinet and not OSW. Is that correct?

**Ms Scott**—No, it is definitely an OSW campaign.

**Senator CROSSIN**—I got the impression, seeing you were answering most of the questions, that perhaps you had taken it over.

**Ms Scott**—I indicated last night in an answer to a question that the executive is taking a strong interest in this campaign—

**Senator CROSSIN**—No doubt they are.

**Ms Scott**—and one of my areas of responsibility is the Office of the Status of Women.

**Senator CROSSIN**—Just quickly, are booklets planned to be printed? What print material is being organised for this campaign?

**Ms Scott**—Yes. The additional funding provided in the budget will in large part go towards a booklet.

**Senator CROSSIN**—How many copies will there be?

**Ms Scott**—Again, we answered this question yesterday. I indicated that we are planning on the basis of 10 million booklets being produced because we require final clearance on that.

**Senator CROSSIN**—Distributed how and where?

**Ms Scott**—Again, Senator, those questions were answered yesterday but, to summarise, if we get clearance on our intended approach, we would be expecting that we would have distribution around Australia and through some secondary sources, like Medicare offices, health centres, crisis accommodation places—

**Senator CROSSIN**—I reckon if they are in a crisis accommodation place they have already probably reached the assistance they need. I thought that might be a bit late.

**Ms Scott**—They may be seeking assistance beyond their emergency situation right then and there—a way forward.

**Senator CROSSIN**—I will put the rest of my questions on notice.

**Proceedings suspended from 11.03 a.m. to 11.22 a.m.**

**Australian Public Service Commission**

**CHAIR**—We will now commence the committee's examination of the Australian Public Service Commission.

**Senator FORSHAW**—Can I start with questions regarding the financial data in the PBS, particularly in regard to the outputs and the revenue for the Public Service Commissioner. On page 108, it states that of the \$29.7 million \$16.5 million is contributed from Appropriation Bill (No. 1) and that the balance of \$13.22 million is from other sources, including the sale of goods and services and resources received free of charge from the Audit Office. I notice also that you are expecting an increase due to what you expect to be a growth in demand for learning and development programs. Can you give us more detail about your expectation for growth in demand in learning and development programs and also the sources of that revenue other than the appropriation bill?

**Mr Podger**—We have had growth in non-appropriation revenues for several years now, coming not only from our learning development programs but also from some of the work we do on a fee-for-service basis in assisting in selection committees and processes of that sort. Some of that growth has been quite substantial. We were predicting a continuation of that in 2003-04 but, in fact, in a couple of areas where we were expecting growth we did not get growth this year. So in the budget papers you will see that we are now seeing a small loss, expected in 2003-04, but we have reason to believe that the growth will come back.

We are doing some work on refreshing our programs in the leadership area and we believe that the refreshed programs, which will be introduced over the next six to 12 months, will be more in line with what agencies are looking for and that is the major part where we expect to see growth. We are getting reasonable growth in a number of our programs, particularly outside Canberra. We have had growth, particularly in the last period, in South Australia, Western Australia and Queensland. But there have been particular areas, essentially around our consultancy services here in Canberra, that have not grown as much this year as we had hoped.

**Senator FORSHAW**—It is in that area, you say, that the reason exists for the loss of \$1.3 million?

**Mr Podger**—It is primarily to do with the consultancy services—

**Senator FORSHAW**—That is what I was asking.

**Mr Podger**—within the learning and development area. That is the biggest single component of the \$1.3 million loss that we are predicting. It is a month on since we did these estimates, of course, and we are now hoping that it will be somewhat less than \$1.3 million, but the major contributor is the consultancy services program.

**Senator FORSHAW**—I could not help but notice that the increase you expect in the next financial year is almost exactly the same as the loss that you now say you expect for the current financial year. Is it an accounting mechanism or is it based upon a real assessment?

**Mr Podger**—It is based on an assessment of various components of it; it is not just simply a hope for a return. We have been putting an investment into the program areas. It is also true that we have not increased the prices of a number of our products for a couple of years. There is a risk of increasing prices having an effect on demand, but we are reasonably firm that the demand will stay up because of the refreshed programs that we are bringing in. But we did not increase prices when we probably should have a year ago.

**Senator FORSHAW**—While we are talking about training, learning and development, you will of course recall that the Senate Finance and Public Administration References Committee handed down its report on its inquiry into recruitment and training in September last year. You provided some worthwhile evidence to that inquiry. The government has not responded to the report yet. Was the Public Service Commission consulted and asked to have any input into the preparation of the government's response?

**Mr Podger**—Yes. Indeed, in association with the Department of the Prime Minister and Cabinet we have taken the job on of coordinating the responses from agencies. We have prepared a draft response for cabinet to consider, on the basis of having approached all portfolios. So the delay has been essentially around getting consultation with every portfolio against each of the recommendations of the draft response. That draft response has yet to go to cabinet, but we have had the role of pulling that together for the minister.

**Senator FORSHAW**—What is your expectation as to when it will be ready to go to cabinet?

**Mr Podger**—I am not too sure when it will go to cabinet, but a final draft of his submission will be with him within the next two to three weeks and then it would go to cabinet.

**Senator ROBERT RAY**—Can you remind us what the time frame set by the Senate is for such a response?

**Mr Podger**—I am aware of the time frame.

**Senator ROBERT RAY**—Three months, is it?

**Mr Podger**—Three months is the request.

**Senator FORSHAW**—Is it only the Public Service Commission that has been tasked with providing input into that response? As you recall, very few departments took the opportunity to appear or put a submission into that inquiry, but you now have had to consult with every one of those departments as to what their response is to recommendations from the committee in which they took very little, if any, interest in the first place.

**Mr Podger**—I cannot comment on the reasons or whatever for contributing to the inquiry. All I can advise is that we have consulted with every portfolio in the preparation of a draft response for the government to consider.

**Senator FORSHAW**—Maybe it was not your decision, but it seems a bit strange that each department was not automatically asked to respond. They could have still been channelled through you, but it seems a long process if the Public Service Commission has to go around and individually consult with each department given your limited staff and resources.

**Mr Podger**—The nature of the recommendations, which as you recall suggested some roles for the commission and slightly more centralised processes in aspects of recruitment and training, which would require additional resources if the government were to pursue it or for agencies to put more money into the commission's program activities which are currently on a fee-for-service basis. It is natural, therefore, that those agencies need to be asked for their views on those proposals.

**Senator FORSHAW**—I fail to see why it was necessary to drag the process out when they could have been asked directly to prepare and provide their responses. What about the other report that was handed down in November last year on ministerial advisers, again which you participated in? Were you asked to provide some input into that response? Particularly given that there were recommendations regarding a draft code of conduct for advisers and so on.

**Mr Podger**—The responsibility for coordinating the government's response and putting material to ministers to consider on that one lies with the Prime Minister's department. You will recall one of the points I raised in this is that the Public Service Commissioner is only responsible for code of conduct and values for Australian Public Service employees and not for MOP staff, and hence it would not be the role for the commission to put together material for the response. But certainly the commission did provide the Prime Minister's department with its views on the possible response for that. I think it was in January. I would have to check for an exact date, but I am pretty sure that our advice to the Prime Minister's department was given at about the end of January.

**Senator FORSHAW**—Could you confirm that?

**Mr Podger**—Yes, I can confirm that.

**Senator FORSHAW**—I appreciate the role that you played with regard to that, but the issue was whether or not you had been consulted and had input—and you have. The response from the government on that is still being awaited as well, of course, and it is beyond the three months. I now turn to some issues about staffing levels. The budgeted average staffing level for 2004-05 is 189. As I understand it you have had a 20 per cent increase in staff, including that projected figure for next year, in the past three years. You have also exceeded your staffing budget by 11 staff last year at a cost of over \$1 million. Is that correct? Firstly, can you confirm that? That is my reading of the budget papers.

**Mr Podger**—I will have to get my officer to check the second part of your question. Yes, we have had growth in our staffing. As I said before, we had had steady growth in our non-appropriation revenues with demand for our programs, not just the learning and development program but also the work we do in supporting agencies in staff selection and things of that sort. In the earlier years we used that growth to build up a substantial surplus in the commission. I took the view two years ago that our reserves were more than adequate for future requirements and that it would be wise for us to take advantage of the revenues to address in a more firm way some of the priorities that the commission needed to work on. So we quite consciously started to manage our budget for a balanced budget rather than for a surplus budget and to be a bit more directed as to what our estimates for non-appropriation revenues were going to be. That is, we had been conservative in our budget estimates of what the revenue was going to be, and I wanted us to manage on a basis of a better prediction of growth. So we quite consciously shifted our strategy to see whether we could actually deliver more services from the commission within the funds available.

As it turns out, this year we went a little too far and have found that the revenues have not quite matched where we expected, but we have quite consciously put resources into our areas of staffing on some priority areas. The main priority area we chose was our evaluation work—for example, the work we put into running an employee survey with our *State of the Service*



*Report*, having evaluation activities such as we had on the values project and having a number of other evaluations under way now in areas that are in the act but we have not actually paid a great deal of attention to.

**Senator FORSHAW**—So what you are saying is that you built up a surplus that gave you the scope to employ some extra staff to provide more services. It was not necessarily demand driven; it was more that you had the capacity to take on more people.

**Mr Podger**—There was a demand for more services on a fee-for-service basis, which led to us having more revenue. We then used that to ensure we were able to do a few of the priority things we had not been doing as well as I would have preferred in the past. So, if you like, it was a chicken and egg situation: we were reliant on demand on us to be able to resource some priority activity.

**Senator FORSHAW**—According to the PBS figures, in 2001-02 the average staffing level was 155, and in the current year about to conclude the figure is 186. It was budgeted to be 175, so there are an extra 11 this year that you did not necessarily budget for. You are now budgeting for 189.

**Mr Jones**—That is true. We have had that increase this year and it came about in two ways. Andrew mentioned that we have some reserve funds. We applied to the Minister for Finance and Administration to access some of those funds in 2003-04 and in 2004-05, and that was approved through the additional estimates process. That funding accounts for about six employees in 2003-04 and an extra five in 2004-05. So that explains a bit over half of the increase in staff. The remaining increases of four or five staff is just some natural growth within the year. That means that when we come to 2005-06 we will need to bring our staffing back down again to offset that additional funding that we have been accessing for those two financial years.

**Senator FORSHAW**—Can you tell me what the APS levels are for the additional staff who have been employed in the current year? You might take that question on notice.

**Mr Jones**—If you want a general answer, I can say that they will be APS5-6 and EL1. They will be a mix of those two levels. If you want particular numbers, I should come back with that answer.

**Senator FORSHAW**—Please do.

**Mr Podger**—There have been two projects that we have been putting that fund towards. One was our integrated leadership strategy, which is what I referred to in refreshing our leadership programs. We have put funds in an investment to build up a full refreshment of all our leadership activities. The second one was the Indigenous employment strategy. We put a project there because of concern that we have peaked Indigenous employment in the APS and it has stalled a little bit. I have some concerns from our analysis that it is possible that could fall. Therefore, we wanted to do an investigation and trials of things that might be able to be done to reverse that or manage that risk.

**Senator FORSHAW**—According to the *State of the Service* employee survey of 2002-03, approximately 11 per cent of the Public Service were covered by AWAs—around 13,400 individual or operative AWAs. Can you give me a more up to date figure?

**Mr Podger**—I do not have further data on that at this point but we will be gathering that information for the next *State of the Service Report*. We will have an update in the report that will be tabled in November. We get that information from the Department of Employment and Workplace Relations. They may have information ahead of when we will be publishing it.

**Senator FORSHAW**—We can probably pursue it with them as well. Has any review been conducted about the cost benefits of AWAs?

**Mr Podger**—I am not aware of a study of the costs and benefits per se. Obviously, in our *State of the Service Report* we make some comments about issues to do with agreement making but we have not done an evaluation of the costs and benefits of AWAs per se. I am not too sure whether that has been done in the employment portfolio.

**Senator FORSHAW**—Have you considered it?

**Mr Podger**—I have not considered it from the commission's end, no, but we have made comments on issues to do with ensuring that AWAs are part of remuneration policies of agencies that reflect the values, including the merit principle and things of that sort, which is where our analysis has been going to—to test whether there are any risks in that regard.

**Senator FORSHAW**—Do you have any role in overseeing the senior executive bonus process? I know that bonuses are determined by the minister and/or the Prime Minister.

**Mr Podger**—I have a role in the arrangements for secretaries and for executive agency heads.

**Senator FORSHAW**—Can you expand on what your role is?

**Mr Podger**—In the case of secretaries, the process involves the head of the Department of the Prime Minister and Cabinet and me providing a report to the Prime Minister, around which information he makes his final decision. The reports that we put forward follow discussions we have with each minister on the basis also of a self-appraisal that each secretary has made. Having discussed with their minister, we have a meeting with that minister and then we put a report through. I also provide material to secretaries on suggested criteria that they may wish to ensure their agreements with their ministers and their appraisal are based around.

**Senator FORSHAW**—Are they standard criteria?

**Mr Podger**—They are suggestions from me for standard criteria. Most secretaries follow them reasonably closely.

**Senator FORSHAW**—Are you able to provide us with a set of those?

**Mr Podger**—Certainly. We have six criteria. The sixth one was added last year. The first relates to the support provided by the secretary for the government in a whole-of-government fashion for high priority, whole-of-government issues. The second is providing strategic, high-quality, frank and timely advice to ministers. The third, which is the new one that was added last year, is implementing government decisions effectively. Those three can be seen as, if you like, relating to the responsiveness to the elected government. The other three are more to do with the management and leadership roles within the service. They are: firstly, managing the department in a way that ensures efficient, effective and ethical use of

Commonwealth resources and that maintains or enhances its future capacity, including in the area of succession planning; secondly, providing leadership to the department to set a vision and strategic focus, to motivate others, to articulate a clear direction and to cultivate productive working relations between the department and external stakeholders; and, thirdly—and this is the sixth one overall—maintaining a high standard of professional and personal integrity and implementing and promoting the APS values and code of conduct.

**Senator FORSHAW**—If an SES officer is not satisfied with the bonus, can they complain to you?

**Mr Podger**—The usual arrangement is that the head of the Prime Minister's department and I say that, if any of the secretaries wish to raise questions about the basis on which the decision was made, we will provide them with any feedback we may wish to provide them with, but generally we direct them to talk to their minister because their minister has had key input into the process.

**Senator FORSHAW**—When are the bonuses determined?

**Mr Podger**—The arrangement is now on a financial year basis, so the process starts after 30 June. Secretaries are asked to prepare their self-assessment and discuss it with their minister around about that time, and subsequently Dr Shergold and I will arrange for appointments to see each minister.

**Senator ROBERT RAY**—What happens if there is a change of minister? I know this has happened. I think Mr Reith recommended with respect to someone's position even though I do not think he was even a minister still. I think he may have left the parliament. Do you have anything in writing on that or are there any procedures laid out?

**Mr Podger**—There is nothing in writing on it, but in the particular case you refer to we did approach the former minister as well as the current minister. The former minister felt unwilling to provide a comment on that case because he was out of the picture and he preferred that it be handled without his direct input. Normally, if there were a change of minister and both ministers were involved for a significant part of the year we would as a matter of course approach the two ministers involved. If a minister was involved for less than three months we probably would not do that, but if it was more than three months we would.

**Senator FORSHAW**—What is the average level of bonuses?

**Mr Podger**—The arrangements are bonuses of either 15 per cent of total remuneration or 10 per cent of total remuneration—a sort of top rating and second-top rating. Those with a third rating would not get a bonus. Most, but not all, secretaries have been receiving bonuses.

**Senator ROBERT RAY**—Is that a percentage of salary or salary package?

**Mr Podger**—That is the total remuneration.

**Senator ROBERT RAY**—Do you compute things like a self-drive car into that package?

**Mr Podger**—I believe so. I would have to check the detail, but I believe so.

**Senator FORSHAW**—So there are effectively three levels—zero, 10 and 15 per cent.

**Mr Podger**—There are effectively three levels. Technically, there is a fourth level—which would lead to the person being seen as an underperformer—but in general there are three levels.

**Senator ROBERT RAY**—You do not take money off an underperformer, do you?

**Mr Podger**—No, but they might not have their contract continued or whatever.

**Senator FORSHAW**—But there is no discretion to, say, give seven per cent, 12 per cent or two per cent?

**Mr Podger**—Not in the current arrangement. The current arrangement, which is linked to the Remuneration Tribunal's rules, has those two levels of bonus.

**Senator FORSHAW**—It is a bit like a patent bonus, isn't it?

**Senator ROBERT RAY**—Imagine asking a minister to adjudicate between 13 per cent and 14 per cent. I think this is preferable, Senator Forshaw.

**Senator FORSHAW**—Yes, but my point is that it is 10, 15 or zero. There is a 15 per cent range there.

**Mr Podger**—There is a 15 per cent range. That is correct.

**Senator ROBERT RAY**—No, it is not. It is not a 15 per cent range. The percentage of the difference between naught and 15 per cent is a lot higher than 15.

**Senator FORSHAW**—I take your point. What is the total cost to government of such bonuses?

**Mr Podger**—I would have to pull out the numbers for last year as to the total cost. I do not have that at hand.

**Senator FORSHAW**—Can you do that for us?

**Mr Podger**—Certainly.

**Senator FORSHAW**—I understand, from the *State of the Service Report 2002-03*, that the number of senior executive service officers has increased from 1,543 in 1998 to 1,872 in 2003. Firstly, is that the most recent figure?

**Mr Podger**—That is the most recent figure that we have published. We can derive this figure from our database at any time, but as a general rule we publish on 30 June data.

**Senator FORSHAW**—It would be helpful if you could give us, on notice, the latest figure. Could you tell us where the approximately 300 additional SES officers have been employed?

**Mr Podger**—By agency?

**Senator FORSHAW**—Yes.

**Mr Podger**—We do in our statistical bulletin each year detail by agency the staffing they have, by classification and by year. So in our statistical bulletins that information is available.

**Senator FORSHAW**—So if I go to that I can work it out?

**Mr Podger**—Absolutely.

**Senator ROBERT RAY**—How often do you keep that updated for your own purposes? If we wanted to track growth in employment by department and then by level down and do a comparison, are you able to do that on a monthly basis or is it just annualised?

**Mr Podger**—We only publish on an annualised basis. Our data is available at any time to say what the figure is at the end of the month, but we do not publish that.

**Senator ROBERT RAY**—No, I do not expect you to.

**Mr Podger**—But it is certainly available and, indeed, we have just at the moment introduced a facility that will allow agencies to access that database at any time online. So there is not a problem in accessing it.

**Senator ROBERT RAY**—Would it be possible, for instance, for you to tell me what the fastest growing government department is at the moment?

**Mr Podger**—I assume that I could. We would have to investigate the database, but I assume that the database would be able to say which agency has grown the most over the last 12 months or whatever period you wished to name.

**Senator ROBERT RAY**—I would probably leave the period up to you. I just wanted to see how you would get the information.

**Mr Podger**—In the statistical bulletin and in the *State of the Service Report* we draw out any substantial trends. We will say which agencies have been growing the most. For example, we will say that the total growth in the year to 2002-03 was of the order of six per cent and we will say of that growth which agencies contributed the most and which ones had the biggest growth. That sort of trend material we will publish. But you can derive that in any amount of detail from our statistical base.

**Senator ROBERT RAY**—Can you also produce material by level? In other words, can you say whether the Public Service is getting a bit top-heavy or whether there remains an even distribution? Do you do analysis and publish that?

**Mr Podger**—We do analysis on that. The most significant structural change, not only in the last 10 years but over the last 30 years, has been the dropping off at the lower levels. It has not so much been an increase at the top levels as a dropping off at the lower levels. For example, the APS1 level is now just over one per cent, and APS1 and APS2 together are about five per cent. If I went back 30 years, those levels would be over 50 per cent. A series of structural changes with technology saw all the data entry officers, typists and those sorts of positions disappear, particularly through the multiskilling changes in the 1980s. That shift has continued over the whole period and is still continuing now.

**Senator ROBERT RAY**—Do you think it is solely due to those sorts of technological changes or has it simply reflected that those higher up the spectrum tend to identify those lower down the spectrum when savings need to be made?

**Mr Podger**—I think the major cause is technology. I do recall in times past, when I was in Finance, that the concern you have was one of the reasons why there used to be more central controls, for example, on SES numbers—a feeling that perhaps agencies were more likely to build those higher level jobs up and protect them rather than the others. That suggestion is probably overrated. Whenever there have been reductions in the service, say, in the late

1990s, from about 1995 through to 1998, you see reductions at all classification levels. The sharpest reductions have been at the APS1 and 2 levels but it has not been the budget so much as these other factors, in my view. There are other factors at work as well: outsourcing and privatisation have compounded the effect a little in more recent years. I would still suggest that technology has been the biggest driver over a long period.

**Senator ROBERT RAY**—Yes, and if you were able to in some way classify the growth of consultancies that would also be at the senior level and would make it even more lopsided.

**Mr Podger**—It would be very hard to get that sort of number. We have been exploring ways in which one might try to get that sort of data, but it is pretty difficult.

**Senator ROBERT RAY**—Yes, it would be.

**Senator FORSHAW**—The next *State of the Service Report* is due in November. Would you provide us with an up-to-date schedule of where those SES officers are located? As you said you could you take that off your database.

**Mr Podger**—Parallel with the *State of the Service Report* we will get out our annual statistical bulletin, which will have all that detail.

**Senator FORSHAW**—When is that going to be available to us?

**Mr Podger**—That normally comes out at the same time or within a week or two of the *State of the Service Report*. I think last year we got it out at the very beginning of December.

**Senator FORSHAW**—Could you give us something in the next week or so as to what the position is now? You said you had it available on the system.

**Mr Podger**—We will not have cleaned data until after 30 June. We do have some data on a month by month basis but we go through a process of cleaning it with departments, so it would have to be after 30 June.

**Senator ROBERT RAY**—That could still meet the 9 July deadline or thereabouts?

**Mr Podger**—I am not sure what the 9 July deadline is.

**Senator ROBERT RAY**—It is the deadline for questions taken on notice for this committee. In any event if you cannot—

**Mr Podger**—We can aim to do that. We will do our best to meet that.

**Senator ROBERT RAY**—That would be good.

**Senator FORSHAW**—The Australia and New Zealand School of Government is providing \$146,000 for a research component of that body. Can you tell us what research projects are currently being undertaken and when you expect them to be completed?

**Mr Podger**—The agreement we have with the Australia and New Zealand School of Government is that for a three-year period they will be provided with \$200,000 a year. It allows the ANU to have a professorial chair whose focus will be on public administration research. The agreement includes that we expect them to research areas of priority that we identify and to organise some events, like roundtable discussions, forums and so on, each year on issues that we feel are of national importance. At this stage we have not agreed on specifics but have opened a discussion on how we might go about mapping priorities for research

matters. When it comes to the research work, we expect that the ANU will use our money to build up a position to seek ARC grants, such as linkage grants, to build up a capacity and to use a network across Australian universities, particularly those universities that are participating in the school.

We had a seminar in February at which the Commonwealth and several of the jurisdictions presented the broad areas of priority they thought ought to be researched and various academics presented what research they are doing as the start of mapping what the priorities might be. That process has now gone on in discussions with the board and the board's research committee, but we have not agreed yet on specific research areas. I have within the Commonwealth a reference group of senior people from about half a dozen or eight agencies who are helping us in the process of identifying what we think the priorities might be. But we have not got to the point of saying, 'These are the specifics.' We have some suggestions and we are refining those at the moment.

**Senator FORSHAW**—We had a fair amount of discussion about this in the inquiry on recruitment and training as well. You pointed to the initiative, and I note in your PBS that you have identified this as one of the areas where you are hoping to do more work. When do you think you will have some firm proposals for research projects?

**Mr Podger**—I am expecting one of them will be around the work force issues for the Public Service—what are the trends in the work force, the capability requirements and the ways we could exploit our databases better than we have been able to do to date. One of the interesting things is that our database is actually a very rich database. You can do cohort analysis and all sorts of things with it. We have done a little bit on it but we feel we could do an awful lot more in collaboration with some academics. That is one area we would expect to be a nominated area for priority research.

**Senator FORSHAW**—When you say 'work force', you are talking about skills, ageing—

**Mr Podger**—Classification levels, skills, what are the mobility trends in and out of the service and across the service, what are the trends towards being a more graduate service, what sorts of skills seem to be coming out, and can we use that as predictors or not.

**Senator FORSHAW**—Sounds like some of our suggestions in the report have borne a bit of fruit. I take on board that these are issues you raised with us at that time.

**Mr Podger**—Yes.

**Senator FORSHAW**—The funding will cover those projects and they will be completed within the year? Is that the intention?

**Mr Podger**—The funding we have provided will cover some research but, to be honest, it is like seeding money which positions them to build up more substantial proposals for ARC money. In the long term we see ARC as the source of it and have to demonstrate there is quality research being done to get that. I would expect that there will be some research available before the end of the next calendar year, but it is a bit early to be firm on that. I think there is going to be a mixture of monographs done on the basis of existing information being pulled together in a different way and other things which will require a lot more work and which will take more time.

**Senator FORSHAW**—On page 125, output 2.1.1 shows an amount of \$1.953 million to promote effective leadership in the APS. Under output 2.1.2 there is an amount of \$13.614 million to provide service-wide leadership development and other learning development services. I note that there are some indications there of what is intended to be covered by each of those programs, but what is the real difference between the two?

**Mr Podger**—I will get something more specific, but the main difference is that 2.1.1 is the policy framework around leadership. Let me give an example. In the process, we have developed a leadership capability framework. That framework sets the criteria we use for SES appointments, but we also use it in our development activities and our assessment centres for development purposes and succession management. In the last 12 months we have invested heavily in extending that framework so we can distinguish between the capabilities we require at middle management and at more senior management—for example, what changes will a person moving from, say, an Executive Level 2 to an SES Band 1, need to focus on. That is an investment we have put into this, and we work with agencies in building that up. We use some consultants, but we also work very closely with our networks with agencies. It is that sort of investment that will primarily be what the 2.1.1 is about. Output 2.1.2 is more about the delivery of the programs—for example, we run career development assessment centres, SES orientation courses and various other development programs. So the program activity is primarily in 2.1.2, and the policy development work, including networks with our agencies, is in 2.1.1.

**Senator FORSHAW**—In output 3.2.2, \$0.593 million is budgeted for the promotion of APS values and the code of conduct. Can you give us a bit more detail about how that is done?

**Mr Podger**—I will give you a quick description. Perhaps Julie Smith, who is the group manager, may wish to say a bit more.

**Senator FORSHAW**—I am particularly interested in the work being undertaken by the departments in relation to the role that you undertake.

**Mr Podger**—Over the last 12 months the commission has put a lot of work into developing a guide to official conduct and, from an evaluation of six agencies, it has developed a good practice guide to embedding values. From that a framework was developed to help agencies ensure that they bridge the rhetoric-reality gap—that is, what they really need to do if we are serious about upholding the values; the sorts of things they need in their training, in their management areas and in their quality assurance work; handling breaches of the code of conduct and things like that. We prepared that material and that has led to a very substantial program of dissemination, particularly at senior and middle management levels across the service.

A lot of agencies have been running programs and asking the commission to come in and help with them. I would guess that the vast majority of larger agencies have had me or one of our senior people give presentations at courses for their senior executive and their middle managers, but they have supplemented that with other activities that they have done on their own to ensure that they do have their systems and procedures backing up the values. We



provide a lot of work, but they are doing an awful lot themselves. Julie Smith might want to add to that.

**Ms Smith**—In addition to the work that the commissioner talked about, we are continuing work in developing a tool kit for line managers and HR practitioners to assist agencies to integrate and embed the values right across the Public Service. We are also doing additional work in developing some guidelines around issues to do with whistleblowing, for example, and we are doing some work around disclosure of official information so that there is some good practice guidance on that as well. We are continuing to do work specifically with agencies on issues that they confront within their own business in relation to embedding the values.

**Senator FORSHAW**—What proportion of that money would be taken up with producing written material, the kits et cetera? Is it the bulk of the money?

**Ms Smith**—Yes, it would be the bulk. I do not have the exact figures. I can certainly do a breakdown, but it would be to do with salary and the production of the kits.

**Senator FORSHAW**—In terms of you then making an assessment on how successful they have been, that work is not part of this budget?

**Mr Podger**—No. That becomes part of our evaluation. In a sense it is an iterative process. We develop a good practice guide, which then becomes a form of benchmark for future evaluations for our *State of the Service Report*. So you can expect our *State of the Service Report* and our surveys of agencies and employees will draw on the sort of material we have put as benchmarks.

**Senator FORSHAW**—In output 3.2.3, \$0.857 million is budgeted for the Indigenous employment program. Could you give us an idea of how successful you have been?

**Mr Podger**—I think it is too early to talk about it being successful. We have been developing some strategies and trials, but we are not in a position to say how successful those trials are for rolling out. For example, in the ACT we have a traineeship program, which will begin in July for 12 people who will be made job ready by the Ngunnawal community and who will then be placed in agencies on traineeships. They will come in at the APS1 level and the traineeship is meant to help them develop to APS3 level, which is the base grade recruitment for a large number of agencies like Centrelink and so on. The intention is to see whether our shift towards base grade recruitment of APS3 has cut off a career path and whether it is possible to make up a useful career pathway that would otherwise not be available. Centrelink have already had some trials in this area and we are widening that. But we have to see how that goes and what sort of success rate it has in terms of retention of those people and of whether they fill jobs that the agencies find are useful and ongoing. Those sorts of things will take some time.

We have had number of other threads to this particular strategy—for example, we have set up Indigenous APS employee networks in most states and here in Canberra, which allow Indigenous employees across agencies to meet regularly and to provide mutual support. We use those for communicating current issues around the APS. For example, with the changes to ATSIIC and ATSIIS, we have been using those networks to disseminate some information. They are reasonably new; they seem to be going well. Associated with that, we have had some

training at the lower staff level, which seems to be going well. To make an assessment of whether all of that is going to reverse the trend that we are seeing at the moment will take some time to work through.

**Senator FORSHAW**—What is the time line?

**Mr Podger**—The strategy that we have funding for is for about 18 more months. By that time, I hope we have enough information to say that these things seem to have prospects of serious success, in which case we will be encouraging agencies to replicate and use them more widely. We will be coming up with a guide on what we think is good practice for recruitment, retention and development of Indigenous employees.

**Senator FORSHAW**—At the end of that 18 months?

**Mr Podger**—Some of that material we hope to have in the next six months, but we will be refining it over the period.

**Senator FORSHAW**—On merit protection reviews, of the review applications that are received, can you tell me how many decisions are overturned on review?

**Mr Lamond**—As a snapshot comment, very few decisions are overturned on review. It also turns on the nature of the review process that you are talking about. I do not have detailed numbers in front of me; I will provide you with that detail. But, for example, in terms of promotion review decisions that are overturned, I think we received somewhere in the order of 120 last year when there were 6,000 employment decisions made relating to promotions which were appellable. Of that, we overturned something like six or seven. The proportion of flawed decision making in terms of PRCs is quite low.

As another example, from some of the data that I have in code of conduct inquiries, where individuals are found by their organisation to have breached the code of conduct, as at 17 May this year we had received in the order of 40 applications for review. In the context of the Public Service Commissioner's *State of the Service Report*, for example, last year agencies indicated that they had undertaken more than 900 actions against individuals for code of conduct inquiries. So, statistically, for my office to receive 40, that is a very low hit rate in terms of people being dissatisfied with the outcome.

In terms of the 40-odd cases that we have looked at this year, we have only set aside three decisions where, on the balance of probabilities, either me or my delegates have considered the circumstances and we disagreed with the agency. The bulk of those cases, 17, have been upheld without change in any way, shape or form; 10 have been upheld with a small variation where we have made a recommendation about what element of the code of conduct the individual breached; and the numbers cascade down. But, of the 40, we have essentially set aside three out of what might be statistically 1,000 actions. Again, that is some demonstration that processes agencies put in place, while certainly not perfect, substantially turn up with the right decisions.

**Senator FORSHAW**—In the last *State of the Service Report* you made some similar comments about the low percentage, but that was as at the end of 2002-03. The report then goes on to say:

... responses to the employee survey suggest that over one-third of APS 1–6 employees either did not know, or were not sure of, their rights to seek assistance from the Merit Protection Commissioner in relation to promotion decisions. This indicates that there is some further need for agencies to ensure employees are made aware of the promotion review system and their rights in respect of this process.

Can you tell me what action has been taken to address that problem that you identified?

**Mr Lamond**—There are actions at two levels. The more substantial one is a further study which is being undertaken on behalf of the Public Service Commissioner on the code of conduct arrangements within organisations. That project is currently under way, as I understand it, and it is being conducted by the review and evaluation group. As I understand it, the intent there is to take that data, from a range of organisations so that we have a statistically valid snapshot of the APS, and develop more detailed information about what individuals do and do not understand and about the activities that agencies have put in place to promote the values within organisations—or where organisations are not taking a lot of action. From those series of case studies we can then promulgate some better practice across the service so that people generally are aware of the rights that are available to them under the statutes and the regulations.

From my own perspective I have tried to do a couple of things. We have developed within the Public Service Commission a database so that I have greater capability to track decision-making processes and the nature of the composition of the cases that are coming my way. On that basis, while not undertaking a campaign, it has been my intention to get out and more generally talk about the role of the Merit Protection Commissioner. I volunteer to speak at a range of functions where I apprise people of the fact that the office exists and that people have particular rights. I also point out where agencies seem to be less successful in undertaking review of activities, whether it be code of conduct or any other type of employment review. By promoting the office and promoting the fact that these things exist I hope in a small way to contribute to the broader proposal for research that Andrew is undertaking and to push a broader understanding of review arrangements.

**Mr Podger**—To clarify there, the evaluation we are doing is around the management of breaches of the code of conduct; it is not about other areas of review. It is around working with a number of agencies and so on to develop a good practice guide on the management of breaches of the code of conduct.

**Mr Lamond**—I can offer a personal comment. Many people do not understand that they have access to review rights until or unless they are put through some formal process in an organisation. If I were a good performing public servant I may never, for example, have to approach either the Public Service Commissioner—or indeed myself, the Merit Protection Commissioner—because I was dissatisfied with a set of decisions that were made. It also depends on the nature of the questions that were asked. A lot of people will understand that they have rights around promotion reviews, because that is the exercise they are most commonly involved in, but unless you are one of a much smaller percentage of people who go through a code of conduct action or are dissatisfied generally with some other employment decision you tend not to acquaint yourself with the other rights that you have. It may be just a promotional exercise or the fact that people do not need to access those rights.

**Senator FORSHAW**—But if the information that these rights exist is not somehow made easily available then they may not become aware of them either.

**Mr Lamond**—I cannot offer any comment as to the breadth of information that is available or activities that individual organisations are undertaking to promote that.

**Senator FORSHAW**—Isn't it a role for the Public Service Commissioner or the Merit Protection Commissioner, particularly if you have identified the problem in the *State of the Service Report*, to be a bit proactive and draw it to people's attention?

**Mr Lamond**—We could be. For example, in conjunction with the Australian Government Solicitor I have an embryonic training package, which is awaiting the completion of some legal advice, so that we can then offer agencies broad ranging training about what review of actions provisions are available and to acquaint people with the proper processes that are supposed to be applied. We also have a number of publications in the way of pamphlets that we have started to revisit, which are generally available to staff and generally available within organisations.

**Senator FORSHAW**—Another question, which may be more for Mr Podger, regarding the promotion and employment of women in the Public Service: do you coordinate your activities with the Equal Opportunity for Women in the Workplace Agency in regard to that policy objective?

**Mr Podger**—We do some work with them, but not a great deal.

**Senator FORSHAW**—Can you tell us what it is?

**Ms Smith**—The most recent work we have done is the promotion of International Women's Day. We undertook a function and we used the information available through the Office of the Status of Women, as well as the information that was available to the commission. We also assist in the preparation of publications. For example, there have been recent publications on bullying and harassment in the workplace. We assisted in the preparation of those on behalf of the Office of the Status of Women and they assist us in the work we are currently doing in the commission. Did I misunderstand the question?

**Senator FORSHAW**—I thought you answered it pretty well.

**Ms Smith**—I think I was talking about a different organisation.

**Mr Podger**—Ms Smith was mainly talking about the work we have done with the Office of the Status of Women. I think your question was about the Equal Opportunity for Women in the Workplace Agency in Sydney.

**Senator FORSHAW**—I thought that was what you answered first and then you went on to mention the Office of the Status of Women. Do you want to clarify the answer?

**Ms Smith**—I am not aware of any work we have done with the Sydney group.

**CHAIR**—Senator Hill has another engagement at 12.30 p.m. I do not think we can continue after 12.30 p.m.

**Senator ROBERT RAY**—The nature of our questions of the Public Service Commissioner could be answered in the absence of Senator Hill. I do not think we are going

to ask anything that would require his intervention and I am sure you will intervene, Chair, if we transgress.

**CHAIR**—That is fine. Thank you, Minister.

**Senator FORSHAW**—Back to the last question in relation to the Equal Opportunity for Women in the Workplace Agency and what coordination you have with them, if any, in promoting women in the Public Service.

**Mr Podger**—It seems we have not done anything direct.

**Senator FORSHAW**—I thought you said there was.

**Mr Podger**—I thought the advice was that we had; it would appear that I was incorrect, that we have not been doing any work directly with them.

**Senator FORSHAW**—But you have with the Office of the Status of Women. Thank you. I thought you covered both agencies.

**Senator ROBERT RAY**—Mr Podger, can I get you to put two hats on at once: Public Service Commissioner and Parliamentary Service Commissioner. I ask you about the latter, simply because I do not want to drag you before two estimates committees. You did a report into parliamentary amalgamations and all the necessary actions have been taken, although the final shake-out is not there. From evidence given yesterday, it transpires that the potential savings of \$5 million a year probably will not be realised for some time, if ever. Have you followed that in any subsequent way?

**Mr Podger**—No, I have not followed that up.

**Senator ROBERT RAY**—By no means being critical of your report or anything else, I would have thought that, not only as the Parliamentary Service Commissioner but as Public Service Commissioner, here is an ideal case study for you to see whether your approach on that occasion was right and which variables may have made it wrong so that you can learn a lesson if ever you have to do a similar exercise, not necessarily with parliamentary departments but elsewhere in the Public Service.

**Mr Podger**—It would be wise for me at the appropriate time to see how the arrangements have gone and how closely it has followed the expectations in my report. I would have no difficulty in having a look at that in due course. In my discussions with the heads of departments, however, I have made it clear that it would be inappropriate for me to be buying into the changes at an early stage. They need a chance to get on with the job. That was a discussion I have had with Hilary Penfold—that it would be something that she and the other departmental secretaries have to act upon. In due course it would be sensible to go back and revisit how things have gone.

**Senator ROBERT RAY**—I am absolutely in accord with you that you should not be interfering on a daily, weekly or monthly basis. It is just this one aspect of—when studies are done, recommendations made and a savings regime identified that quantifies potential savings that are not realised—what lessons we can learn. You would know from your previous experience in finance that potential savings down the track are always going to become rock solid savings. I threw some doubt on that at the time. I really think there are lessons to be learnt here, not massive lessons, that proposed savings do not always come about. Therefore,

if your budget is cut according to the potential savings that are not realised, you realise the consequences of that too. You are going to have a look at that at some stage, which makes me happy.

**Mr Podger**—I had not put my mind to this, but it is a sensible and reasonable thing to raise. I have an annual report as Parliamentary Service Commissioner, and it may be appropriate for me to look at that in the one for 2004-05; somehow I could try and see whether it would be sensible to look at. It is something I would need to discuss with the departmental secretaries.

**Senator ROBERT RAY**—It is not just for parliamentary services, what lessons we can learn for any future study that you or your successors are dragooned into. The second issue is this: I think I heard right in evidence yesterday that you were at the hosted lunch at the Quay Restaurant in Sydney. Was that you? Was it the Public Service Commissioner along with Dr Shergold?

**Mr Podger**—There was a dinner with the cabinet secretaries from the UK, Canada and New Zealand, yes.

**Senator ROBERT RAY**—I do not want to go to that, although I hope you had a good time at it for \$195 a head. I remember the old days with Tony Ayres as our boss; we would get a ham sandwich if we were lucky. You did not have to contribute to that dinner; it was funded out of PM&C, wasn't it?

**Mr Podger**—I believe that for that function I ended up paying 50 per cent of the cost.

**Senator ROBERT RAY**—Really? That is half of your budget. We will forget about that function now. What guidelines exist for how you would authorise hospitality? Do you have a set of guidelines or a set of limits in terms of amounts? Do you have various levels of hospitality? How do you approach it?

**Mr Podger**—We do not have formal guidelines. I have used some general rules of thumb, and that amount per head was above my general rules of thumb.

**Senator ROBERT RAY**—It was Sydney prices, wasn't it?

**Mr Podger**—It was Sydney prices, and I guess having international guests of that level was also a factor. I would probably do more for that group than I would for other guests of the commission, but I do not have formal rules. We have a number of other functions that we host. For example, we host functions for recipients of Public Service medals. I would have to check what amount we pay, but my guess is probably around \$100 per head would be the rate for that here in Canberra. But I have to check. We do not have a firm rule, but I guess my staff would know that we do not put on the Grange or whatever as a rule.

**Senator ROBERT RAY**—Would any proposed function actually be kicked upstairs for you to tick it off?

**Mr Podger**—If there was something special about it, they would. For example, we run a lot of events—breakfasts, lunches and so on—and there is a sense of the going rate. The going rate will be also what agencies are willing to pay for their staff to go to various functions. We have got a sense of that, but we do not have a hard and fast rule. But my staff will have a general view of how much a breakfast, a lunch or a dinner would be, and if it was going to be

something out of the ordinary I am sure they would come and ask for some more senior advice. On this particular one, as I recall, it was arranged from the Prime Minister's department—it was an exceptional event to have those senior people here—and the arrangement was that the commission would end up paying 50 per cent of the bill, but I did not know what the bill was going to be until afterwards. I do not begrudge that; I think it was an exceptional circumstance.

**Senator ROBERT RAY**—I do not think I do, overall, although you would not want to see it repeated too often—but there are exceptional circumstances.

**Senator FORSHAW**—Advertising of job vacancies: is it still the policy of the commission that practically all job vacancies in the service should be open to full competition from people outside the service?

**Mr Podger**—It is not so much a direct policy requirement; rather, we encourage agencies to make sure that their jobs are available for external applicants. I think a bit over 99 per cent of jobs are available, but agencies then choose whether they actively advertise for external applicants. They put them in the *Gazette* and people from outside are able to apply.

**Senator FORSHAW**—Has any cost-benefit analysis been undertaken?

**Mr Podger**—We have not done a cost-benefit analysis. I am aware that one or two critics from outside think this is an awfully expensive process. I am not aware of any evidence that a major expense is involved. The job gets advertised in the *Gazette* in a way that allows an external person to apply, if they choose to. An agency can decide to actively seek external applicants. I have not seen any evidence that those external ones—if they do get some external ones from the *Gazette*—are causing a great deal of cost in terms of their short-listing processes.

**Senator FORSHAW**—Do you have any idea of the average number of outside applicants for positions and also the proportion of positions that are filled by outside applicants as opposed to inside applicants?

**Mr Podger**—In the *State of the Service Report* last year we looked at a number of ongoing employment opportunities. Of those that were finalised, 51 per cent were filled by external applicants. We do a once-a-year survey based on a particular *Gazette*, and from that we look at the jobs that are advertised, the selection processes and what the outcomes were. In the *Gazette* of 20 February 2003 there were 536 ongoing employment opportunities that came through that *Gazette* and, of those, 51 per cent were filled by applicants external to the APS. That is a very high proportion, the highest we have had in our survey of six years. I suspect that it was high partly because we were going through a growth period. A significant number of agencies were employing at base grade levels through the *Gazette*; hence you would expect a higher proportion of external applicants who were coming through on that occasion. But we do an annual survey based on a particular *Gazette* each year, and we track what is happening in terms of getting a picture of what sorts of numbers are coming from outside and inside.

**Senator FORSHAW**—That is based on one issue of the *Gazette*? It is a snapshot?

**Mr Podger**—Yes. It is a snapshot picture, and there will be problems with which *Gazette* we chose and so on. But it is one part of our information. We also, through our employment

database, have information on external engagements versus promotions and things like that as well. The external engagements at lateral levels have been increasing in recent years—not dramatically, but they have gone up at nearly all classification levels.

**Senator FORSHAW**—In terms of the overall position—that is, the total number of vacancies that occur and the number that are advertised—you are not able to tell me what proportion are filled by outside applicants as against those in the service?

**Mr Podger**—I do not think I can answer that direct question. We can probably answer a related question in terms of the number of jobs that are filled on internal transfers and promotions versus lateral engagement. That information is presented in our engagements, promotions and transfers data. It is not exactly what you have asked, but it would be close to it.

**Senator FORSHAW**—What is that figure?

**Mr Podger**—I would have to go away and do my calculations, but it would be something we would be able to identify.

**Senator FORSHAW**—Would you be surprised if the number of positions being filled by serving public servants was of the order of 70 to 80 per cent?

**Mr Podger**—I would think it would be a majority.

**Senator FORSHAW**—A majority is 51 per cent. So 70 to 80 per cent is still fairly high.

**Mr Podger**—It will vary from time to time, depending on whether the service is growing or not. My guess is that the high figure I gave a moment ago of external engagements in that *Gazette* was because we were in a period of growth and we were getting a lot of people coming in at the APS1 to APS4 levels. Other *Gazettes* will not have as many jobs at those levels and my guess is—it is more than a guess; I know—that for movements at higher levels the number of lateral engagements is a far smaller proportion. The number has grown but it is a far smaller proportion of the jobs that are being filled. We could take that on notice and give you some figures.

**Senator FORSHAW**—I am trying to ascertain whether the policy of advertising nearly all vacancies—when, as I am advised, an overwhelming proportion of them are still filled by people within the service—is cost-effective or, based on other criteria, it is an effective policy to continue.

**Mr Podger**—I am not quite sure what the issue is. The key commentator on this has been Paddy Gourlay, who is a very good analyst and commentator, and he has criticised us on this one before. I have not worked out what precisely his concern is. If an agency did not want to advertise the job for open selection, they can choose not to do so; they do not have to advertise it for public selection. If they thought there was a huge cost to them in terms of transaction costs, because they have allowed outsiders to come in, they could cut that off. If, however, they want to get outsiders, they will supplement the fact that the *Gazette* allows outsiders with advertisements in the *Sydney Morning Herald*, the *Australian* or whatever and they will go out looking more widely.

**Senator FORSHAW**—You are saying it is not compulsory?



**Mr Podger**—No.

**Senator FORSHAW**—There is total discretion for the department or the agency to determine itself whether it wants to advertise outside the service?

**Mr Podger**—That is right, but one of the values is that the APS provides a reasonable opportunity to all eligible members of the community to apply for APS employment. We see this as a reasonable thing to do. We are not aware it causes a great deal of cost. I do not see it as an issue.

**Senator FORSHAW**—I think you have answered the question. We have covered the issues that we needed to raise. Mr Podger, Mr Lamond and other officers, I thank you for your assistance.

**Proceedings suspended from 12.45 p.m. to 1.52 p.m.**

**Australian National Audit Office**

**Senator MURRAY**—Mr Barrett, are you aware that yesterday Senator Faulkner raised some matters arising from his interrogation—I think that would be the right word—of the Prime Minister and Cabinet's office, which indicated that with respect to some predicated advertising and publicity campaigns that were subsequently mostly thrown out there appears to have been a gross misuse and wastage of taxpayers' money?

**Mr Barrett**—I was aware of it, Senator, yes.

**Senator MURRAY**—Just for the edification of the committee, what would be your normal approach? Having been alerted to the fact that that has occurred, would you of your own motion initiate investigative audits? Would it be accelerated or encouraged more if either this committee or the relevant shadow minister made a request for you to audit the matter?

**Mr Barrett**—We get many examples of this kind of situation. Typically, there may be assertions of waste of public moneys, fraud, misuse of public moneys and the like. The standard procedures in my office are that, if there is an audit being conducted—typically, an assurance audit and involves issues of systems and money—I would ask my auditors to have a look at the situation and give me a report back on the circumstances. If there was a systemic issue, obviously we would have to address that in the audit processes. If there were any other aspects of that particular problem then we would have to consider those in terms of any further audit activity. If an audit is not being conducted at the time such an issue comes up, we typically ask the agency concerned to give us a report on the circumstances associated with it so that we can then ascertain whether it is of such a nature that we should ask further questions or involve that aspect in any audit that we have on hand or plan for the near future.

The third area, which you alluded to, is the question of whether I would be—and you did not use the word—sympathetic to any request made for an audit. Quite clearly, we are always open to requests from parliament or parliamentary members for audits. As you well know, we have a planned audit approach, which means that we have a policy of no surprises. Clearly, we have to look at the audit program to see whether the audit can be undertaken as part of the existing audit program; whether we have to make room for it in the program at the expense of some other audit; or, depending on the urgency of the particular issue, whether it could be

planned for a future program. Those are, in a longwinded way, the various approaches that the committee may be interested in.

**Senator MURRAY**—With respect to the initial assessment you outlined, is it typical for the Audit Office to have regard to the *Hansard* record of the exposure of a particular issue?

**Mr Barrett**—We have a review service conducted by our internal research group that brings such issues to the attention of management in the ANAO. A number of my auditors in both performance and assurance audit would be aware of any statements made that allude to issues that the ANAO may have an interest in. Sometimes, of course, it is a little difficult. Obviously, if the ANAO is specifically mentioned, the search area would clearly document it. If it was only a mention of a particular appropriation and particular amounts of money, unless the person in the research area was very alive to the issue, our system may not necessarily generate a record to be disseminated to the auditors generally. But generally we are on top of issues that are raised in either house of parliament and certainly in question time.

**Senator MURRAY**—Senator Faulkner in his questioning made it very clear that, whilst he believed maladministration was plain on the surface of the evidence before him, he did not impute any fraud or dishonesty on the part of the department. However, I can say that having listened to it I was surprised by the quantum of the costs invoiced by the private sector people who had been contracted to do this work. Again, without imputing dishonesty or fraud, there is the issue of how well you could check that what they billed—in many respects, as I understand it, for preparatory work—was justified. You would pick up why I am pursuing this line. I want to ask you this question with regard to not just the specific issue but the general problems the Auditor-General has with auditing third parties where Commonwealth money is used. As you know, I myself have written to the Auditor-General on some issues which involve third parties—either state agencies or others—and you have raised these issues with the Joint Committee of Public Accounts and Audit. As I understand it, no statutory or any other change has yet occurred to assist you where you might need to look at third parties which are independent of the Commonwealth but use Commonwealth funds for program purposes.

**Mr Barrett**—Broadly that is correct, except that the procurement guidelines draw attention to our suggested model contracting clauses, which would give us access to third party records if not premises, as the case may be. As you know, Senator, I have mentioned several times to this committee and to the Joint Committee of Public Accounts and Audit that what I expect in the first instance is that management would do this as a matter of course in order to ensure they have proper accountability. Our investigations in most cases are really to ensure ourselves that they do have proper systems controls in place. Therefore, as we have often said, it should not be necessary for auditors to have access to records or premises if the agency has indeed done that itself and made sure that it has got particular value for money, that the costs reflected are reasonable and that it has made reasonable checks. In a risk based audit approach it is doing the reasonable checks, in many cases, that we are looking to assure ourselves the agency has done, rather than actually do the substantive audit process ourselves. Your point is correct. As I said, there are now a number of examples of agencies that have put such access clauses into their contracts. As you rightly say, there is no legal requirement for them to do so, other than good practice.

**Senator MURRAY**—So if you were to look at this area of committee concern, either on your own motion or with the encouragement of a shadow minister's letter, I gather you would automatically examine whether that prudential mechanism was in the contracts that were let with respect to the work.

**Mr Barrett**—Yes. But in the first instance we would want to assure ourselves that the department had in place suitable control mechanisms to assure itself that it was getting value for money or that the costs incurred were reasonable or not. It is only when they cannot provide evidence that we would want to go further. My colleagues Mr Burgess and Mr Watson might want to make any further comment on that from an assurance audit point of view.

**Mr Burgess**—I would simply agree with what the Auditor-General has said. In the first place it is highly recommended by us that contracts that agencies have with third parties have provision in them for access by the Auditor-General. Very much in the first instance in the conduct of our audits we would look to assure ourselves as to the procedures and the controls that the agencies themselves would have in place to uphold accountability with the third party provider.

**Mr Barrett**—We would try to reinforce good management. If there is not good management, then, obviously we have to do additional work.

**Senator MURRAY**—Staying with the theme, in this budget year a huge sum of money will be administered to effect government programs and policies through third parties—the job employment system, much welfare delivery and all sorts of other areas. Is the Auditor-General satisfied that the ANAO is able to get into third party relationships sufficiently, or is it still advocating some law change to assist it in that regard?

**Mr Barrett**—As you know, the Joint Committee of Public Accounts and Audit has made two recommendations to government.

**Senator MURRAY**—Which you do support, don't you?

**Mr Barrett**—We do support it. We suggested the model access clauses that could be part of that arrangement. The government in its wisdom has decided that it will not make amendments to the FMA Act or to the finance minister's orders in that respect, but it changed the procurement guidelines, as I indicated, to indicate as good practice that agencies should consider the use of the model access clauses that the ANAO drafted, and they are part of the procurement guidelines. One of the aspects of our audits always is—and it was the reason for my earlier statement about that—that there has been an increase in our observed practice in the respect that we keep an eye on the extent to which contracts have that kind of access. Where they have not and when we are doing, in particular, performance audits in that area, the issue is raised with the agency concerned when problems have emerged, because clearly I would argue that we can reinforce the good practice of agencies—if only in a preventative if not a detective mode—because the fact is that those transactions would be subject to external audit by the Commonwealth Auditor-General. I would think that would be a fair preventative mechanism. Nevertheless there has not been a case that I am aware of thus far in which we have been inhibited in our investigations. I am looking to my colleague on my right, Warren Cochrane, who has had a lot of experience in contract management, as to whether or not there

have been any instances where they have inhibited the audit. We certainly have drawn attention to the agencies.

**Mr Cochrane**—I think the question of having the model access clauses in the procurement guidelines is important when you get into a situation of conflict. I am confident to say at the moment that we have not actually been in that situation recently, although—

**Senator MURRAY**—Are you saying you have in the past?

**Mr Cochrane**—We had a question three or four years ago on access to the Australian Submarine Corporation which was ultimately resolved, but it would have been much easier and much safer if the Commonwealth agency involved—at that stage, Defence—had clear access clauses in the contract. We recommend that as a matter of efficiency. It certainly is a matter of knowing that, if we have trouble with a contractor, we need the support of those access clauses. In the large majority of cases, you are not going to have trouble; you are going to have a cooperative contractor that will give access to the Auditor-General anyway. It is only when you have a problem that you really need that clause.

**Senator MURRAY**—That is all I have.

**Senator FAULKNER**—I would just like to indicate to Mr Barrett that he is likely to receive some formal correspondence from me on the matter that Senator Murray raised a little earlier in these hearings in relation to some very serious concerns that I have, and that I think there will be shared by other committee members, as Senator Murray has indicated in relation to matters relating to the domestic violence advertising program. You will hear from me, I can assure you, Mr Barrett, in due course, but I suspect it is not a matter for me to canvass before this committee. I say this as a courtesy to you because I did flag, while the Office of the Status of Women was before this committee, that my concerns were at such a level in relation to the obvious maladministration of that program that it was a course of action I was likely to take.

**Senator Hill**—It seems to be a speech, Chair, including findings.

**Senator FAULKNER**—As a courtesy, I thought it appropriate that I mention it to you.

**Senator ROBERT RAY**—We had to fill in the 17 minutes you were not here, so we had to find creative ways to do it.

**Senator Hill**—As I said yesterday, the Auditor-General is well able to take his own initiative in these things. He does not need help from Senator Faulkner.

**CHAIR**—Thanks, Senator Faulkner.

**Senator FAULKNER**—That is all right. Thank you for your rude contribution, Senator Hill.

**Senator BRANDIS**—I want to get an update on Centenary House. I do not want to take very long with this. Perhaps you might have the information I am seeking readily at hand. If you do not, just give it to us in writing shortly. What is the current rental per square metre per annum?

**Mr Bourne**—The current rate is \$791.88. That is as of the rent review in September last year.

**Senator BRANDIS**—What will that go up to at the next annual review?

**Mr Bourne**—In September 2004 it will go to \$863.15.

**Senator BRANDIS**—What is the current rate of rental of the subtenancy?

**Mr Bourne**—As at July 2003, \$285 per metre squared. That figure needs to be broken down a bit.

**Mr Barrett**—It would be higher now because it reflects the increase.

**Mr Bourne**—Exactly.

**Senator BRANDIS**—You can take this on notice if it is more convenient to you, but can you let us know the current rate of the subtenancy? Is the subtenancy rental inclusive or exclusive of outgoings?

**Mr Bourne**—I believe it is exclusive.

**Senator BRANDIS**—The rent on the head lease is also exclusive of outgoings, isn't it?

**Mr Bourne**—I believe so.

**Senator BRANDIS**—Within the last 12 months, have you commissioned any evaluations of the market value of the head lease?

**Mr Bourne**—We furnished an evaluation to you some time ago, which is the figure that we are relying on at this stage.

**Senator BRANDIS**—Is that the most recent valuation that you have done?

**Mr Bourne**—Yes.

**Senator BRANDIS**—Are you satisfied that the rent payable by the subtenant is true market rent?

**Mr Barrett**—It was done in open market competition. As I have said before on a previous occasion before this committee, my staff did remarkably well to achieve the outcome that was achieved with the assistance of the particular real estate firm considering the fact that we now have a tenant for the remainder of this contract and considering the considerable amount of vacant space in the Barton area.

**Senator BRANDIS**—When you say your staff did remarkably well, \$285 per square metre is towards the upper end of what you would expect to be able to achieve on the subtenancy?

**Mr Barrett**—We have heard that another department in the area is getting around the \$300 mark.

**Senator BRANDIS**—When does the subtenancy expire?

**Mr Bourne**—Virtually at the same time as the head lease, in September 2008.

**Senator BRANDIS**—Has the area of the building which is the subject of the subtenancy increased in the last 12 months, or is it still the same area it was under the original sublease?

**Mr Barrett**—It is still the top floor, as far as I am aware.

**Senator BRANDIS**—So the lettable area under the subtenancy has remained constant?

**Mr Bourne**—Yes.

**Senator BRANDIS**—I am not saying there has been any but, if there has, could you produce for us any correspondence within the last 12 months between the Audit Office or its agent or solicitors and the landlord or its agent or solicitors in relation to the terms of the head lease?

**Mr Barrett**—We can certainly give you that. I think you actually have copies—

**Senator BRANDIS**—I have seen some.

**Mr Barrett**—of everything we have done except the most recent, of which I have copies here that I am happy to table.

**Senator BRANDIS**—Thank you. It is still the same subtenant, isn't it? There has not been an assignment of the subtenancy in the last year. It is still Kellogg, Brown and Root?

**Mr Bourne**—Yes.

**Senator BRANDIS**—Under the terms of the sublease, is there an escalation clause of the kind that there is in the head lease?

**Mr Barrett**—No.

**Senator BRANDIS**—But there must be a review mechanism. Is that a clause that says, 'Review to market on an annual basis'?

**Mr Barrett**—There is a normal review mechanism. I think we have given you a copy but we are certainly happy to give you a copy of the arrangement again.

**Senator BRANDIS**—I do not think I have seen the sublease. You have told us about the sublease but I am not sure I have actually sighted it. Is the sublease a registered lease, by the way?

**Mr Bourne**—I believe so.

**Senator BRANDIS**—And the head lease is a registered lease, we know.

**Mr Bourne**—Yes.

**Senator BRANDIS**—Are you aware what the arrangements are in relation to the mortgage of the building by the landlord? Do you have a copy of the mortgage, for example?

**Mr Bourne**—We sought that previously. I am not 100 per cent sure but I am almost positive that we were unable to get that in the detail that would make any sense to us.

**Senator BRANDIS**—But it would be a registered mortgage, so presumably a copy of the document, or at least the title extract, would be available from a search of the land title register.

**Mr Barrett**—I thought we had given you a full copy of all the documents that we got when we did do that title search. However, if we have not, and we have those, we will give them to you.

**Senator BRANDIS**—On 5 March 2004, I imagine in response to questions you were asked at the additional estimates earlier in the year, you wrote another letter to the landlord, John Curtin House Ltd, once again requesting that they address the issue of the disparity between the market value of the lease and the rental that you are obliged to pay under the

head lease. May I take it that this letter of 5 March 2004 was written with a view to asking the directors of John Curtin House Ltd to reconsider their earlier refusal to renegotiate the lease to commercial terms. Is that right?

**Mr Barrett**—That is correct.

**Senator BRANDIS**—And they wrote back to you on 21 May refusing to renegotiate the lease to commercial terms—refusing the request made of them by your letter of 5 March.

**Mr Barrett**—Without your added words, their words are quite clear.

**Senator BRANDIS**—The words are: ‘We regret that we are unable to assist you at this point in time.’

**Mr Barrett**—That is correct, which is consistent with previous correspondence.

**Senator BRANDIS**—And that is signed by Tim Gartrell, the secretary of John Curtin House Ltd. Is that correct?

**Mr Barrett**—That is correct.

**Senator BRANDIS**—Isn't Mr Gartrell also the National Secretary of the Australian Labor Party—or some such office?

**Senator ROBERT RAY**—I hope so.

**Senator BRANDIS**—Apparently he is. Thank you very much, Mr Barrett.

**Mr Bourne**—In response to a question you asked in June 2003 about the mortgage, in essence we said to you, ‘The ANAO can confirm that the date of the mortgage predates the lease by approximately 18 months. The only document available to the public relating to the mortgage is a standard document that does not disclose any of the commercial terms of the transaction secured by the mortgage. On this basis, the ANAO is unable to establish a link between the moneys secured by the mortgage and the terms of the lease.’

**Senator BRANDIS**—But I think we have established also that at some stage in the fairly recent past there has been an assignment of the mortgage debt from the original mortgagee to a new mortgagee. Were you aware of that?

**Mr Bourne**—I am not aware of that.

**Senator BRANDIS**—Because it may bear upon this area of acute public interest, perhaps you might consider making a fresh search to establish whether, if I am right—and I am sure that I am—there has been an assignment of the mortgage and whether that might put the ANAO in any more favourable position to reconsider its commercial options in dealing with the landlord. Would you consider doing that?

**Mr Barrett**—The landlord has made it quite clear.

**Senator BRANDIS**—That it will not do anything for them.

**Mr Barrett**—This letter, I would think, is fairly unequivocal. As you know, it is only one of a number of times that we have raised this issue orally and in writing. It is not as though the issue is not apparent and clear.

**Senator BRANDIS**—Mr Barrett, I am at pains to say to you, as I always do, that of course no criticism is directed at you or your officers in relation to this scandal.

**Mr Barrett**—But there is the question, though, of us getting access to any more information. No matter what may have happened, the secretary of John Curtin House Ltd has made it clear that the directors have considered the issue and that it will not be reviewed.

**Senator BRANDIS**—I understand that. The point of my question, though, was this: in an earlier letter from John Curtin House Ltd this time last year, the basis upon which it was put forward by the board of John Curtin House Ltd that it was not possible to renegotiate the lease was the structure of the borrowings and the landlord's obligations to its original mortgagee. We now know that there has been an assignment of that mortgage and, presumably, with the assignment of the mortgage to a new mortgagee there will have been some restructuring of the borrowings. So it may be—I am not saying it is—that the justification put forward for the impossibility for John Curtin House Ltd to renegotiate the rent to commercial terms, even if it were true at the time that justification were put forward, is no longer true.

That might produce at least two consequences that occur to me: one is it might be that the original statement was fraudulent or, two, it might be that, whether or not it was fraudulent, the ground then put forward as to the impossibility of renegotiating the terms of the lease no longer obtains so that there is a new opportunity for you, particularly given the public controversy over the scandal, to put new pressure on John Curtin House Ltd to vacate their position. I am not saying that that pressure would be availing. In view of the stubborn attitude taken in the letter of 21 May, it may be unavailing. But at least it might provide yet a new chink in the armour to try to renegotiate this lease. At least it might be worth exploring; that is my point.

**Mr Barrett**—You know, Senator, that we do not need to have that advocated if we feel it is likely there will be success in that respect. I draw your attention to two points: one is a sentence in the letter from Tim Gartrell, which states:

In reliance upon the lease, John Curtin Limited entered into financial commitments, which it would breach if it were to accede to your request.

That does not say anything about whether it was a previous mortgage arrangement or a current mortgage arrangement. It is simply an absolute statement of fact that, in their opinion, they would be in breach if they were to accede to the request that we made on 5 March 2004.

The second point is that at the last possible opportunity in which there could have been a review, which was September last year, John Curtin House Ltd decided not to engage in that at some cost to itself, I might add—the reason our rent has been reduced is that they have absorbed the GST liability associated with that change. In essence, there was a not inconsiderable financial advantage in the opportunity to pass on the GST. They have decided not to do so. We claim the GST accordingly and that is the reason why our rent price is what it is.

I suggest to you that, while I am prepared to go back and ask the question, there is a limit in the time of my staff associated with this and in wearing out our welcome. You do not have to tell me about the public interest issue; I am well aware of that. But we have to reach a point where we can say we have done everything we possibly can do, and I think we have just



about reached that stage, frankly. But we will have one more go at your request and will endeavour to see whether the change of mortgagee has made any material difference.

**Senator BRANDIS**—The sentence that you just drew my attention to does excite my suspicion because it is really the same justification that was given before—that is, ‘In reliance upon the lease, we entered into financial commitments, which we would breach if we were to accede to your request.’ That was the same justification provided in relation to an earlier mortgagee. Given that over the period of the lease it is inconceivable that the principal sum has not been at least substantially reduced and given that at the same time the rental income stream has been substantially inflated by annual increments, it causes me to be suspicious and deeply sceptical that that is a bona fide justification if there has been a renewal of the mortgage and a restructuring of the borrowings.

**Mr Barrett**—I am prepared to put exactly that question back to John Curtin House Ltd as to whether there has or has not and whether that statement is a reflection of the previous situation they were under or the current situation that they are in. I think that is a reasonable clarification.

**Senator BRANDIS**—Given the interest in the expenditure and the saving of public moneys, I do not feel at all abashed in asking you to do that. Can I ask you to do one other thing—that is, search the new mortgage and see whether that gives you anything to work with.

**Mr Barrett**—Yes, we will do that.

**CHAIR**—There being no further questions, I thank Mr Barrett and the officers of the Audit Office for their assistance today.

[2.29 p.m.]

#### **Office of the Commonwealth Ombudsman**

**CHAIR**—Welcome. Professor McMillan, do you wish to make an opening statement?

**Prof. McMillan**—No, I have no opening statement.

**CHAIR**—In that case we will proceed to general questions.

**Senator FORSHAW**—Is the additional funding that is in this year’s budget going to lead to additional employees being engaged by the Ombudsman’s office?

**Prof. McMillan**—Yes, we are planning to engage additional employees principally for two reasons. The first is that the funding allows us to undertake outreach programs around Australia. Principally we shall be doing that by adding an additional staff member to some of the state offices. We currently have eight offices in Australia. The second major purpose for which the funding has been provided is to enhance the inspection work we undertake, principally in the law enforcement area. We already have a significant role in undertaking inspections of law enforcement records in relation to telephone interceptions and controlled operations. This funding will give us an enhanced inspection and audit role, for example, in relation to the new surveillance legislation. I think in total it will give us close to 15 additional employees, but my Deputy Ombudsman, Mr Ron Brent, might wish to elaborate specifically on that.

**Mr Brent**—At this stage, it looks like between 10 and 15 additional employees. It depends a little on how we can best deliver the programs and whether they are delivered by staff or otherwise.

**Senator FORSHAW**—Are they full time or ‘ongoing’ employees as they are called now?

**Mr Brent**—They will be full-time, ongoing employees.

**Senator FORSHAW**—Are they to be located in all state offices or has that not been finalised yet?

**Mr Brent**—There will be a mix. Five or six, perhaps seven, will be located in state offices.

**Senator FORSHAW**—Is that one each approximately?

**Mr Brent**—That will be spread around the states: New South Wales, Victoria, Queensland, Western Australia and South Australia.

**Senator FORSHAW**—The rest will be here in Canberra. Is that the plan?

**Mr Brent**—Yes.

**Prof. McMillan**—For example, with Adelaide and Perth we currently have three staff in each office, so by adding an additional staff member it will give us a substantially increased capacity.

**Senator FORSHAW**—You mentioned, I think, that the additional employees would be engaged in those two specific areas. Are there any other priority areas that you have not been able to obtain funding for in this year’s budget?

**Mr Brent**—With an office such as ours, in responding to complaints there are always pressures and we would certainly like more staff for everything we do. However, these are the key areas where we felt we were providing a service that was not sufficient to meet the expected needs of the office.

**Senator FORSHAW**—In the agency overview on page 169, you state that the office deals with around 20,000-plus complaints and 10,000 other approaches each year. It may be that this information is more detailed in your report; I do not know. Can you provide a detailed breakdown of those figures, for instance, into categories of complaints and the number of complaints for departments and agencies?

**Mr Brent**—Yes. Close to 50 per cent of the complaints are in relation to Centrelink. The other large areas are the Child Support Agency, the Australian Taxation Office and the Department of Immigration and Multicultural and Indigenous Affairs. Those areas, for example, pick up 1,500 to 2,000 complaints. Other areas that are significant include Australia Post, which had just over 1,000 complaints, and the Australian Federal Police and the Defence group, which probably had complaints of around the 700 or 800 mark. Then there was a smattering of complaints across the entire diversity of Commonwealth activity as well.

**Senator FORSHAW**—Is that detail set out in table form in your report?

**Prof. McMillan**—Yes, it is in the annual report.

**Senator FORSHAW**—And it is in that format, is it?

**Prof. McMillan**—Yes. There are detailed tables at the back of the annual report with the areas of complaint and how they are handled. For example, the kinds of matters to which they relate—whether it is the behaviour of departmental officers, delay or timeliness.

**Senator FORSHAW**—We can follow that through, but what does the term ‘10,000 other approaches’ refer to?

**Prof. McMillan**—In a federal system, for example, you get a large number of inquiries from people who are uncertain about which area to go to. With a large number of ombudsmen in Australia in the public and private sector, we get a number of other inquiries and I suppose in the absence of any single reference point or clearing house in the Commonwealth for people with inquiries about government, we tend to attract a number of those as well.

**Senator FORSHAW**—There is no doubling up there, is there? An inquiry could ultimately lead to a complaint, I suppose.

**Prof. McMillan**—Yes, and it is a challenge we face in terms of the statistical complexity that we will register something as an approach. It may then develop into an inquiry. Sometimes it is one that is out of jurisdiction and it comes back in jurisdiction.

**Mr Brent**—We have generally tried to avoid duplication between the 20,000 and the 10,000 so that the 10,000 is additional to the 20,000. However, because a lot of approaches are anonymous, we cannot be sure that somebody we have referred to another forum does not come back separately as a complaint.

**Senator FORSHAW**—But you do try to at least distinguish between them. You said that over 50 per cent are Centrelink related. Can you break that down further? For instance, what proportion would be related to complaints about family payments?

**Prof. McMillan**—I do not have the figures with me at the moment, although I think we can do that in a rough form. We register complaints and then we try to break them down statistically into issues in terms of the area of administration and the nature of the problem. I do not have the figures at hand at the moment, but I am happy to try and provide them.

**Senator FORSHAW**—I appreciate that. What would be helpful is if you could supply us with a breakdown of the Centrelink complaints into various categories—family payments, pensions, disability payments and so on—for the last three or four years. Can you tell me how many of these 20,000-odd complaints per year are resolved?

**Prof. McMillan**—They are all resolved in one—

**Senator FORSHAW**—I am saying within the year.

**Prof. McMillan**—We have the statistics on the time line for complaint resolution. Again these figures are in our annual report. Roughly 85 per cent of those 20,000 complaints are dealt with within a month of receipt. There is only a very small number of that 20,000 that would still be on hand at the end of a year.

**Mr Brent**—Indeed, most of those that carry over from one year to the next are compensated by those that have been carried over from the previous year so that, given reasonably steady complaint numbers, the number of complaints resolved roughly matches those that have been brought to the office.

**Prof. McMillan**—I can provide a sheet I have here at the moment, although the transcript will not reveal it, that illustrates over a period of three years the number of complaints we received and the number that have been resolved. When you look at the graph, you will see the two lines are parallel and very close together for the entire period of investigation. The number that is resolved is roughly equal to the number that is received.

**Senator FORSHAW**—Another area that is mentioned in the PBS is the additional funding over four years of \$7.1 million to establish new roles for the office and for better delivery of Ombudsman services, particularly improved oversight of surveillance devices. Page 178 of the PBS states:

The funding will enable the Office to undertake real time complaint investigation, twenty-four hours a day, in respect of the *ASIO Amendment (Terrorism) Act 2003*, and to increase inspections of specific enforcement activities under other law enforcement legislation.

**CHAIR**—Professor McMillan, are you in a position to table the document you held up before about the resolution of complaints?

**Prof. McMillan**—Yes, I am happy to table that.

**Senator FORSHAW**—Is there some way in which you liaise with the other departments on what you are doing, through some interdepartmental committee, or is it wholly undertaken at your initiative?

**Prof. McMillan**—I will comment specifically on the new role, and that is a new role that has developed very quickly. Under the new antiterrorism legislation, the existing roles of the Ombudsman and the Inspector-General of Intelligence and Security have been preserved. The Inspector-General's role particularly relates to ASIO. The Ombudsman's role specifically relates to the Australian Federal Police. What can transpire now is that if, for example, ASIO were to request the Australian Federal Police to bring a person in for questioning, one of the rights that is preserved within that legislation is the right of the person who is being questioned or detained to contact the Ombudsman or the Inspector-General of Intelligence and Security.

For that reason we have now moved to a new style of complaint handling where we are in contact 24 hours a day and one of our senior officers carries a mobile that is turned on 24 hours a day. It is a new role, different in kind to the role we have played in the past. In the past, for example, the first question we often asked somebody was whether they had approached the agency to try and resolve the complaint before coming to us. That would be inappropriate here.

Recently we have been having discussions with the Inspector-General of Intelligence and Security and the Australian Federal Police on establishing a protocol to ensure that, for example, people who are detained and police involved in detaining and questioning people are well aware of the role of the Ombudsman, how the Ombudsman can be accessed and so on. That is a specific example of the new role we perform. I am happy to elaborate. There is a larger role we also perform in handling complaints against the Australian Federal Police and the Australian Crime Commission in undertaking own motion investigations in those areas and also in undertaking a regular program of inspections or audits of the law enforcement records.

**Senator FORSHAW**—Are there any other new roles that the office is undertaking this year by utilising this funding?

**Prof. McMillan**—The government has given a commitment to establish a postal industry ombudsman and to designate the Commonwealth Ombudsman as the postal industry ombudsman. Legislation to confer that role on the Commonwealth Ombudsman is due to be introduced in the parliament in the autumn sittings. My office has also been having discussions with the Norfolk Island government and with the appropriate Commonwealth department to see whether the Commonwealth Ombudsman should take on the role of Norfolk Island ombudsman as a result of a recommendation made last year by a joint committee of the parliament that looks at that area. Those are examples of two specific new roles that we might be adopting.

**Senator FORSHAW**—You say ‘might be adopting’. Is it something you are contemplating?

**Prof. McMillan**—Legislation has to be enacted for both, but on the public record there is support only and no disagreement expressed for the conferral of both of those roles on the Commonwealth Ombudsman.

**Mr Brent**—On other new activities: we now have expanded roles in relation to surveillance devices that in many ways mirror the role that we have in relation to telecommunications interception. So there is a slight broadening of our role in inspections of the use of surveillance devices.

**Senator MURRAY**—This is a question I wanted to ask, but what has been tabled assists. The number of inquiries to the Australian Taxation Office peaked very much with the number to the Ombudsman because of the mass marketed tax effective schemes. It has returned to something of the level before the peak, but you still seem to have a high number of complaints. Has the Inspector-General of Taxation taken a lot of the inquiries and concerns over from you or has the nature of complaint stayed just the same with the Ombudsman?

**Prof. McMillan**—There is some overlap between the roles of the Inspector-General and the Ombudsman, although they do have areas that are distinctly different. The Inspector-General of Taxation is looking at systems within the Taxation Office and, for example, is currently conducting three inquiries into matters like the general interest charge. The Ombudsman is still the only external agency with a complaint-handling role against the Australian Taxation Office. Over the last year there has been a slight diminution in the number of complaints about taxation, but that has matched a slight diminution in the number of complaints to the Ombudsman against all areas. Indeed, if anything there has been a smaller reduction in relation to taxation. So, looking purely at the statistics, there is nothing to suggest that the creation of the Inspector-General of Taxation has had any impact on complaints to the Ombudsman.

**Senator MURRAY**—Are you still getting a substantial number of complaints concerning the mass marketed tax effective schemes?

**Prof. McMillan**—No, there has been a substantial reduction in the number of complaints. For example, in the first nine months of the current financial year, we received 1,346 complaints against the Australian Taxation Office and only six per cent were related to the

mass marketed schemes. The reason for the substantial reduction was the institution of a clear settlement pattern by the Australian Taxation Office.

**Senator MURRAY**—I am staying with the Australian Taxation Office. Do you evaluate why numbers of complaints fall? I will put this into perspective for you. You have in front of you this graph which shows the figures from 1999-2000. I would have expected them to increase parallel to a very significant increase in tax office responsibility, because since that date there have been the new tax system changes, with ABNs and the GST; the assumption of many of the roles formerly carried out by Customs with respect to revenue on excise and tobacco and that sort of thing; and a number of areas where tax office involvement in the lives of Australians has really significantly increased. The tax office, as you know, have been trying to mount campaigns to improve their service. I wonder whether, as a kind of productivity or efficiency measure, if you like, I can interpret this graph to indicate that the tax office is getting better given that its volume has increased but that the complaints have decreased.

**Prof. McMillan**—It is a complex issue, as your question indicates. We never know whether to be pleased when there is a reduction in the number of complaints, because it may indicate that we have been effective in the past, particularly in getting agencies to establish their own internal complaint-handling mechanisms. In some areas we see that, if we work with an agency to establish a professional internal complaint-handling mechanism, it does lead to a reduction in the number of complaints.

On the other hand, the reduction may occur because there is a lack of familiarity or a dissatisfaction with our office. At the moment we are conducting a client satisfaction survey to gauge the opinion of those who have dealt with the office on how they feel. We have not conducted a client satisfaction survey for some years. That will give us some idea of the scope of the issue. With the additional funding, we are also instituting an outreach program—again, an active outreach program is something we have not done for many years. One of the measures that we will certainly be using there, again with our computer systems, is to see whether the areas that have been the subject of outreach programs are areas in which we get a sudden increase in complaints. If that is the case, it would suggest that the profile of the office public awareness is a significant factor.

**Senator MURRAY**—I ask you this question because I have an interest in cost-benefit analysis, which is a committee concern, obviously, in terms of the effectiveness of Commonwealth moneys spent. It would seem to me that, if the potential number of people affected by tax policy increases and your complaints fall, it is a bit like a crime statistic. If the number of burglaries per 100,000 people is altered, you think you are doing well. I have wondered if you have paid enough attention to the proper benchmarking of not your performance with your customers, because that is entirely different, but of rates of interaction with the community, which give an idea of how effective your or their programs are.

**Prof. McMillan**—All I can say is that in general terms it is a matter that we look at regularly and anxiously, particularly with the benefit of very detailed tables that are prepared within the office.

**Senator MURRAY**—But, with respect, I do not think you do, and that is the purpose of my question. I do not think you have evaluated the tax office and the likely increase which I

would expect through the GST system and other things to get a fall in complaints. To me that is a good outcome, but I have not seen it reported in any of your publications.

**Mr Brent**—To make a couple of comments there, I certainly take your point that it is an area that we should be paying significant attention to. It is one that we cannot analyse with the precision that we would ideally like. It is important to isolate a range of factors, and Professor McMillan noted a moment ago customer satisfaction. We also need to isolate the number of complaints being received and handled internally within the Taxation Office. We are undertaking, as part of this year's strategic plan, a review of a number of our key complaint agency areas with specifically that sort of issue in mind—trying to draw better and more precise conclusions from the data we have. A lot of that analysis is currently under way, and more of it will be undertaken over the next couple of months and in the light of the survey work we are doing.

**Senator MURRAY**—Were you both in the room when I questioned the Auditor-General?

**Mr Brent**—Yes.

**Senator MURRAY**—Then you will understand the purpose of this next question. The number of Commonwealth services delivered by third parties, particularly in the not-for-profit sector but often in the private sector, has increased very significantly over the term of this government. Have you found a correlating increase in complaints with respect to the delivery of those services? I do not pick it up in your statistics. I would distinguish between two types of services: those which are driven through the states—say, disability payments, where the Commonwealth pays an amount to the states and the states deliver a disability service—which might not reach you, as they would go through the state ombudsman; and those Commonwealth programs which they deliver through a not-for-profit or profit party.

**Prof. McMillan**—We have a jurisdictional problem in that the Ombudsman Act, drafted in the mid-1970s in an era when there was a clearer distinction between the public and the private sectors, confines our jurisdiction essentially to the public sector. It is a jurisdiction over departments and prescribed authorities. The Ombudsman was one of the first agencies in the 1990s to draw attention to the problem that outsourcing, the contracting out of government services, had caused in that existing administrative law review mechanisms did not always or easily extend to some of those contracted areas.

We became aware of the problem that complaint handling and the like was not seemingly done as well or as professionally by some of those agencies. We have taken that up in a couple of ways. Firstly, it was taken up in a couple of reports that led to the joint committee on public accounts recommending that the Ombudsman's jurisdiction be extended legislatively to include contracted service providers, and that proposal has been accepted by the government.

**Senator MURRAY**—But not legislated.

**Prof. McMillan**—It has not been legislated yet. Secondly, we did an own motion report that was published about eight months ago into complaint handling in the Job Network. Although we did not have direct jurisdiction over all the private sector Job Network providers, the office became aware of the fact that complaints were rising and were not always being dealt with satisfactorily. So we did a very extensive own motion investigation,

which led to a large report that was published about eight months ago on job handling by Job Network providers, and the Department of Employment and Workplace Relations substantially accepted the recommendations in that report.

**Senator MURRAY**—Behind my questions is this question: are you finding that, with the increased delivery of services by third parties that do not fall within your power, you have to knock back a large number of complaints at source simply because you do not have the power to deal with them? Is that area of ‘it’s not in our jurisdiction’ increasing?

**Prof. McMillan**—Certainly there are instances when we do that. I do not have the statistics in front of me that would enable me to say whether it is a large problem or not, but it is certainly an issue.

**Senator MURRAY**—Do you have the statistics?

**Prof. McMillan**—I suspect we do. I will undertake to go back and draw up whatever statistics we can provide on that issue.

**Senator MURRAY**—What I am looking for, essentially, is a measure of unmet need. If we could be provided with statistics of those who have legitimate concerns who are not within your jurisdiction but who might fall within your jurisdiction as a result of the proposed legislative change, that would be of assistance.

**Prof. McMillan**—I will undertake to provide what statistics we can.

**CHAIR**—As there are no further questions for the Ombudsman’s office, Professor McMillan and Mr Brent, thank you very much for your assistance.

[2.59 p.m.]

#### **Office of National Assessments**

**CHAIR**—Welcome, Mr Varghese and Mr Triffett. Do you have an opening statement?

**Mr Varghese**—No.

**CHAIR**—We will commence with general questions.

**Senator ROBERT RAY**—Mr Varghese, how long has it been now that you have headed up ONA?

**Mr Varghese**—I took up the job on 12 January.

**Senator ROBERT RAY**—I think every new person to an organisation brings changes with them, which is good. Would you outline to the committee what changes you have wrought at ONA? What changes have you made in an organisational sense, in approaches to analysis or whatever else?

**Mr Varghese**—I did not come in with the intention of wholesale change in ONA, because my sense was that the organisation was operating very effectively. As you would expect, I have been quite focused on the current inquiry into the intelligence agencies that is being conducted by Mr Flood. In that context I have been looking at a number of issues relevant to the running of the organisation, including the issues about how the process of analysis can continue to be refined. One example is how analysts can be better trained, in terms of both new analysts coming into the organisation and training through the cycle of an analyst’s



career. There is also the relationship between analysts and collectors and examining ONA's coordination role within the intelligence community. They have been some of the areas that I have been focusing on.

**Senator ROBERT RAY**—How much have your resources increased in this budget process?

**Mr Varghese**—In the 2004-05 budget we have gone from \$11.4 million to \$13.1 million, so that is about a 15 per cent increase. That is on top of a substantial increase the year before, when we went from \$7.6 million in 2002-03 to \$11.4 million in 2003-04.

**Senator ROBERT RAY**—In what area in ONA are you concentrating this increased expenditure?

**Mr Varghese**—Two broad areas: we are increasing our analytical capabilities—in other words, employing more analysts—and we are in the process of a very substantial upgrade to our information technology. They are the two main areas.

**Senator ROBERT RAY**—Most agencies in the intelligence community are somewhat limited in rapidly increasing their analysis capacity or collection capacity by having to train people—you usually have to train them fairly thoroughly—and getting enough input through. Have you had any difficulty in that regard or do you have in your intake people who can pretty much get to work straightaway?

**Mr Varghese**—I think you are limited in growth in terms of how quickly you can recruit analysts. We are fortunate in that a number of the people that we recruit from within the existing system can perform the job after a reasonably short period of time because, while they may not have been in the intelligence analysis business, they have been in the analysis and assessments business either in government or outside of government.

**Senator ROBERT RAY**—What is the average age of your analyst intake? They do not come straight from university as a whole; they would come with work experience.

**Mr Varghese**—We recruit them at various points in the career structure. We recruit some directly from university—that would be quite a small proportion. We second people from other departments—Foreign Affairs and Trade and Defence. We recruit from elsewhere in the intelligence community. So there is no single point of recruitment for us.

**Senator ROBERT RAY**—Who does your positive and negative vetting?

**Mr Varghese**—We engage consultants to assist us with the process and we do some in-house. It depends on the workload.

**Senator ROBERT RAY**—What is your revalidation period?

**Mr Varghese**—Five years.

**Senator ROBERT RAY**—Are you up to date with that?

**Mr Varghese**—Yes, we are.

**Senator ROBERT RAY**—There is no backlog in dealing with new applicants?

**Mr Varghese**—Two or three is the answer in terms of cases that we are still working on for PV clearances.

**Senator ROBERT RAY**—That is quite acceptable. You mentioned before that you have to concentrate a bit at the moment on the review. I take it that you have had a number of meetings with Mr Flood and his team.

**Mr Varghese**—Yes, I have.

**Senator ROBERT RAY**—I think his report will possibly come down on 30 June. That will be a very active time for you then.

**Mr Varghese**—It is always an active time for us.

**Senator ROBERT RAY**—I meant active not so much in the sense of doing an analysis of all the issues around as in the sense of thinking about whatever structural changes he may recommend.

**Mr Varghese**—How active will depend on his recommendations and the government's response to it.

**Senator ROBERT RAY**—You mentioned before that one of the things you are doing is the coordination role. I would imagine that is the coordination role amongst agencies, isn't it?

**Mr Varghese**—That is right. Under the ONA Act, the office has the responsibility for coordination of foreign intelligence issues. That is obviously an important part of the organisation and one that we continue to strengthen.

**Senator ROBERT RAY**—Has there been any changes recently in the type of analysis ONA does? Let me put that in context. This is an oversimplification, but I suppose you can get two forms of analysis: either a whole range of issues that have to be put in rather pithy paragraphs or an in-depth analysis of one issue. Has there been any change in the balance of those two in the work that you do?

**Mr Varghese**—There has not been any significant change. We still predominantly produce either current assessments or watch reports, which typically are three pages of pithy analysis. The longer documents are the national assessments which, historically—for the last four or five years—have run at about half a dozen a year. The balance there has not really changed.

**Senator ROBERT RAY**—How many liaison officers do you have overseas?

**Mr Varghese**—We have two, one in London and one in Washington.

**Senator ROBERT RAY**—Let me play the devil's advocate for just a moment. There is some criticism—I do not endorse it, actually—that too often these liaison officers are recruited from Foreign Affairs, with more of a diplomatic background rather than an intelligence analyst background. Have you seen that criticism? If so, how do you respond to it?

**Mr Varghese**—I have seen that criticism. One change we made was to make it that the liaison positions are actually owned by ONA. That was done with funding in last year's budget. Prior to that, the liaison job was undertaken by a DFAT officer who essentially reported to us. Now the position is owned by ONA. I think the skills set for an effective liaison officer combines the skills of a good diplomat with someone who has knowledge of what the intelligence community needs.

**Senator ROBERT RAY**—I think you have left out a crucial element there—they have to be a good gossip, who picks it up but does not send it on to anywhere but you.

**Mr Varghese**—I think networking is a very important part.

**Senator ROBERT RAY**—That is what I really mean. ‘Networking’ is a much more sophisticated view. In essence, if a multiplicity of, say, American or British agencies have a different point of view, you need to know that there are differences of opinion, don’t you?

**Mr Varghese**—We need to know, and I think we do know. My sense of reporting through the Iraq period was that we were kept abreast of differences of view within the intelligence community on particular points of analysis—on the big issues. I am not suggesting you were implying otherwise, but I think it is the case that our liaison officers recognise that that is an important part of their job and I think they deliver it very well.

**Senator ROBERT RAY**—Has there been any progress in detecting the leak of the top secret ONA code worded AUSTEO document that got some notoriety some months ago?

**Mr Varghese**—We are still waiting for advice from the Federal Police on the outcome of their investigation.

**Senator ROBERT RAY**—They have not given you—not that I am going to ask for it—any intervening progress reports? You are still waiting?

**Mr Varghese**—I understand the investigations phase of it may have concluded and they are now drafting a report, but I think you will have to ask the AFP just where they are on that.

**Senator ROBERT RAY**—I will not be asking them, actually, but I was wondering whether it had come to a conclusion. You have answered that question.

**Senator FAULKNER**—Dr Hammer has recently been appointed as the Deputy Director of ONA, I believe. Is that right, Mr Varghese?

**Mr Varghese**—That is right.

**Senator FAULKNER**—Is that a new position in ONA?

**Mr Varghese**—No, it is a longstanding position; it has been there since the beginning. In fact, previously we had more than one deputy director-general.

**Senator FAULKNER**—So you now have one?

**Mr Varghese**—That is correct.

**Senator FAULKNER**—When did you have two?

**Mr Varghese**—Until 1993 I understand we had two deputy director-general positions.

**Senator FAULKNER**—Who was the previous deputy director-general?

**Mr Varghese**—Mr John Eyers. This is his last week; he is still there.

**Senator FAULKNER**—Give him the committee’s best wishes for whatever the future holds for him. Is he going to another area?

**Mr Varghese**—He is returning to the Treasury.

**Senator ROBERT RAY**—We withdraw.

**Senator FAULKNER**—Give him our commiserations. It sounded like really good news until you said that. Just tell him you cannot win them all and we hope he can escape the Treasury at some stage.

**Mr Varghese**—I will pass on your best wishes.

**Senator FAULKNER**—Can you outline for the benefit of the committee what the selection process was for the deputy director's position.

**Mr Varghese**—It was a standard SES selection process. We advertised the position using the generic SES selection criteria together with an ONA specific criteria. We convened a selection advisory committee, which included a representative of the Public Service Commissioner, and the recommendation went from the advisory committee to the commissioner, who approved the promotion.

**Senator FAULKNER**—So it was a merit based selection process.

**Mr Varghese**—Yes, it was.

**Senator FAULKNER**—And the position was advertised.

**Mr Varghese**—Yes, it was.

**Senator FAULKNER**—Are you able to say when all that occurred and in which papers it was advertised?

**Mr Varghese**—I do not have the dates in front of me but I could get those for you. We normally advertise in the *Canberra Times* and the *Australian*.

**Senator FAULKNER**—If you could let us know, we would appreciate that.

**Mr Varghese**—Sure.

**Senator FAULKNER**—So there was a selection committee in accordance with the normal arrangements.

**Mr Varghese**—That is right.

**Senator FAULKNER**—There was a representative of the PSMPC on it?

**Mr Varghese**—Yes, there was.

**Senator FAULKNER**—Who else comprised that selection committee?

**Mr Varghese**—There were two ONA officers: me and the deputy director-general.

**Senator FAULKNER**—In this case that was Mr Eyers, who is retiring from that position.

**Mr Varghese**—That is correct.

**Senator FAULKNER**—Is the Prime Minister, the Prime Minister's office or the Prime Minister's department involved in this selection process in any way?

**Mr Varghese**—No, they are not.

**Senator FAULKNER**—No involvement at all at the departmental level of the Department of the Prime Minister and Cabinet?

**Mr Varghese**—No.

**Senator FAULKNER**—You would be aware that Dr Hammer was one of the star witnesses in the CMI committee.

**Mr Varghese**—I think I was overseas at the time.

**Senator FAULKNER**—You missed it? And that was not drawn to your attention during the selection process?

**Mr Varghese**—It certainly was not drawn to my attention during the selection process.

**Senator FAULKNER**—The role of Commonwealth officers is relevant, isn't it? I am not thinking specifically here of Dr Hammer but of the role that any Commonwealth officer might play in such a notorious incident as 'children overboard' and of course the evidence they give before parliamentary committees.

**Mr Varghese**—I think what is relevant is whether they meet the selection criteria and the extent to which they do meet them.

**Senator FAULKNER**—Surely that is relevant to the selection criteria?

**Mr Varghese**—I would not have thought so, but it is a question of interpretation.

**Senator FAULKNER**—What are the selection criteria?

**Mr Varghese**—As I mentioned to you, they are the generic SES selection criteria. It deals with issues like leadership, management skills, communications skills, representational skills—

**Senator FAULKNER**—I am not hugely critical of Dr Hammer. I recall in the CMI inquiry in 2002, Dr Hammer said:

You do not bother the Prime Minister or the secretary or a deputy secretary or whoever with material that just looks fishy.

The fact is the advice that Dr Hammer had referred to as fishy turned out to be spot on. That is relevant, isn't it?

**Mr Varghese**—It was not relevant to my selection process.

**Senator FAULKNER**—You were not even aware of it. You just said you were not aware of what happened before that committee.

**Mr Varghese**—I think that just confirms the fact that it was not relevant to the selection process.

**Senator FAULKNER**—I am surprised at that. This is not a criticism of Dr Hammer, but it seems to me that all these sorts of considerations ought to be matters that a selection committee would give some thought to as you determine who the most appropriate candidate in a merit based selection process is. Isn't that a pretty sensible approach?

**Mr Varghese**—There are very well-established procedures for selection committees to operate under. I have outlined the broad details of those. We follow those procedures.

**Senator FAULKNER**—If you happen to know that photographs of 'children overboard' were false a month before senior officers in a department find out, that is a relevant thing for a selection committee, which is undertaking a merit based selection process, to give consideration to when you are appointing a senior person. This does not rule Dr Hammer out

in this case. I am more worried about the broader implications of what you are saying in terms of the merit based selection that the committee is undertaking. Did you chair the committee?

**Mr Varghese**—I did.

**Senator FAULKNER**—And you did not even know about it.

**Mr Varghese**—I said I was overseas at the time that it was occurring.

**Senator FAULKNER**—Mr Evers did not know about it. Do you know if Mr Evers knew about it or the representative of the PSMPC?

**Mr Varghese**—I do not consider it to be relevant to the selection process. If you could explain to me under which selection criteria we should have had that forensic examination, I would be very interested.

**Senator FAULKNER**—I do not have the selection criteria in front of me but I do know that at the CMI inquiry—I believe in this very room—Dr Hammer said:

You do not bother the Prime Minister or the secretary or a deputy secretary or whoever with material that just looks fishy.

It was not fishy; it was right.

**Senator Hill**—But on the face of it, there is nothing wrong with that. You are taking another step and drawing conclusions and then turning that against him.

**Senator FAULKNER**—There is a lot wrong with it. It is absolutely inaccurate. The advice that Dr Hammer referred to as fishy was actually spot on.

**Senator Hill**—His statement that you do not worry the Prime Minister with something that appears to be fishy seems to be more than reasonable.

**Senator FAULKNER**—Is demonstrating superior judgment a selection criteria?

**Senator Hill**—If you were arguing his competence because you then assert that he should not have seen it as fishy, that he should have seen some other status—

**Senator FAULKNER**—I am not actually saying that this is—

**Senator Hill**—It seems to be what you are implying.

**Senator FAULKNER**—I am not even implying it. I am trying to get to the bottom of what these selection criteria are. Is one of them demonstrated superior judgment?

**Mr Varghese**—Judgment is certainly one of the selection criteria.

**Senator FAULKNER**—That is not very good judgment, is it? So that is how it applies to the selection criteria if you really want to know, Mr Varghese. Provision of high quality advice—that is another selection criteria. That was not high quality advice, was it?

**Mr Varghese**—You are asking me—

**Senator FAULKNER**—You asked me a question, Mr Varghese, and I am giving you the answer.

**Senator Hill**—I think this a bit unfair on the witness.

**ACTING CHAIR (Senator Brandis)**—Mr Varghese has already said that he was overseas at the time, that he did not have regard to any of those matters because he was overseas when they were happening. I think it is fair, Senator Faulkner, for you to ask him about the selection criteria and perhaps to illustrate your point, but I think it goes beyond fairness then to challenge him on the basis that a particular thing was not taken into account when he said that he was not aware of it.

**Senator Hill**—If he was fully aware of it he may not reach the same conclusion as Senator Faulkner.

**ACTING CHAIR**—Do you understand my point, Senator Faulkner?

**Senator FAULKNER**—I do not accept your point.

**ACTING CHAIR**—I did not ask you if you accepted it; I asked you whether you understood it.

**Senator FAULKNER**—I understand why you made the intervention.

**ACTING CHAIR**—That is where I think we draw the line on fairness. You can ask him about criteria; you can illustrate—

**Senator FAULKNER**—I have never understood where you draw the line on fairness.

**ACTING CHAIR**—He can illustrate the criteria but when he said that he was not aware of something he cannot really be tasked about why a decision was made.

**Senator FAULKNER**—But you are a little behind the play, Senator Brandis, which is often the case with you. Mr Varghese asked me how what I was asking was relevant to the selection criteria. It is relevant to the selection criteria which demand that the candidate— whoever is selected—demonstrate superior judgment, decision making, provision of high quality advice. You are well aware of the background to this, as I am. You sat through the CMI committee. You and I are the two senators here who have had the advantage of that. This received quite a lot of publicity—notoriety in fact. I refer you, for example, to an *Australian* article of Friday, 14 June 2002 headed ‘He just didn’t get the picture’. That was about Dr Hammer. You would do a full media search, wouldn’t you, Mr Varghese, of all the candidates?

**Mr Varghese**—No, we would not.

**Senator FAULKNER**—You would not do that? That would be far too thorough, would it? For the position of deputy director of ONA you do not do a full media search?

**Mr Varghese**—No.

**Senator FAULKNER**—Did you look at what people might have written or said over the years?

**Mr Varghese**—As I was explaining to you, we do have a very clearly established process. We have selection criteria, we have an application that addresses the selection criteria, and we have an interview panel which tests the applicant against the selection criteria. I think you would find it would be highly unusual in the Public Service to do media searches on applicants.

**Senator FAULKNER**—I am not suggesting it is usual or unusual. I wondered whether you were aware of this; you were not. That is fair enough. You were overseas at the time. I was not overseas; I was here in this committee room asking people like Dr Hammer questions about their role in a very serious issue in relation to public administration in this country. I was surprised, I suppose, when I read of Dr Hammer's appointment. Read the *Australian* article: he just did not get the picture. Look at the huge splash on 14 June 2002. All I will leave you with, Mr Varghese, is a suggestion that perhaps you should go and acquaint yourself now with the *Hansard* record of the CMI committee that you are not aware of. I would also refer you to previous questioning at estimates for the Department of the Prime Minister and Cabinet, which obviously you are not aware of either. I would suggest you also consider looking at the record of the committees of the Australian parliament—perhaps a search of the parliamentary committee assessments of the work and performance of officers who appeared before them. You might care to check that. Perhaps you should not bother with the media reporting of the events.

**Senator ROBERT RAY**—Mr Varghese, the last time we had a dialogue across the table was on a Monday night and I was then asking you about an article that appeared in the *Melbourne Age* purporting to quote, if you like, extracts from a member of the intelligence committee. Do you recall that discussion?

**Mr Varghese**—I do.

**Senator ROBERT RAY**—You had indicated that you had had meetings with at the very least I think the secretary to the Department of Defence and one or two others. There were further events later in the week, of course. When were you informed that one of the intelligence community, if you like, had outed himself with regard to being the individual, even if he was not necessarily accurately quoted? When were you told about that? I know it was post the Monday night. I am not trying to infer anything other than that.

**Mr Varghese**—I would need to go back and refresh my memory. It was not an issue that I sought to revise before appearing today. As I recall, I think I was involved in discussions over that weekend before the Monday with, as you suggest, the secretary to the Department of Defence. Then there were some further discussions during the course of that week, essentially examining the question of whether there had been a disclosure of national security information.

**Senator ROBERT RAY**—At some point you were contemplating calling in the Federal Police, according to your evidence. What I wanted to follow through was when you were informed, who informed you and whether that ended any involvement there and after by you. I wanted to go on to those questions.

**Mr Varghese**—I would need to refresh my memory on precisely when and what the sequence of events was, but as the week unfolded, as I recall, the matter sort of shifted from ONA's involvement to being handled within the Defence portfolio.

**Senator ROBERT RAY**—You do not have a residual role, as we discussed before, as the coordinator of the various agencies? It simply became a matter for the Department of Defence then, did it?



**Mr Varghese**—I think my involvement was essentially in relation to coming to a view on whether there had been classified information that had been revealed. We did come to a conclusion that there had not. The matter then, I think, proceeded to be one for the management of the secretary to Defence.

**Senator ROBERT RAY**—Once you discovered that it was them. There was still some unfair suspicion in the early days that the spokesman could have been from ONA. Isn't that true?

**Mr Varghese**—In theory I suppose that is correct.

**Senator ROBERT RAY**—You were not at all worried about that possibility?

**Mr Varghese**—I had satisfied myself that there was not an ONA involvement in it.

**Senator ROBERT RAY**—That is all on that. Thank you.

**ACTING CHAIR (Senator Brandis)**—Thank you very much, Mr Varghese and Mr Triffett. You are excused.

[3.29 p.m.]

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

**ACTING CHAIR (Senator Brandis)**—Mr Carnell, I understand this is your first appearance before this estimates committee in your new capacity as Inspector-General of Intelligence and Security. Welcome.

**Mr Carnell**—Thank you.

**Senator ROBERT RAY**—Would you like to indicate to the committee what increase in resources you have received in the last budget and to what use you will put it?

**Mr Carnell**—Yes, there is an equity injection of \$200,000. That is primarily for accrued staff entitlements. There is also a small amount of \$10,000 that is to do with the increase in the ComCare premium. But if what you are driving at is the base of the office, it has not increased, no.

**Senator ROBERT RAY**—You are pretty new to the job. How have you found dealing with the various collection agencies so far? Have they been fully cooperative?

**Mr Carnell**—They have. I have been reassured with the attitudes I have met. There seems to be a genuine commitment to accountability and compliance, and I was encouraged by the initial attitudes I came across.

**Senator ROBERT RAY**—I know we have had dialogue in another place on these matters, but would you like to express to the committee your view now, given the increased responsibilities put on the IGIS position held by your predecessors, about your attitude to doing government inquiries not directly related to your mission?

**Mr Carnell**—I would have to be very cautious about taking on such an inquiry. While I would not rule it out altogether, clearly there are new functions and an overall increase in the workload in my office and that obviously has to be my primary concern.

**Senator ROBERT RAY**—One of the more controversial aspects of your workload, and it was a matter of controversy in the parliament for some time, was the ASIO legislation dealing

with questioning and detention regimes. One of the key elements to seeing successful passage of that bill was to increase the role of IGIS in these proceedings. Could you detail to the committee what sort of involvement your office has had when ASIO has exercised these questioning or detention powers?

**Mr Carnell**—Either the Inspector-General or a senior staff member has been present at all but one day of the questioning of those warrants that have been executed to date. The subject has the ability to raise a concern with the Inspector-General, and the Inspector-General can raise that with the prescribed authority. We have been very conscious of fulfilling the role that we need to fulfil. I hesitate to talk about the particular details of any matter because—

**Senator ROBERT RAY**—No, you were not asked to.

**Mr Carnell**—the secrecy provisions are pretty strict. I have gone as far as I think I can.

**Senator FAULKNER**—I am not quite clear about—and Senator Ray, who is on another committee, may have some background on this; I do not—the point you make about ‘at all but one day’. I did not quite understand the point you made, so you might just explain that to the committee.

**Mr Carnell**—Of the total days, we have been present at all but one day—and that was a question of competing activities and also where the particular matter was up to. Our presence is not mandatory, and we had had the chance to observe the manner in which it was being conducted and the legal representation of the subject, and the subject’s ability to speak for himself or herself.

**Senator FAULKNER**—I think that is useful for the committee to understand. Are you able to say to us how many days you were present, understanding that there was one when you were not?

**Mr Carnell**—I hesitate—in a couple of instances the Attorney-General has put it into the public domain that there has been such a warrant executed, but otherwise the secrecy provisions in the legislation generally make it an offence to even disclose that a warrant has been executed.

**Senator FAULKNER**—What we try to do in this committee is deal with the bare bones of matters where possible. Obviously we are very much dependent on you and your predecessors’ capacity to provide the committee with as much information as is appropriate in the circumstances, so we are always very sensitive to those sorts of issues. I would have thought that information such as the number of warrants and the number of days would not be a problem, but if you have got a concern—

**Mr Carnell**—I take your point, Senator. We have been at 20 of 21 days.

**Senator ROBERT RAY**—The number of warrants is going to be publicly available in ASIO’s annual report in any event, but I think the very evidence that the witness has given, Chair, indicates that we are not living in a cryptofascist state where thousands of people have been dragged in, as a lot of the emails suggested would be the case—which is the point of getting that evidence on the record.

**Senator FAULKNER**—So, if you are able to say whether you have a level of discomfort about it, you can indicate that to the committee. But obviously we are talking about 21 days

and, regarding you or a senior officer's presence for those 21 days, we are not talking about a major number. You do not have to be a brilliant mathematician to work that out. I would just like to hear you on that point. You can either provide the information or indicate you would prefer not to for a reason.

**Mr Carnell**—Sorry, is there further—

**Senator ROBERT RAY**—I think he was asking you for the amount of warrants. It was a very circuitous way of getting to it.

**Senator FAULKNER**—I was also saying, if you have a good reason for not providing that number—if that is a concern of yours—just indicate to the committee what your concern is. The way we usually work on these issues is basically not to press those questions. We try to ask questions that we think are reasonable in these areas. All our questions are reasonable, but we try to be pretty sensitive about them.

**Mr Carnell**—Basically the relevant legislation sets out the means by which the fact that a warrant or a certain number of warrants have been issued. It defines pretty narrowly the circumstances in which that will be put into the public domain, and it is not a role specifically given to me, so I would prefer not to answer it. It seems to me a question you could ask of the Attorney-General or the Director-General of ASIO.

**Senator ROBERT RAY**—We always have the problem that with four estimates running at once we cannot always be in four spots at once, especially with ASIO, because they would have been on today at some stage.

**Senator FAULKNER**—From time to time your predecessor has given us a very brief overview of the key matters or key work of the IGIS. Would you care to do that in this circumstance?

**Mr Carnell**—Yes, I am happy to. The larger part of the office's time is spent on an inspection program. Since taking up the position, I have reviewed that inspection program and refined it where I thought appropriate. In addition to the inspection program, we handle complaints. Substantive matters proceed to an inquiry, and there are four of those currently on hand. Two of those relate to ASIO; two relate to ASIS.

**ACTING CHAIR**—I am sorry to interrupt you, but we have had an inquiry from a press photographer as to whether he can take some shots. That is a matter for the committee to decide. Ordinarily we have permitted that unless the witness feels that he would be disconcerted by the presence of a photographer. Do you have an objection?

**Mr Carnell**—I assume it is going to be fairly quick, Chair.

**ACTING CHAIR**—If you do not have an objection—

**Mr Carnell**—I have no objection to a photograph being taken.

**ACTING CHAIR**—I will indicate to him that he can discreetly go about his work.

**Mr Carnell**—I am not sure which is my best side—perhaps I do not have one.

**Senator ROBERT RAY**—Just make sure you spell the name right.

**Mr Carnell**—There are four complaints that have moved into the inquiry stage that I have mentioned. I am also conducting an inquiry into a particular matter that I suppose you could describe as a concern of Lieutenant Colonel Collins. That is at the request of the Minister for Defence. We also have some other tasks that we do. We are keen to present at the various induction and training courses at the agencies so that they are aware of the role of our office et cetera. We do that.

**Senator FAULKNER**—Sure. What you are saying is that, apart from the two ASIO and two ASIS inquiries and the work that you are undertaking in relation to Lieutenant Colonel Collins, there is a range of ongoing functions and responsibilities. Is that what you are suggesting?

**Mr Carnell**—There is an inspection program that I am very keen to maintain. The history of the office has been that early on staff complaints tended to dominate the work. That was the subject of some criticism. There has been a conscious attempt to move away and be more proactive with an inspection program, so I am keen that it continue and that we be looking at all the relevant areas that we can to get assurance.

**Senator FAULKNER**—It is possible for these issues to be in the broad canvassed in an opening statement and often, as I say, we are pretty sensitive about the questions that we ask in the public forum about these issues. Often there are very few questions, I think you would see from the record. I think one way of approaching these things is for you to provide that information to the committee in a form that you are comfortable with and for that to stand on the record. I would respectfully suggest that, but I do not have any further questions.

**Mr Carnell**—I would certainly be happy to adopt that practice.

**ACTING CHAIR**—There being no further questions, thank you, Mr Carnell.

**Proceedings suspended from 3.41 p.m. to 4.04 p.m.**

**Department of the Prime Minister and Cabinet**

**CHAIR**—I welcome back officers from the Department of the Prime Minister and Cabinet. I recall that we were examining output group 2, Social policy advice and coordination. I call Senator Harradine.

**Senator HARRADINE**—Is the minister present?

**Senator FAULKNER**—Before Senator Harradine gets the call, there were one or two matters left in abeyance from yesterday. Mr Metcalfe or Ms Scott, is the department in any position now or later to provide any of that information?

**Ms Scott**—There was a question about the ministerial task force to be established after the government's determination on the abolition of ATSIC. I have checked on the status of that. The government has not determined the make-up of the ministerial task force and it has not been announced, although that is likely to be imminent.

**Senator FAULKNER**—Do questions on the ministerial task force come under the subprogram we are now considering?

**Ms Scott**—Yes. It is probably appropriate to include it in this one.

**Senator FAULKNER**—I tried to help you there, Senator Harradine, but I do not know that I have done much good. Senator Hill, of course, has a practice of being late to the committee.

**Senator ROBERT RAY**—He is being petulant today.

**Senator FAULKNER**—He has been very petulant today—disappointing really. He probably got rolled in cabinet again.

**Senator ROBERT RAY**—Is the Inspector-General of Intelligence and Security still here? He might be able to track him down.

**Senator FAULKNER**—Do you want me to kick off here, because I am happy to do it without Senator Hill.

**CHAIR**—Senator Hill is here.

**Senator FAULKNER**—Oh, he is here. Not bad, nine minutes late. Minister, Senator Harradine has been waiting for you for nine minutes.

**CHAIR**—Thank you, Senator Faulkner.

**Senator FAULKNER**—He is far too kind to mention it, but I will.

**CHAIR**—Senator Harradine, you have the call.

**Senator HARRADINE**—Thank you, Chair. On 31 March this year there was an agreement made between certain parties—the states, the territories and the Commonwealth—and the agreement was headed ‘Research involving human embryos and prohibition of human cloning’. Why was that necessary, given the fact that there was an agreement in 2002?

**Ms Wilson**—The agreement provides for an overarching framework for consistency in approaches across all states and territories, and part of it includes the decision in 2002 that you mentioned earlier. It is about the mechanisms around how that will happen to ensure consistency across Australia.

**Senator HARRADINE**—And the Prime Minister signed this document?

**Ms Wilson**—That is right. He signed it on 31 March.

**Senator HARRADINE**—Who prepared the draft of the document for consideration?

**Ms Wilson**—The health portfolio had responsibility for working with state and territory health officials in the drafting of the document.

**Senator HARRADINE**—When was the document drafted?

**Ms Wilson**—My understanding is it that it was drafted over a fairly extensive period of time and that it was ready for discussion at last year’s August COAG meeting. However, because that meeting was shortened it did not get signed off at that particular meeting.

**Senator HARRADINE**—So nobody from the Prime Minister’s department looked over the document before the Prime Minister signed it?

**Ms Wilson**—My understanding is that we had discussions with the health department and provided some briefing to the Prime Minister on the status of the discussions.

**Senator HARRADINE**—What area of the health department are you talking about?

**Ms Wilson**—I understand it was the portfolio strategies area as well as the NHMRC area.

**Senator HARRADINE**—Thank you. The definition of an ART embryo is mentioned in point 5 of the agreement. It reads:

5. In this Agreement, unless the context otherwise requires:

‘excess ART embryo’ has the meaning ascribed to that term in the Prohibition of Human Cloning Act 2002 (Cth) ...

Can you tell me why the reference was to the cloning act and not to the research involving human embryos legislation?

**Ms Wilson**—I think the detail of that question is best directed to those in the health portfolio, who were very involved in the discussions around the content.

**Senator HARRADINE**—But it is clearly a responsibility of the Prime Minister, isn’t it?

**Ms Wilson**—The Prime Minister certainly has a keen interest in developments in this area.

**Senator HARRADINE**—I am simply asking why the agreement stipulated that the definition be that contained in the prohibition of human cloning legislation and not the definition in the research involving human embryos legislation. It is very important.

**Ms Scott**—To answer the question you have asked, we would have to seek the advice of the health department. We simply do not have that level of familiarity with the document. It is true that we did provide advice to the Prime Minister on it, but you are asking a question of detail and we would need to go back and look. We could take your question on notice but we cannot provide an answer here today.

**Senator HARRADINE**—I did advise that I would be raising this question. It is a very important question. What is the difference between the definition of an ART human embryo in the cloning legislation and the definition in the research involving human embryos legislation? Do you mean to say that the Prime Minister signed this document when the crucial matter in the document was the definition of an assisted reproductive technology excess embryo? I am asking you: is it the same definition, or do you know?

**Senator Hill**—That is a question of interpretation, I would have thought. But do you know?

**Ms Scott**—No.

**Senator Hill**—No, we do not know offhand.

**Senator HARRADINE**—Could I enlighten your mind as to the definition. The definition in the legislation—that is, the Research Involving Human Embryos Act—reads:

*excess ART embryo* means a human embryo that:

(a) was created, by assisted reproductive technology, for use in the assisted reproductive technology treatment of a woman ...

You would have thought that that would have been the definition which was included in the agreement. The definition that was referred to in the agreement reads:

*excess ART embryo* means a human embryo that:

(a) was created by assisted reproductive technology for use in the assisted reproductive technology of a woman ...

It does not make sense, does it?

**Senator Hill**—As I understand the witnesses, they said that the Commonwealth contribution to the drafting of the document was through the department of health. Issues as they relate to why one definition was used and not another are probably best directed to them. The issue as to why the Prime Minister signed it should be directed to the Prime Minister. I do not think the officials can say why the Prime Minister signed the document with one definition rather than another. What we have heard is that they gave the Prime Minister advice on the document, but we cannot ask them explicitly what advice they gave the Prime Minister.

**Senator HARRADINE**—Doesn't the buck stop with the Prime Minister when it comes to these COAG agreements?

**Senator Hill**—The Prime Minister signed the document.

**Senator HARRADINE**—I cannot talk to—I suppose I could, but—

**Senator ROBERT RAY**—You can subpoena him to appear.

**Senator HARRADINE**—The buck stops. I will read that definition again:

... was created by—

listen to these words—

assisted reproductive technology for use in the assisted reproductive technology of a woman ...

What does that mean? It does not mean anything. Does that mean that the actions of the licensing committee have all been invalid since that time? It is a very serious matter.

**Senator Hill**—It might be a serious matter, but I do not think the officials of PM&C are the ones to give you a legal interpretation of the document. They cannot even tell you why that definition was used rather than another because that seems to have been the contribution of the Department of Health and Ageing.

**Senator HARRADINE**—Is there no-one here on behalf of the Prime Minister to defend that particular definition? Again, I repeat it:

*excess ART embryo* means a human embryo that:

(a) was created by assisted reproductive technology for use in the assisted reproductive technology of a woman ...

It seems to me that that is a very serious matter not only for the Prime Minister but for COAG. There is one word missing between the definition in the research involving human embryos legislation and the definition in the human cloning legislation, and that word is 'treatment'.

**Senator Hill**—As I understand it, you are asking why that word is missing. I am not sure that anyone here can answer that. Is there anyone that knows the answer to that?

**Senator HARRADINE**—Why?

**Senator Hill**—I have given one explanation, which is that this department was not principally involved in the drafting of the document. If your specific question is why is the word 'treatment' missing, we can take it away, investigate it and seek to get an answer. At

least it would mean that you do not have to chase the Department of Health and Ageing. We could make those inquiries.

**Senator FAULKNER**—You will follow that through, will you, unlike the other things you take on notice?

**Senator Hill**—I will do my best, but I have not been asked to do it.

**Senator HARRADINE**—At the department of health everybody says that anything coming out of there is going to be completely accurate. Minister, here is a case where the definitions are different from one to the other. I raised the question of whether the actions of the licensing committee have been invalid and, therefore, there are people in Australia who are acting invalidly.

**Senator Hill**—I do not know that the officers at the table are qualified to answer that question. Again, that is a question of interpretation. Maybe you are suggesting that the Prime Minister look to get some good legal advice on the issue—I am not sure.

**Senator HARRADINE**—And I am also asking why it occurred.

**Senator Hill**—I cannot give you the answer to that.

**Senator HARRADINE**—Why is the difference between one definition and another just the missing word ‘treatment’?

**Senator Hill**—We cannot give you an answer to that. I have said that if you want us to investigate it, we will do so. I do not think I was aware that you were going to ask that specific question. Are you saying that you put that to me?

**Senator HARRADINE**—No, I am not saying that; I am saying that I said that I would be asking questions about the COAG agreement.

**Senator Hill**—I regret that the question that you have asked, which is a very technical question—a question of interpretation and a question of intent—we are not able to answer without notice. If you want me to go away and have it investigated, I will do so.

**Senator HARRADINE**—Are you able to find out who was responsible for that?

**Senator Hill**—We can try. How can I say that we can find that out if I do not know. But we can try, and there may be a very simple explanation.

**Senator HARRADINE**—When will you try—before this estimates committee gets up?

**Senator Hill**—We can start trying straight away. I do not know how complicated the process will be.

**Senator HARRADINE**—How many people were involved?

**Senator Hill**—I suspect there was a long drafting period between the states and the Commonwealth and a whole range of departments—health departments—of each of the states.

**Senator HARRADINE**—You cannot tell me that they all missed out on seeing the difference.

**Senator Hill**—No, I cannot say that.



**Senator HARRADINE**—Could you find out why the difference is there?

**Senator Hill**—I cannot say they all missed out on seeing the difference—I do not know. I do not know why the word is missing. But I said I am prepared to try and find out.

**Senator HARRADINE**—There must have been 100 public servants and others who have gone through this.

**Senator Hill**—There would have been a lot involved in the development of the document and a lot of advisers, I would think, and a lot of consultants.

**Senator HARRADINE**—Could I ask whether Dr Nelson and Mr Macfarlane were involved in this?

**Senator Hill**—Dr Nelson?

**Senator HARRADINE**—Yes.

**Senator Hill**—In the drafting of the document?

**Senator HARRADINE**—In the drafting of the document. Because presumably what they have done, or what their portfolios have done, is give millions of dollars to a private company to go ahead with destructive experiments on human embryos based upon their definition of an ART embryo.

**Senator Hill**—That is a statement. Do we know whether Dr Nelson was involved in the process of development of the document?

**Ms Scott**—We do not know.

**Senator Hill**—We do not think their portfolios were involved.

**Senator HARRADINE**—On the question of COAG itself, would you agree that it has a key role in policy formulation and execution?

**Senator Hill**—Yes, it has an important role in policies as they relate to Commonwealth-state relations on particular issues.

**Senator HARRADINE**—In those circumstances, should it not be accountable to the people through the parliament?

**Senator Hill**—Each of the ministers on COAG is accountable to the people through the parliament.

**Senator HARRADINE**—But don't the decisions by COAG set out the parameters for further action on particular policy issues by the federal and state governments?

**Senator Hill**—That is correct. They can determine positions that will be implemented by state and Commonwealth governments.

**Senator HARRADINE**—There are no transcripts available of these meetings? Are there any transcripts of the meetings, Dr Horne?

**Dr Horne**—No, there are no transcripts.

**Senator HARRADINE**—There are no transcripts but, presumably, they are provided with papers from—

**Dr Horne**—There is an agenda and there are papers following that agenda.

**Senator HARRADINE**—The papers are considered in secret; there is no public there to listen to what is happening at these meetings?

**Dr Horne**—The meetings are closed meetings, yes.

**Senator HARRADINE**—They are closed meetings, so the parliament does not know what is going on?

**Dr Horne**—There is a communique issued at the end of each meeting, which is posted on our COAG web site.

**Senator HARRADINE**—Can I say to whoever was responsible for that, I think that is an advance at all events.

**Dr Horne**—Thank you. You would be pleased to know that, in the first month of its operations, there were nearly 30,000 hits on the site.

**Senator HARRADINE**—Competition policy was the subject of a COAG decision, was it not?

**Dr Horne**—Yes, it was.

**Senator HARRADINE**—What were the strings attached? For example, it was said that legislation passed by various states, which allowed for open-slather trading for those who did not have it already, was part of the competition policy.

**Dr Horne**—I am not quite sure what you mean by open-slather trading.

**Senator HARRADINE**—Shop trading.

**Dr Horne**—Certainly retail hours were one issue and, as a result of the COAG agreements, retail hours have been somewhat deregulated in most jurisdictions.

**Senator HARRADINE**—As a result of the COAG meeting?

**Dr Horne**—As a result of decisions taken by each jurisdiction.

**Senator HARRADINE**—Following the COAG meeting?

**Dr Horne**—Yes.

**Senator HARRADINE**—In most cases. I think there were one or two states that already had it.

**Dr Horne**—Yes. One or two still do not have it—Western Australia, for example.

**Senator HARRADINE**—Yes, that is right—and South Australia. Is it possible to get copies of the papers that are forwarded to the state and territory ministers for consideration?

**Dr Horne**—No, the papers for meetings are held within the jurisdictions themselves. There is no prerelease of papers before meetings, and that is to facilitate discussion at the meetings.

**Senator HARRADINE**—What about the after the meetings? Can we have a copy of the papers—for example, the paper which was presented to the ministers regarding the legislation that we were talking about a while ago?

**Dr Horne**—There were two papers concerned. They have yet to be considered by COAG, and that is because the COAG of 29 August did not consider the issues. This was further down the agenda and the states walked out before the consideration of the issues. We will be raising that issue with COAG senior officials. We will have a meeting this coming Friday and we will be saying to them that the Prime Minister will be intending to raise it with premiers and chief ministers at the forthcoming COAG on 25 June.

**Senator HARRADINE**—I am sorry; I am not sure what subject you are talking about.

**Dr Horne**—I thought you were talking about the papers that the Prime Minister wrote to you about.

**Senator Hill**—I think we need to clarify this. Which papers are you talking about, Senator?

**Senator HARRADINE**—I am talking about the papers that are provided to the state and territory ministers as background for consideration of the policy.

**Senator Hill**—Which subject matter?

**Senator HARRADINE**—The subject matter of the legislation we were just talking about.

**Senator Hill**—We went from that into free trading, as I understand it. Now I am not sure.

**Dr Horne**—I was talking about the papers relating to the legislation.

**Senator Hill**—Which legislation?

**Senator HARRADINE**—The embryo legislation.

**Dr Horne**—The embryo legislation.

**Senator Hill**—I understand the two papers are the ones you have been seeking for some time. We were unable to provide them because of what I understand is a protocol—that is, COAG documents prepared for COAG can only be released with the agreement of all COAG principals. That agreement could not be obtained. The papers should have been considered at the August meeting but, as we have just been told, they were not reached before the meeting was prematurely concluded. What I am now told is that we are making an extra attempt to obtain agreement from the states on the release of those documents.

**Senator HARRADINE**—Is it not a problem for democracy if constituents cannot see on what basis the policies were determined at COAG? I am not just talking about this issue; I am talking about the competition policy and other policies.

**Senator Hill**—It is a balance between freedom that has the benefit of accountability and privacy that provides confidence in the policy development process. So in the development of policy for ministers—and in this instance for a group of ministers, state and federal—it does not surprise me that the balance is decided on the side of privacy. After the matter has been concluded I think it is a different issue again. This is a bit more complicated because of the fact that it is a Commonwealth-state arrangement. There is a range of parties, all of whom have private policy documents together with documents that are prepared jointly and are therefore private to the group as a whole.

**Senator HARRADINE**—If they can make a mistake like the one I have referred to, they can make a mistake in these papers too. The matter that I raised is a serious question. It goes

to the question as to whether certain persons are now acting within the law, because of the definition.

**Senator Hill**—I understand, Senator Harradine. This will shock Senator Faulkner, but we have already got an answer to your question. The advice we have received from the Department of Health and Ageing is that it was a drafting error—that its omission was not intended. It was unintended. Is that correct?

**Ms Scott**—That is correct.

**Senator HARRADINE**—You would have to—

**Senator Hill**—But then there is a failure of the parliamentary process, Senator Harradine—which is you, me and others—and we all apparently must have missed it.

**Senator HARRADINE**—It is as it was submitted to the House of Representatives, Minister. That was the responsibility—presumably, now you are saying it—of the department of health or the National Health and Medical Research Council, was it?

**Senator Hill**—I do not know. If it was an unintended omission, you could say it is the fault of the parliamentary draftsmen; it is the fault of those who proofed the bill. It is maybe the fault of those who developed the original drafting instructions and, if it was missed by parliament, it is the fault of the whole process of scrutiny.

**Senator HARRADINE**—In all the years that I have been here, I have never seen a situation like this—and that is 29 years.

**Senator Hill**—With respect, there are many examples of drafting slips in legislation that get through this place, even with the level of scrutiny that is given to it by the Australian Senate.

**Senator HARRADINE**—To finalise the matter, you are pursuing the matter, including the body that was responsible for preparing the legislation?

**Senator Hill**—We have not pursued anything other than to get you an answer to the question as to why the word is not there.

**Senator HARRADINE**—Whose statement was that?

**Senator Hill**—That was advice that we have just received from the department of health.

**Senator HARRADINE**—Who in the department of health? Which level?

**Ms Scott**—The assistant secretary in NHMRC in the health portfolio.

**Senator HARRADINE**—An assistant secretary?

**Senator Hill**—I think the advice is from assistant secretary level. Therefore you would describe that as, what, reasonably senior advice?

**Ms Scott**—Senior executive level. We rang twice, so we are confident. The information conveyed the first time was checked the second time so that we could convey it to you.

**Senator HARRADINE**—I have your statement. There appears to be no purpose in my continuing questioning on this agreement. With respect, I would have thought that officers

would have been able to comment on aspects of this agreement. I will have to leave those other—

**Senator Hill**—Senator Harradine, I would not assume that we are unable to answer other questions that you might have.

**Senator HARRADINE**—I think you would.

**Senator Hill**—If we do not know the questions, that is a pretty tough judgment.

**Senator HARRADINE**—I do know them and you have told me where to go.

**Senator Hill**—We have already found out the answer to the first one. If there are other questions, we will attempt to answer those as well.

**Senator FAULKNER**—I will continue with output 2. I want know the status, please, of the People Smuggling Task Force.

**Mr Metcalfe**—That issue is now dealt with under output 3.2, Defence, intelligence and security policy.

**Senator FAULKNER**—It comes under output 3.2 now.

**Mr Metcalfe**—I am happy to come to it.

**Senator FAULKNER**—No, I apologise. I was not aware it was there.

**Mr Metcalfe**—You are absolutely correct. In previous arrangements of a couple of years ago it was within the social policy area, but it was moved about two years ago to what is now national security.

**Senator FAULKNER**—I am about two years beyond the pace, I reckon! I will come back to that one then, if I can.

**Senator FAULKNER**—Tell me that the work and family task force is in output 2, to make my day.

**Ms Scott**—Yes, it is in output 2.

**Senator FAULKNER**—Good. The work and family task force is still in existence?

**Ms Scott**—It has not met for some time. I think the best way of explaining it is to say that there was an initial series of meetings to bring together information from all the key departments, but the last meeting of the task force was held on 8 August 2003. Since then work has gone on in individual departments, often with bilateral arrangements between key departments rather than with a very large interdepartmental set of meetings.

**Senator FAULKNER**—Has the task force presented the government with a final report?

**Ms Scott**—Work has been occurring in a number of key departments but there has not been work on a final report. There have been individual tasks that have been completed and are obviously reflected in the budget this year.

**Senator FAULKNER**—Can you give me a list of dates on which the task force has met this year?

**Ms Scott**—As I indicated earlier, the task force has not met since 8 August 2003.

**Senator FAULKNER**—Can you give me a list of dates on which the task force met in 2003?

**Ms Scott**—Yes.

**Senator FAULKNER**—You can take that on notice.

**Ms Scott**—I am happy to read them out if you wish.

**Senator FAULKNER**—Thank you.

**Ms Scott**—The task force met on 7 February, 14 March, 23 May, 2 July and 8 August in 2003.

**Senator FAULKNER**—Thank you. I do not quite understand what is happening. The task force is in limbo, is it?

**Ms Scott**—No. Work has been going on in individual departments to work up particular options or to develop proposals rather than having work going on in a task force that consists of eight or nine areas.

**Senator FAULKNER**—Yes, but it has not been disbanded.

**Ms Scott**—It has not met.

**Senator FAULKNER**—It has not met, but has it been disbanded? I know it has not met since 8 August. Is it expected to meet again, in other words?

**Ms Scott**—I cannot see a necessity for it to meet.

**Senator FAULKNER**—Right, so it has been disbanded.

**Senator Hill**—It sounds like you are putting words into the official's mouth.

**Senator FAULKNER**—What is its status?

**Ms Scott**—It has not met. We have not had a necessity for it to meet because work has been going on in individual departments. There have been bilateral meetings as required. It is not a case where you have to disband. It is not like decommissioning a ship. It is all right if we do not meet.

**Senator BRANDIS**—You mean that it is an ad hoc body?

**Ms Scott**—That is correct.

**Senator FAULKNER**—Was it ever meant to be a permanent working group, an ongoing group?

**Ms Scott**—I do not think so.

**Senator FAULKNER**—You do not think so. That is a no.

**Ms Scott**—I think I can be more confident and say no.

**Senator FAULKNER**—And there is certainly no meeting scheduled for the future?

**Ms Scott**—No.

**Senator FAULKNER**—Can I assume that the task force has had no role at all in the development of the families advertising campaign? It seems to stand to reason, given what you have told me.

**Ms Scott**—That is right.

**Senator FAULKNER**—Are you aware of whether Centrelink was involved in the development of the families advertising campaign?

**Ms Scott**—I am aware that Centrelink is working on, or has been working on, something, but I am not close to that issue.

**Senator FAULKNER**—So you would not know when the families advertising campaign was intended to run?

**Ms Scott**—No.

**Senator FAULKNER**—Would you know what the families advertising campaign would focus on?

**Ms Scott**—No.

**Senator FAULKNER**—There has been no PM&C involvement in that advertising, via the task force or otherwise?

**Ms Scott**—Not via the task force, I think the Government Communications Unit would be the relevant area in the department.

**Senator FAULKNER**—I am asking you to answer these questions in your role in output 2.2, Social policy. Just for the sake of accuracy I will rephrase my question: has output 2.2, Social policy, had any involvement in the families advertising campaign?

**Ms Scott**—There was some involvement in the placement of information advertisements the day after the budget to alert people that an information hotline was available, and we were involved in discussions about that. But Social Policy Division, which is covered by output 2, has not been involved in any further discussions.

**Senator FAULKNER**—Is someone able to indicate whether there has been any involvement of PM&C in what seems to have been a spate of cabinet in-confidence leaks in this families policy area? I am using that in the broad sense, but I think it appears mainly to be associated with the portfolio of Family And Community Services.

**Ms Scott**—I will ask one of my colleagues to join us.

**Senator FAULKNER**—Thank you.

**Mr Hamburger**—There clearly has been a spate of leaks and we have asked the Australian Federal Police to investigate them. The investigation is still going on.

**Senator FAULKNER**—How is it going on?

**Mr Hamburger**—The police are investigating.

**Senator FAULKNER**—Is it only an AFP inquiry that is under way that you are aware of?

**Mr Hamburger**—Yes. We and other departments have been providing information, but it is an AFP inquiry.

**Senator FAULKNER**—That includes a minister or a minister's officers, does it?

**Mr Hamburger**—Not to my knowledge, but I do not know everything that the police are doing.

**Senator FAULKNER**—After all, the only leaker in the Howard government who has ever been caught was a ministerial staffer. Anyway, it is under way.

**Mr Hamburger**—Yes.

**Senator FAULKNER**—Was there such a body as a national obesity task force or any departmental body, IDC or the like on the obesity issue or is this just a matter that is being monitored by the Social Policy Division?

**Ms Scott**—There is a national obesity task force, and it is chaired by the Secretary to Health, Ms Halton.

**Senator FAULKNER**—Is PM&C represented on the task force?

**Ms Scott**—No. It is a Commonwealth-state group, so there would be other health departments and like bodies.

**Senator FAULKNER**—Thanks for that information. Is there an IDC or equivalent on this obesity issue?

**Ms Scott**—There are meetings from time to time on this issue, but I do not think there is a formal IDC.

**Senator FAULKNER**—Did you see the article in the *Herald Sun* on 29 March 'Row over fat fund blueprint'?

**Ms Scott**—No. I cannot recall that one.

**Senator FAULKNER**—The article was in the *Herald Sun* on 29 March 2004 and talked about federal MPs getting 'a fat-fighting slush fund to promote healthy eating'. Are you aware of this issue? This is according to the *Herald Sun*, so I do not take it as gospel. The article reads:

Under the proposal, politicians would lobby for cash handouts from a special fat fund to support healthy living initiatives in their electorates through community groups.

Angry health bureaucrats, who spent 12 months drafting the plan, claim the Government will use the grant scheme as a slush fund to feed marginal electorates before this year's poll.

That is rather unfortunate, isn't it? Feeding marginal electorates. It continues:

It is understood Finance Minister Nick Minchin and senior Treasury officials are also opposed to Mr Abbott's plan.

I want to know whether the department has any knowledge of this plan. I cannot identify it any better than that. Obviously, according to the newspapers at least, it is a plan that has been 12 months in the drafting. Can you help me?

**Ms Scott**—I do not think I can help you.

**Senator FAULKNER**—You are not aware of it?



**Ms Scott**—I do not think I can help you. There have been all sorts of proposals from time to time in relation to obesity. The national obesity task force has issued a very lengthy draft paper with a set of concepts and principles in it. I am not aware of all the proposals that have been around. I cannot help you in relation to a slush fund.

**Senator FAULKNER**—I am trying to understand whether there is some sort of IDC working in this area of obesity, whether there is any involvement by the Social Policy Division of PM&C on that issue.

**Ms Scott**—Social Policy Division is, and has been, involved in preparing advice on obesity issues and has met with other departments from time to time.

**Senator FAULKNER**—You are not aware of what was described as a ‘fat-fighting slush fund’, through which marginal electorates are targeted. This is something that has not come to the attention of PM&C, is it?

**Ms Scott**—I have never seen anything described as a ‘fat-fighting slush fund’ targeted at marginal electorates.

**Senator FAULKNER**—Obviously it is described that way by the *Herald Sun*. I do not know whether there is a correct title or a correct nomenclature for this fund. If I did, I would use it. I am using the terminology of the *Herald Sun* here. You may not know of the fat fund blueprint or the fat-fighting slush fund, but I am asking whether you know something that conforms to that that may well be so described by a newspaper and, if so, has such a proposal come to the attention of the Social Policy Division?

**Senator Hill**—The witness was asked whether she knew of a slush fund and she said, ‘No.’ She is now asked whether she knows of something that conforms to a slush fund. I would have thought that that was the same thing.

**Senator FAULKNER**—I am pointing out to the witness, Senator Hill, that the terminology ‘fat-fighting slush fund’ has been used by the *Herald Sun*. I suspect it is tabloid journalism or a tabloid subeditor has got hold of this—and it may not be the name of the actual program—but I want to know if there is something that might conform to this that the department is aware of. That is all. I do not expect any government would have a program called a ‘fat fund blueprint’. Not even your government would be that subtle.

**Senator Hill**—But the problem is that, accepting her answer that the government do not have a slush fund plan, what you have asked her is: have they got something that is akin to a slush fund plan? That seems to me to be the same thing.

**Senator FAULKNER**—Are there any obesity programs in the planning stage that Ms Scott or any other officer or official who is here are aware of?

**Ms Scott**—There have been proposals developed. Certainly there have been discussions about what good policy in this area would be in relation to the national obesity task force and there have also been some discussions between departments.

**Senator FAULKNER**—What are the programs?

**Ms Scott**—What are the programs that currently exist?

**Senator FAULKNER**—What are the programs that have been developed that you referred to in your answer a moment ago?

**Ms Scott**—That goes to advice to government. I cannot go into that.

**Senator FAULKNER**—That is advice to government.

**Senator Hill**—Senator Faulkner knows that it would be inappropriate to explore what advice has been to government in relation to potential programs.

**Senator ROBERT RAY**—Just let the *Herald Sun* know about it!

**Senator FAULKNER**—It is all right for it to be in the newspapers, but it is not all right to mention it here at a Senate estimates committee.

**Senator Hill**—Who said it is all right for it to be in the newspapers?

**Senator FAULKNER**—That is where we find it: in the newspapers. Ms Scott, how many officers of your department are working on obesity issues?

**Ms Scott**—I can say confidently that there is no-one working full time day-to-day, week-to-week on it. But as an example, draft documents from the national obesity task force would arrive or, as there are discussions between departments, work becomes more intensive and an EL2 officer has been keeping in touch with this issue from time to time.

**Senator FAULKNER**—You talk about work between departments in this answer, the answer you have just given, and an earlier answer. How formal is that? How is that being conducted? Is it informal, or are there some formal mechanisms in place?

**Ms Scott**—There have been some discussions and telephone conversations and meetings and there have been letters and proposals, but I am unaware of a formal IDC.

**Senator FAULKNER**—What about the meetings? Where have they been convened?

**Ms Scott**—They would have been convened in a number of departments.

**Senator FAULKNER**—Were any convened in PM&C?

**Ms Scott**—There have been informal discussions at the health department and there have been meetings at PM&C.

**Senator FAULKNER**—Who is involved in the meetings at PM&C?

**Ms Scott**—There are officers from social policy division and officers from industry, infrastructure and environment division of PM&C, and external officers.

**Senator FAULKNER**—Who chairs those meetings?

**Ms Scott**—It varies; it depends on who is attending.

**Senator FAULKNER**—Who does it vary between?

**Ms Scott**—I will have to check with my colleagues.

**Senator FAULKNER**—Have you been there?

**Ms Scott**—I have been to some; I have been to one external meeting and one internal meeting.

**Senator FAULKNER**—So you do know something about it? Do they have a name, these meetings?

**Ms Scott**—No.

**Senator FAULKNER**—What are they called—fat meetings?

**Ms Scott**—No.

**Senator FAULKNER**—Obesity meetings? They have not got a name at all; you just convene a meeting for no purpose?

**Senator Hill**—The witness said they have not got a name. If they have not got a name, they have not got a name. There is no need to berate the witness.

**Senator ROBERT RAY**—What do you put in your diary?

**Senator FAULKNER**—‘No name meeting’: it is like a brand, isn’t it? I went to a no name spaghetti restaurant recently that was good.

**Ms Scott**—Sometimes I guess it might be written down as ‘meeting with health’ or if it is a meeting about an initiative on the physical activity side, it might have a name relating to that.

**Senator FAULKNER**—You are kidding now, aren’t you?

**Ms Scott**—What, ‘meeting with health’? No, I have got diary entries that look like ‘meeting with health’.

**Senator FAULKNER**—I suppose that is what went wrong with the domestic violence campaign.

**Senator Hill**—That is offensive. If he does not get the answer he wants, he just abuses the witnesses.

**Senator FAULKNER**—Are minutes kept of these meetings?

**Ms Scott**—At the last one I attended there was an informal record, but it was not distributed. They are not like deliberative meetings where there are minutes kept and recorded for the next meeting; they are informal discussions.

**Senator FAULKNER**—Who do they report to?

**Ms Scott**—They are often used to ensure a better informed consideration of issues. Sometimes the information stays internal, and sometimes it is provided in written advice to ministers.

**Senator FAULKNER**—To ministers? Which minister do you provide your advice to?

**Ms Scott**—I generally provide my advice to the Prime Minister.

**Senator FAULKNER**—So you have been providing advice to the Prime Minister on these issues?

**Ms Scott**—That is true, yes.

**Senator FAULKNER**—Do you report the outcomes of these meetings to Dr Shergold or someone more senior? Well it is only Dr Shergold who is more senior than you in the department, isn’t it?

**Ms Scott**—Yes; I and sometimes other officers who are involved in disparate meetings on issues that may relate to this would inform Dr Shergold.

**Senator FAULKNER**—You report to Dr Shergold and the Prime Minister.

**Ms Scott**—Yes.

**Senator FAULKNER**—The meetings do happen and they do involve other departments?

**Ms Scott**—Yes.

**Senator FAULKNER**—We could have been there about 15 minutes ago.

**Ms Scott**—I think I indicated earlier—

**Senator FAULKNER**—I do not think so.

**Ms Scott**—that we meet from time to time with other departments.

[5.06 p.m.]

**CHAIR**—There being no further questions on output group 2, the committee will now examine output 3, International policy advice and coordination.

**Senator FAULKNER**—This is where we played the change-up ball, Mr Metcalfe, and dropped down the batting order the question about the People Smuggling Task Force.

**Mr Metcalfe**—That is correct.

**Senator FAULKNER**—So you can now tell me the status of the People Smuggling Task Force.

**Mr Metcalfe**—The task force is an interdepartmental committee chaired by the Department of Immigration and Multicultural and Indigenous Affairs. PM&C is represented usually at the assistant secretary level.

**Senator FAULKNER**—Its work is ongoing?

**Mr Metcalfe**—It meets from time to time.

**Senator FAULKNER**—When did it last meet?

**Mr Metcalfe**—I would have to check. The relevant branch head who attends the meetings is on her way up now, so if you have detailed questions on meeting times and that sort of thing either I can take them on notice or I might be able to answer them directly.

**Senator FAULKNER**—I do not think we should delay the committee but, so we can understand the work of the task force, would you mind taking on notice the occasions the task force has met this calendar year?

**Mr Metcalfe**—Certainly.

**Senator FAULKNER**—Does the issue of the detention of children in offshore facilities broadly fall into the area of responsibility of the People Smuggling Task Force?

**Mr Metcalfe**—Essentially the division within the department is that immigration matters which relate to visa selection and onshore detention fall within social policy and matters which relate to border protection and offshore detention fit within output 3.2.

**Senator FAULKNER**—Are you aware—and you may not know this, so we may have to await the arrival of the other officer—that the HREOC made a very substantial report? I think their inquiry went on for a long period.

**Mr Metcalfe**—This is Dr Ozdowski's recent report?

**Senator FAULKNER**—Yes. It was called *A last resort*? Is that a matter that would have come before or, in some way at least, been dealt with by the People Smuggling Task Force?

**Mr Metcalfe**—I do not think so, and the reason is that the People Smuggling Task Force is a group that deals with border protection and the potential for illegal immigration. But it has also dealt from time to time with the situation in Nauru and Manus. My understanding of the HREOC report is that it primarily or solely deals with detention within Australia.

**Senator FAULKNER**—That is helpful, but you began your contribution by saying you did not think so. Can we be clear about that?

**Mr Metcalfe**—Mr Jordana might be able to assist us.

**Mr Jordana**—I am informed that that is not part of the mandate of the People Smuggling Task Force, so Mr Metcalfe's description of it is accurate.

**Senator FAULKNER**—I can be assured then that that matter was not dealt with by the People Smuggling Task Force?

**Mr Metcalfe**—We have just had that confirmed.

**Senator FAULKNER**—What about more broadly in the department? Did the report go to any section of the department, either your division or the Social Policy Division?

**Mr Metcalfe**—As I indicated, to the extent that the report was of relevance to PM&C, it would have been dealt with by the Social Policy Division.

**Senator FAULKNER**—I think we have just lost the Social Policy Division.

**Mr Metcalfe**—Ms Scott is still here, and she has overall responsibility for that area.

**Senator FAULKNER**—Do we know whether HREOC's report *A last resort*? was available to the Department of the Prime Minister and Cabinet prior to its being handed down or made public?

**Mr Metcalfe**—Are you asking whether we saw a draft or a final draft?

**Senator FAULKNER**—Yes.

**Ms Scott**—I will have to check on that.

**Senator FAULKNER**—If you could, I would appreciate it. If there was any involvement at the departmental level before the report was handed down, could you take on notice at what level of the department and which officers were involved in that? Do you know whether, as a matter of course, such a report goes to the Prime Minister's office prior to public release?

**Ms Scott**—We think we can give you an answer pretty quickly on that, but I do not have the relevant officer here.

**Senator FAULKNER**—If you can provide this information to the committee because there has been some public commentary, some media suggestion that certainly one department

tried to have this report watered down. What I want to know is whether this report was made available to either the Department of the Prime Minister and Cabinet or the Prime Minister's office before it was handed down. If it was, to whom was it made available? If so, as a result of those events, did anyone from the department or the Prime Minister's office have any communication with Dr Ozdowski or any other HREOC staff involved in the inquiry? That is what I would like to know.

**Ms Scott**—I can give you a response to an earlier question. We did have a copy of the final report before it was released, and that was provided at the branch head level—SES Band 1.

**Senator FAULKNER**—You might also provide, if you could, the dates that that occurred and the status of the report.

**Ms Scott**—I understand it was a final report. It was not a draft report.

**Senator FAULKNER**—I have provided the questions I would like you to address. In part they are obviously addressed to the department but in part they more directly go to the Prime Minister's own office.

**Senator ROBERT RAY**—We will move to the more general questions on international policy. We know this has had primary carriage with the minister for justice and the department of foreign affairs but it relates to what we call the 'Hong Kong extradition case'. Has there been any involvement by PM&C in these issues? It is to do with Mr Henty and Mr Voight.

**Mr Metcalfe**—We do not recall any contact or specific knowledge or work on the matter, but to be sure I will take that on notice and we will answer that after we have checked.

**Senator ROBERT RAY**—In addition to whether you have done any work on it—

**Mr Metcalfe**—I am advised that our legal area may have had some contact rather than the international area, so I will ask Mr Anderson to assist you.

**Senator ROBERT RAY**—Thank you. I am just looking for what involvement PM&C may have had in this issue, bearing in mind that the key carriage is in the minister for justice's bailiwick and I imagine that foreign affairs had some coincidental involvement.

**Mr Anderson**—Relatively recently the Department of the Prime Minister and Cabinet had some liaison with the Department of Foreign Affairs and Trade and the Attorney-General's Department to get a better understanding of the issues involved in the matter, following some correspondence to the Prime Minister about Senator Ellison's decisions.

**Senator ROBERT RAY**—So is this correspondence coming from the administration in Hong Kong directly to the Prime Minister and you have to do a response? Or are you talking about responding to domestic correspondence that the Prime Minister gets on issues?

**Mr Anderson**—Domestic correspondence.

**Senator ROBERT RAY**—Is this Joe Public writing in on the issue or interested parties, without going into who they are?

**Mr Anderson**—I think Joe Public would be a reasonable description.

**Senator ROBERT RAY**—So you are acquainting yourself with the issue not really to get involved but to be able to respond to correspondence that is coming into the Prime Minister. Is that a fair characterisation?

**Mr Anderson**—Yes, and to provide information to the Prime Minister's office about the issue as it had been in the public domain and received some parliamentary attention, I understand.

**Senator FAULKNER**—Can I ask about the terrorism white paper. Again, I think this is in your area Mr Metcalfe.

**Mr Metcalfe**—Yes, it comes under 3.1 and 3.2. It does fit in this area.

**Senator FAULKNER**—So is this an appropriate time to ask questions about it?

**Mr Metcalfe**—It certainly is.

**Senator FAULKNER**—I think it was in late March, from memory, that the Prime Minister announced that the government had commenced work on a terrorism white paper. That is correct isn't it?

**Mr Jordana**—That is correct.

**Senator FAULKNER**—According to the Prime Minister that was supposed to analyse the international dimension of terrorism and the character of it. I am sure there were other things but that was part of the task, wasn't it?

**Mr Jordana**—That was part of the task; that is right.

**Senator FAULKNER**—What is the rest of the task?

**Mr Jordana**—I think another part of the task would be to outline what the Australian response has been to that particular threat environment, with a particular emphasis on the international response.

**Senator FAULKNER**—Mr Metcalfe or Mr Jordana, do you want to indicate to the committee what involvement in this process the Department of the Prime Minister and Cabinet has had?

**Mr Jordana**—The development of the text is being led by the Department of Foreign Affairs and Trade and a number of agencies have been called together at various times to input to the text, make contributions or comment on various drafts. We play a role in that but we are not the lead agency.

**Senator FAULKNER**—So DFAT is the lead agency.

**Mr Jordana**—That is correct.

**Senator FAULKNER**—Is there an IDC?

**Mr Jordana**—I am not sure I would characterise it as a standing IDC but I think there is a group of people who have come together at a working level—like a drafting group—to look at various iterations of the draft.

**Senator FAULKNER**—For example, is ONA also involved in the development of the paper?

**Mr Jordana**—I would be surprised if they were not—I can do better than that: they are involved because a lot of—

**Senator FAULKNER**—Obviously, I could have asked them but I assumed that that would be the case.

**Mr Jordana**—Yes. A significant proportion of the paper will look at the international terrorist environment, so a lot of that information will obviously be gleaned from a range of sources who have information on that, including ONA.

**Senator FAULKNER**—What sorts of resources is PM&C putting into this?

**Mr Jordana**—We would not have a dedicated resource working on it all the time. We have a section of the National Security Division that deals with international counter-terrorism and intelligence matters, and it would be those officers taking the carriage from PM&C's perspective.

**Senator FAULKNER**—So can you give a broader picture of what sorts of staff resources?

**Mr Jordana**—Normally, we would have one person within the division who would have primary carriage for that particular issue, and so would attend the meetings and be aware of where the draft has got to. Clearly, at times there would be a need for consultations with other parts of the division. For example, our counterterrorist efforts on the international scene also have implications for what we do domestically, so there would have to be consultations with the other side of my division, which is the domestic security side.

**Senator FAULKNER**—Where has the draft got to?

**Mr Jordana**—I am not sure how to answer that. It is at relatively advanced stage, but I am not sure exactly. I do not think I have seen a copy of it at all.

**Senator FAULKNER**—Do you know what the plans are in relation to release, for example?

**Mr Jordana**—I am not 100 per cent sure about that.

**Senator FAULKNER**—It will be released by the Minister for Foreign Affairs and Trade or the Prime Minister.

**Mr Jordana**—Again, I am not 100 per cent sure. It is a white paper and the Department of Foreign Affairs and Trade has had principal carriage of it. I am not sure what the implications are for who will release it.

**Senator FAULKNER**—But is your department responsible for drafting elements of the white paper? I appreciate what you have said about the role and I accept DFAT being the lead agency.

**Mr Metcalfe**—My understanding is that DFAT has assembled a small drafting group. I think they have had contributions from one or two other agencies and they are working together—Defence is involved. I would regard the PM&C contribution as more commenting on drafts rather than what you were suggesting it could be, which is providing a component part. We are not writing part of it in relation to an aspect, a defence angle or whatever. We are seeing drafts as they emerge, providing comments and contributing to the overall development of the document.



**Senator FAULKNER**—But if you are seeing drafts as they emerge I thought you might have a feel for how close this was to completion.

**Mr Metcalfe**—My sense, as Mr Jordana says, is that it is a work in progress that has gone a fair way down the track, but I do not think it would be regarded as being anywhere near a final document yet. We are not aware of what the ultimate launch publication arrangements might be.

**Senator FAULKNER**—Anyway, there is no formal IDC in relation to this?

**Mr Metcalfe**—No, that is my understanding. The last briefing I had on the issue was actually given by the Ambassador for Counter-Terrorism to the National Counter-Terrorism Committee last week, and essentially my knowledge of the issue is current given that briefing last week.

**Senator ROBERT RAY**—On another subject: has your department been in discussion with Mr Flood about his report? Has he been to this particular division to see how it operates and how it fits in?

**Mr Metcalfe**—Yes, we have had a couple of meetings with Mr Flood in relation to the content of his work. There were some discussions with Mr Flood in the establishment of his review because he and his group are physically located within our building, so amenities were provided to them. In addition, Mr Flood called for submissions and PM&C has provided him with a submission.

**Senator FAULKNER**—Did the International Division have any involvement in the drafting of the MOU that was signed between the US, the UK and Australia on 23 March 2003 establishing an arrangement for the transfer of prisoners of war, civilian internees and detainees between Australian, US and UK forces?

**Mr Metcalfe**—I cannot recall anything specifically, Senator. As we may have indicated at previous estimates for PM&C, I chaired an interdepartmental committee, known as the Iraq coordination group, which brought together Defence, foreign affairs, ONA and other agencies as necessary on a quite regular basis at that time. I would have to check the records as to whether that specific issue was a subject of discussions involving PM&C. I do not have a recollection of it. There are other aspects that we did look at quite closely, such as rules of engagement, but that particular MOU is something that does not bring any immediate recollection.

**Senator FAULKNER**—Would you mind checking?

**Mr Metcalfe**— I will take it on notice.

**Senator FAULKNER**—I would appreciate that. As far as the International Division is concerned, when did you first become aware of any mistreatment of Iraqi detainees?

**Ms Bird**—Our first awareness of the Abu Ghraib abuses was when the story broke publicly.

**Senator FAULKNER**—When you say ‘broke publicly’, you are saying it was some mass media?

**Ms Bird**—When it was in the media, yes; when the stories were in the media.

**Senator FAULKNER**—When did the division become aware of the International Committee of the Red Cross report? Can you indicate that to me?

**Ms Bird**—As ministers have indicated, the ICRC did not provide the report to the Australian authorities. Some ADF legal officers attached to the Coalition Provisional Authority in Baghdad were aware of the ICRC concerns about some aspects of the detention, and they reported to officials in Canberra as part of their regular sitreps that these concerns were being managed through the proper channels.

**Senator FAULKNER**—But there was a formal ICRC report, wasn't there?

**Ms Bird**—Yes, there was.

**Senator FAULKNER**—I appreciate the information you have provided, and I thank you for it, but my question went specifically to the ICRC report.

**Ms Bird**—As far as I am aware, PM&C got the ICRC report only when, again, it was in the public domain.

**Senator FAULKNER**—Can you take on notice precise dates for both of those?

**Ms Bird**—Sure.

**Senator Hill**—What were those dates for? One was when you got the ICRC report; what was the other one?

**Senator FAULKNER**—The other one was in relation to the mistreatment of Iraqi detainees. I notice the qualification as far as I am aware and I accept that, and I have heard the evidence of the official at the table and I accept that. But it might be useful for us to actually put a date to it.

**Mr Metcalfe**—As to when we first became aware of the incidents that had occurred, as Ms Bird indicated that was through the media. We can check as to when that was. Secondly, you asked when we received a copy of or became aware of the ICRC's report.

**Senator FAULKNER**—Yes. There was also an Amnesty International report, wasn't there?

**Ms Bird**—Yes. Again, I am not sure. I do not think we got that until it was in the public domain.

**Senator FAULKNER**—Can you check that for me and provide that information to us? What about the Human Rights Watch report?

**Ms Bird**—I am not aware of that one. I would have to take that on notice.

**Senator FAULKNER**—You mentioned the ADF legal officer in your earlier answer to my question about Iraqi detainees. When precisely was that? Are you able to tell me that now?

**Ms Bird**—I am aware that there were a couple of sit reps that were sent. I am not sure of the exact dates.

**Mr Metcalfe**—These were situation reports from an ADF officer attached to the coalition provisional authority.

**Senator FAULKNER**—Obviously the Department of the Prime Minister and Cabinet is one of the addressees on the sit reps, is it?

**Mr Metcalfe**—No. They were sent back to the Department of Defence.

**Senator FAULKNER**—That is what I am asking.

**Mr Metcalfe**—I think we have undertaken to check as to when we received that information as well.

**Senator FAULKNER**—I think the record might show, and I do not say that this was intended, that you might have received those sit reps directly. That is how I understood the evidence that we have heard.

**Ms Bird**—I can answer that.

**Mr Metcalfe**—Sorry, I will let Ms Bird answer.

**Ms Bird**—No, Senator, PM&C was not on the distribution list for those sit reps.

**Senator FAULKNER**—That is what I was wondering.

**Ms Bird**—I should add for the sake of completeness that once the story broke we checked to see if we had ever received any of those sit reps. Two officers had received one but in another context. We were not on the distribution list.

**Senator FAULKNER**—If you could, for the benefit of the committee, please provide the date of the sit reps and the date that they were received by PM&C. You have used two terminologies there I think: ‘became aware of’ and ‘received’. Did you actually at some point physically receive the reports?

**Ms Bird**—We received one of the sit reps at a certain stage.

**Senator FAULKNER**—I understand. I think you ought to make those dates, if you would not mind, clear in your answer.

**Mr Metcalfe**—We will be as clear as we possibly can. I think the situation is that we were not on the distribution list and an officer in another division received one of the reports subsequently but for a different purpose and so was not focusing on that particular issue. After the story broke in the media, we became aware of the situation reports and so we then received them at that stage. We will provide you with dates in relation to that.

**Senator FAULKNER**—Do these reports just get sent to you as a matter of course or were you actually proactive in terms of trying to find them?

**Senator Hill**—Which reports are we talking about now?

**Mr Metcalfe**—Do you mean the situation reports or the ICRC report?

**Senator FAULKNER**—I was thinking about the other reports from the International Committee of the Red Cross and Human Rights Watch.

**Mr Metcalfe**—They were not sent to us as a matter of course. Indeed, as I think has been said publicly, the Red Cross report was only provided to the detaining authorities. Australia is not a detaining authority so Australia did not receive it until it subsequently became public.

**Senator FAULKNER**—Can you explain to the committee please, with the publicity surrounding the mistreatment of Iraqi prisoners, what if any involvement the International Division has had with that issue? It might save a little time if you just provide that information to the committee.

**Mr Metcalfe**—Following the matter becoming public, we have provided some briefings to the Prime Minister on the issue.

**Senator FAULKNER**—Can you indicate when those briefings were provided?

**Ms Bird**—I would have to check that, but after the story was in the public domain we provided some briefings to the Prime Minister.

**Senator FAULKNER**—What sort of internal resources have been involved in this issue, Mr Metcalfe?

**Ms Bird**—Officers in my division who normally handle Iraq issues have been involved.

**Senator FAULKNER**—Is the Iraq task force still engaged with the Iraq task force in DFAT?

**Mr Metcalfe**—The Iraq task force exists within the Department of Foreign Affairs and Trade.

**Senator FAULKNER**—Yes, but it did have some PM&C involvement, didn't it?

**Mr Metcalfe**—That is correct. Earlier I mentioned a senior level group called the Iraq coordination group, which no longer exists.

**Senator FAULKNER**—So at what level are you represented on the Iraq task force?

**Ms Bird**—It varies: sometimes it is at the SES level and at other times it is at the executive level.

**Senator FAULKNER**—In relation to the Australian prisoners in Guantanamo Bay, has PM&C had any involvement in the development or establishment of protocols and procedures for the treatment and detention of detainees apprehended by Australian forces?

**Mr Metcalfe**—The answer to that is no. The principal carriage of that has been with the Attorney-General's Department and the Department of Foreign Affairs and Trade. We have obviously been aware of the matter but we have not had an input, as such, to the development of the protocols.

**Senator FAULKNER**—Has there been any involvement of International Division in relation to the two Australian prisoners, Hicks and Habib, in Guantanamo Bay? I appreciate that it is primarily another department's primary responsibility but I wondered if your department has had any role.

**Mr Metcalfe**—Again, we have to the extent of providing a briefing to the Prime Minister on the matters but, as you noted, the principal carriage is elsewhere.

**Senator ROBERT RAY**—The issue of Lieutenant Colonel Collins, which has been highlighted over the last few weeks, is mostly a matter for IGIS, Defence and whoever else, but it came to attention in part by way of a letter from Lieutenant Colonel Collins to the Prime Minister. Is that your involvement in the issue?

**Mr Metcalfe**—Yes. Mr Jordana can provide some advice on that.

**Mr Jordana**—The carriage of that issue falls within the National Security Division. One part of that division, the defence and intelligence part, would have been responsible for carrying forward work on that perspective, and that was largely responding to the letter of Lieutenant Colonel Collins. There really has not been any real developmental work done on the issue in the division. As you can imagine, this is something that is largely within the Department of Defence, and it was also mentioned before as being taken up by the Inspector-General.

**Senator ROBERT RAY**—I think the letter by Lieutenant Colonel Collins has appeared in the media, or extracts of it—is that right?

**Mr Metcalfe**—Was that the letter from him or to him, Senator?

**Senator ROBERT RAY**—From him, firstly.

**Mr Jordana**—I think so, yes.

**Senator ROBERT RAY**—And that was not released to the media by anyone in PM&C, was it?

**Mr Jordana**—No.

**Senator ROBERT RAY**—And there has now been a letter back to the Lieutenant Colonel. Has that also been in the media?

**Mr Jordana**—I think so, yes.

**Senator ROBERT RAY**—And that has not been released by the department.

**Mr Jordana**—That is right.

**Senator ROBERT RAY**—In fact the department has not released anything publicly on this issue.

**Mr Jordana**—That is correct.

**Senator ROBERT RAY**—Did you have to consult more widely than with just Defence and IGIS in responding to the claims made?

**Mr Jordana**—Yes, we did. We consulted very widely, not only with the Department of Defence but also with some of the intelligence agencies. It became very clear that the Prime Minister wanted to provide a comprehensive response to the letter and that we needed to seek advice from a number of agencies in providing that comprehensive response.

**Senator ROBERT RAY**—I only want to go to one of Lieutenant Colonel Collins' claims—that there was a spy operating in a government agency. Were you able to get absolute assurances that those matters had been investigated thoroughly?

**Mr Jordana**—I am trying to recall that. If my recollection is correct—and I stand to be corrected on this—the advice that we would have sought was advice that had already been provided to the government. We did not go through any process of trying to recreate or examine that advice. I think the advice was that we were satisfied with the answer.

**Senator ROBERT RAY**—Minister, are there two issues here? There are Lieutenant Colonel Collins's complaints—what you might call allegations, of which we have yet to see any proof—and the secondary issue of the process by which those allegations were treated. Are they two issues that you can separate out?

**Senator Hill**—That is one way of looking at it. There are a whole range of different allegations that have been dealt with in different ways. Some go to broader issues which you might say relate to national security, such as the relationship between various agencies. Others go to matters that are more personal to Lieutenant Colonel Collins. But in his initial complaints which were made, I think, in the first instance to Mr Moore and subsequently to Mr Reith he tended to cover the field; so that package went to the then IGIS. At about the time Mr Blick was reporting he also started a process of review through the grievance procedures of the Army. Again, though, his complaints there did not solely relate to his relationship with the Army and criticisms he had in that regard; he also included in that grievance process the broader national security issues.

**Senator ROBERT RAY**—I do not need to go any further down that path. Mr Jordana, I take it that you were so certain that no aspect of the correspondence backwards and forwards between the Lieutenant Colonel and the Prime Minister or any of the associated matters emanated from the department that you would not even have contemplated a leak inquiry into that.

**Mr Jordana**—There was certainly no reason why we felt any need to conduct a leak inquiry, but—

**Senator ROBERT RAY**—I am not suggesting you should have. I was just trying to go to your thinking.

**Mr Jordana**—The reason I am hesitating is that I am not sure what appearance of what documents in the public domain you might be referring to.

**Senator ROBERT RAY**—I think the letter appeared in the newspaper.

**Mr Jordana**—The letter from who?

**Senator ROBERT RAY**—The letter from Lieutenant Colonel Collins appeared in magazines and newspapers. It certainly was not released by PM&C.

**Mr Jordana**—No, it was not.

**Senator ROBERT RAY**—I am trying to establish how certain you were in your own mind. We can work out for ourselves later where it may have come from, but I am just trying to establish that. Sometimes you instinctively know there is a big chance it has come from within a department, and then you refer it off. When you are absolutely certain it does not, you do not refer it off. However, I have nothing more on that.

**Senator FAULKNER**—Did PM&C play quite a major role, Mr Metcalfe, in putting advice to the government on regional aviation security?

**Mr Metcalfe**—That is correct.

**Senator FAULKNER**—Could you explain to the committee what that role was?

**Mr Metcalfe**—The National Security Committee of cabinet considered the issue but was informed by a process that was run by the Secretaries Committee on National Security, which Dr Shergold chairs. To support the secretaries committee, or SCONS, there was a high-level interdepartmental committee chaired by me and involving quite a number of agencies: ASIO, Transport, Federal Police and so on.

**Senator FAULKNER**—But on this one PM&C had a major role?

**Mr Metcalfe**—Absolutely.

**Senator FAULKNER**—Is it fair to say it was the lead agency?

**Mr Metcalfe**—With Transport. PM&C was the lead agency in that we chaired the IDC and Dr Shergold chaired the SCONS process. We obviously worked extremely closely with the Department of Transport and Regional Services.

**Senator FAULKNER**—I am not going to go to the substance of advice but I assume the advice to government includes best practice. Would you be advising on that sort of thing?

**Mr Metcalfe**—Certainly it was the intention to have a comprehensive look at security, including aviation security, given that the issue had been addressed in a whole lot of ways over many years, but particularly since 2001. Because of the ongoing information that there was a continuing fascination in aviation for al-Qaeda, we thought it was timely that the issues again be reviewed. So it was what I regard as a comprehensive, inclusive process to develop the best possible arrangements that we could in Australia.

**Senator FAULKNER**—My question was: could we be assured that it included best practice?

**Mr Metcalfe**—We certainly had a look at what others were doing overseas. We had a look at what ICAO requirements may be in place and we obviously had a look at the Australian perspective where aviation is a very important part of our economy, including in regional Australia.

**Senator FAULKNER**—Best value for money?

**Mr Metcalfe**—Economic considerations always come into it. You can always spend more on security, but you also have to be realistic in relation to whether or not security arrangements become so extreme that they effectively make the particular sector not cost effective. That balance between security and economic reality was something that we took into account.

**Senator FAULKNER**—Is security screening included as part of best practice?

**Mr Metcalfe**—It depends on the circumstances. Without going into all the details for obvious reasons, the review was informed by a sectoral threat assessment by ASIO. What we sought to do was to have an honest, realistic and comprehensive indication of what the threat is that we face. Clearly, the most significant interest of al-Qaeda is in relation to large jet aircraft, which can do the most damage. The threat assessment then made conclusions in relation to other aspects of aviation, including regional aviation, general aviation, flying schools and so on.

**Senator FAULKNER**—Is security screening also considered in the context of best value for money?

**Mr Metcalfe**—Security screening is one measure that can be adopted in relation to reducing the threat of terrorism. Undertaking security screening measures in airports is quite a substantially expensive measure because it requires the airports to be made sterile so that people cannot simply walk around the screening process. It requires not only perimeter fencing but also physical arrangements within terminals. The type of the aircraft and the methods that terrorists have used, and might use in the future, are all factors that go into the calculations as to whether screening is a cost-effective security measure or whether there are other cost-effective measures, such as strengthened cockpit doors and air security officers, and whether they operate together as a series of issues or whether they operate separately. All of those matters are things that are taken into account in saying what the best security arrangements are, commensurate with the threat and commensurate with the economic realities.

**Senator FAULKNER**—I was a bit surprised to hear that a security agency or agencies had told the government that security screening at regional airports is not needed and is not wise.

**Mr Metcalfe**—I do not want to go into ultimately what advice was given to government. If ministers wish to publicise that, that is up to ministers. What I can say is that we had a very careful look at regional aviation, bearing in mind that there are many dozens of airports in Australia, some of which just handle small aircraft but are, all the same, important for their local community. Many of those airports are owned by the local council. To require the full suite of screening measures which might be appropriate for major jet passenger terminals simply does not appear necessary in the current threat environment.

One of the conclusions of the review is that we do need to be prepared should the threat environment change. We are currently in a medium-threat environment, which indicates that, while there is no specific indication of a terrorist act occurring in Australia, one could occur. Were we to move to the next level—to a high-threat environment—where there was more information, we would want to bring in some more onerous arrangements as far as security checking was concerned. Part of the rationale in the government's decision on this is to enable those smaller regional airports operating propeller aircraft to get into a position so that, if you had to increase security arrangements, you could do so relatively quickly and to enable them to at least have a security plan in place, which many of them currently do not have. Hence, the program of assistance to regional airports was announced as part of the review and was the subject of further announcements in the budget.

**Senator FAULKNER**—I do not want to go to the advices provided, but can you let us know which agencies were involved in providing the security advices on regional airports?

**Mr Metcalfe**—Certainly ASIO and Transport, and the Federal Police had a role to play as well.

**Senator FAULKNER**—Are you able to say which agency or agencies have told the government that security screening at regional airports is not needed and not wise?

**Mr Metcalfe**—What I can say is that the security advice to government from the range of agencies involved leads to that conclusion in the current circumstances. That is not to say that,



if you had an unlimited budget, you might not do more; but there are many things you would do if you had an unlimited budget. In the current threat environment and given the many other elements of our domestic security arrangements—including intelligence, strong border control and strong cooperative arrangements between the Commonwealth and the states—moving to that particular measure in relation to those airports where screening is not currently undertaken did not appear necessary at this time.

**Senator FAULKNER**—That is the rationale for the advice, is it?

**Mr Metcalfe**—That is correct. Again, I think it is important to take the range of measures announced by the government in their totality. For example, although there was a view that it was not necessary in the current environment to introduce screening to a wider group of airports, there was a measure that the government would fund the installation of secure cockpit doors to a wider range of aircraft. There is currently a mandated requirement that jet passenger aircraft have secure cockpit doors in place, but this decision takes it to the next layer of aircraft, which is essentially turbo prop aircraft with, I think, more than 30 seats. So those aircraft may well be operating from airports where there are no metal detectors in place, but it is certainly a strong deterrent and physical barrier should there be any attempt of hijacking an aircraft.

**Senator FAULKNER**—You have, I assume, an ongoing brief on this, have you?

**Mr Metcalfe**—As I think you are aware, my job involves a few things, but the National Security Division has an active policy development and coordination role in relation to domestic security matters. We work with many other agencies in relation to policy coordination and development. In addition, I chair the national counterterrorism committee, which is the senior officials body involving Commonwealth agencies, state premier's departments and the Deputy Police Commissioners. Its objective is to ensure national coordination on these matters. PM&C has a significant responsibility that we take very seriously.

**Senator FAULKNER**—The National Security Division is now completely up and running, isn't it? It is fully functional?

**Mr Metcalfe**—Yes. I think Mr Jordana would advise that it is. We have come a long way in the last couple of years in building a very good group of people who are making a real contribution.

**ACTING CHAIR (Senator Fifield)**—If there are no more questions on output 3 we will move to output 4.

[5.58 p.m.]

**Mr Metcalfe**—It might assist the department if we are able to get an indication if the committee is planning to proceed simply through the outputs or the suboutputs. We will obviously just be ready to move sequentially into those.

**Senator ROBERT RAY**—Probably not.

**Mr Metcalfe**—I tried, Senator. For example, cabinet is first. I was wondering if you were proposing to talk about any cabinet matters first.

**Senator ROBERT RAY**—I will probably start there but I cannot promise you absolute consistency. We are so poorly funded for staff. We do not have your resources. We might get some standard questions up. Ms Belcher is probably the best one to help us here.

**Senator FAULKNER**—With regard to an issue we left last night, Mr Metcalfe, you had undertaken on behalf of the department to check for us, with Dr Shergold, whether there had been any involvement by the Department of the Prime Minister and Cabinet in the review that Mr Howard announced into parliamentary entitlements. I think you were going to report back to us on that. You thought it was very unlikely but you were just going to square that away. Could we just do that to kick off?

**Ms Belcher**—Yes. I spoke to Dr Shergold this morning. He had not had any communications about being involved in the review in any way.

**Senator FAULKNER**—Thanks.

**Senator ROBERT RAY**—The review is finished, isn't it? That was quick.

**Senator FAULKNER**—Were you able to establish who did conduct the review? I am not expecting you to be able to. There was some speculation from witnesses at the table that it was likely to have been the Department of Finance and Administration, but I thought you might know.

**Ms Belcher**—No.

**Senator FAULKNER**—I am not expecting you to know but, as always, any information is gratefully received, as you know.

**Senator ROBERT RAY**—Can I ambush you and ask you to tell us how many DLOs are currently out there in cyberspace. I did not ask you last time.

**Ms Belcher**—At the moment there is a total of 72 DLOs: 71 in the offices of ministers and parliamentary secretaries and one in the cabinet policy unit.

**Senator ROBERT RAY**—Is that the first time we have had a DLO in the cabinet policy unit?

**Ms Belcher**—The position has been there a little while now, but it is the first time it has been reported to the committee.

**Senator ROBERT RAY**—And who is that person?

**Ms Belcher**—It is an officer from PM&C by the name of Janet Olsen.

**Senator ROBERT RAY**—Are you happy to table where they all are?

**Ms Belcher**—Yes.

**Senator ROBERT RAY**—Since 1 July last year—you may find a more convenient date—can you tell us how many leak inquiries PM&C has referred to the Federal Police or has conducted internal investigations into?

**Ms Belcher**—Mr Hamburger will answer that.

**Mr Hamburger**—What date was that from?

**Senator ROBERT RAY**—I have said 1 July last year but, if your data is easier to be extracted from some other time period, let's use that.

**Mr Hamburger**—We went through them at the last meeting and this might slowly overlap that date. Since July last year—and this is new since the last estimates meeting—the only one we have been involved with is the one that Senator Faulkner raised earlier: the various leaks on family issues.

**Senator ROBERT RAY**—I do not know if we got full information then. When were they referred to the police for inquiry?

**Mr Hamburger**—Shortly after the first one, which was in late January this year. So it would have been early February this year that we would have taken it to the police.

**Senator FAULKNER**—There have been multiple leaks there, haven't there?

**Mr Hamburger**—Yes, that is right.

**Senator FAULKNER**—Can you enumerate them? Can you give me a number?

**Mr Hamburger**—We are working on a list of eight incidents, all of related documents. A number of those are different parts of the same document.

**Senator FAULKNER**—So, eight separate leaks—I described them before, but tell me if it is an unfair description—all related to issues pertaining to the Family and Community Services portfolio. That is a fair description, isn't it?

**Mr Hamburger**—I think that would be fair, yes.

**Senator FAULKNER**—Are you able to outline what the eight are?

**Mr Hamburger**—The first one was in the *Weekend Australian*. Among other things it was a report of the interdepartmental work and family task force. The second one was a cabinet minute, the third one was a letter from the Prime Minister to the Minister for Family and Community Services of September 2003, the fourth one had to do with a number of issues related to the work of the work and family task force and the fifth one was a letter from the Minister for Family and Community Services to the Prime Minister. The other three came from various parts of a draft cabinet submission relating to work and family issues

**Senator FAULKNER**—But you are saying—

**Mr Hamburger**—It is a submission. The earlier cabinet document I had mentioned was a cabinet minute.

**Senator FAULKNER**—Yes, but it is from different parts of the same submission. Is that what you are saying?

**Mr Hamburger**—Yes, the submission had attachments.

**Senator FAULKNER**—It is a flood of leaks, isn't it? It is worthy of the cabinet room.

**Mr Hamburger**—It is certainly a collection of them, yes.

**Senator ROBERT RAY**—I am asking in part for an opinion, so you do not necessarily have to answer, but have you formed the view that there is one leaker and not several leakers in regard to this matter?

**Mr Hamburger**—As far as we have opinions, they are not strongly informed by the police inquiry. We have had some dealings with the police. Given the related subject matter and the way they have come out, it would look as though it is not a large number of leakers.

**Senator ROBERT RAY**—In that period since 1 July last year, have you had any previous leak inquiries, hanging over from the previous financial years, reported back to you as the investigation having now been finalised?

**Mr Hamburger**—I do not believe so. No, I am certain we have not. For the one before that, we would have known before last July that we were not going to find anybody.

**Senator ROBERT RAY**—It is very hard to establish a perfect record, but you have maintained it—you have not caught one yet, have you? When I say ‘you’, I am not saying you personally. You understand that.

**Senator FAULKNER**—That is not fair. There was Senator Newman’s staffer.

**Senator ROBERT RAY**—Sorry, I will rephrase that question: you have not caught someone employed under the Public Service Act of having leaked something.

**Senator FAULKNER**—That is right.

**Senator ROBERT RAY**—You may have caught someone under the MOP(S) Act.

**Mr Hamburger**—Not in the inquiries associated with cabinet or with Prime Minister and Cabinet. I could not speak for the whole span of the Public Service.

**Senator FAULKNER**—It is a perfect record of failure, in fact.

**Senator ROBERT RAY**—I do not think we should pick on PM&C.

**Senator FAULKNER**—I don’t—never have.

**Senator ROBERT RAY**—If we go across all other departments, it is still a zero sum game. But that is the only one outstanding—there is no other in contemplation at this stage?

**Mr Hamburger**—No, not at the moment.

**Senator ROBERT RAY**—That is good. I know you have had no experience at this, but if the police came back and did identify an individual as having made an unauthorised disclosure, what are the procedures? Is it just a matter of going to the DPP, is it internal or is it a bit of both?

**Mr Hamburger**—It could be either. If there is reasonable evidence of a crime then I expect the police would go to the DPP, and we would certainly support that, but there may be cases where it is possible to take disciplinary action under the Public Service Act instead of or in addition to criminal prosecution.

**Senator ROBERT RAY**—Who would make that decision? Presumably the police and the DPP would make a decision to prosecute independent of your view.

**Mr Hamburger**—Yes.

**Senator ROBERT RAY**—Again, when I say ‘you’ I mean the Department of the Prime Minister and Cabinet. If they reported back saying there was insufficient evidence for a prosecution, you may still take internal action?

**Mr Hamburger**—The employing agency could, yes. It might be a different offence.

**Senator ROBERT RAY**—If the investigations—there may have been a bit of a fishing expedition around—turns up other material not relevant to the disclosure of unauthorised material, you are in a position to use that for further disciplinary action, are you?

**Mr Hamburger**—In that circumstance we could use it, Senator, but it might be a situation in which the evidence was not strong enough for a criminal prosecution but would support a Public Service Act disciplinary action.

**Senator Hill**—The evidence might be that it had occurred through negligence.

**Senator ROBERT RAY**—That is one thing that I can contemplate, and I understand that. But I am asking whether, if you are investigating someone for a potential leak and if that investigation turns up some other transgression that is not prosecutable, that can be used to discipline a public servant. It is a different question, Senator Hill. I appreciate your answer, but this is a different question.

**Mr Hamburger**—I am sure it could, Senator. Yes, if it turned up a breach of the Public Service Act, I am sure we could take disciplinary action under the act.

**Senator ROBERT RAY**—Because the police found it, even though it was not within their normal remit to look for.

**Mr Hamburger**—Yes, Senator.

**Mr Metcalfe**—I think in those circumstances, before taking any action or precipitate action, clearly we would seek legal advice as to the appropriateness of the evidence or material obtained and the most appropriate course of action, so it would be a considered process, depending upon the circumstances.

**Senator ROBERT RAY**—If you are looking for a good case study, talk to your colleagues in Foreign Affairs. We are at about \$350,000 and still blowing out—with no result—but, before you ever go down that path, I would consider that. But that is a sensible answer, thank you.

**Senator FAULKNER**—Ms Belcher, I know you have been waiting with bated breath to give us an update on the resolving Senate deadlocks frolic around Australia, so here is your opportunity to do so. You can tell us first of all whether we have got a final cost for the resolving deadlocks Senate exercise.

**Ms Belcher**—Senator, I do not have a firm final cost; I have an estimate. To 12 May, the amount spent was approximately \$152,000. The estimate of the total cost has come down a little from the amount I mentioned at last estimates—which I think was about \$201,000—to \$187,000.

**Senator FAULKNER**—Thanks for that.

**Senator ROBERT RAY**—Where has it come down, though? What component?

**Ms Belcher**—We had estimated a higher cost for airfares. Legal costs were covered by Comcover. With departmental overheads, it was just calculated in a way that had us estimating a little more.

**Senator FAULKNER**—Did the committee actually meet after the last round of estimates?

**Ms Belcher**—Yes, I think so. Yes, I believe that it would have met again.

**Senator FAULKNER**—I think you informed us at the last estimates committee that we would get the committee's report into the Senate in the near future. That was three months ago but, to my knowledge, it has not yet been publicly released. Has it been released?

**Ms Belcher**—No, it has not, Senator. I am sorry—that was my expectation at the time. I have been given to understand that a tabling next week is likely, but I cannot give an undertaking.

**Senator FAULKNER**—When was the committee's report finalised?

**Ms Belcher**—Towards the end of March.

**Senator FAULKNER**—Can you be precise about the date that it was finalised?

**Ms Belcher**—Yes. The report was presented on 22 March.

**Senator FAULKNER**—So the Prime Minister has been sitting on it for two months.

**Ms Belcher**—I would not call it sitting on it.

**Senator FAULKNER**—He has not been sitting on it; it has just been on his desk.

**Senator ROBERT RAY**—Under active consideration for two months.

**Ms Belcher**—There have been other issues to look at. For example, before the Prime Minister or the government decide on a response there has been a need to look at the submissions put in. As you know, the consultative group, while taking some account of the submissions, was not given the job of analysing all the submissions. So the Prime Minister was presented not just with the consultative group report but by the department with the submissions also.

**Senator FAULKNER**—The committee concluded its work on 22 March. That is the date of the committee or the day it was forwarded to the Prime Minister?

**Ms Belcher**—The day it was presented, yes.

**Senator FAULKNER**—Was there a little formal ceremony of some description?

**Ms Belcher**—I think the chairman handed it to the Prime Minister.

**Senator FAULKNER**—That is very nice. Since that time what further action has taken place? This was so crucial at the Liberal Party convention. The world turned on this issue of Senate deadlocks, but suddenly other events seem to have overtaken it in significance. What are you aware of? What departmental activity or other activity has taken place over the past couple of months while the Prime Minister has had the report?

**Ms Belcher**—The department provided briefing on the report to the Prime Minister. It provided the submissions, and within the Prime Minister's office there has been analysis of those for the Prime Minister. There has been suggested response and discussion among ministers.

**Senator FAULKNER**—Was the Prime Minister's response on this issue released on PM&C web site also in late March?

**Ms Belcher**—The Prime Minister's response was not. A draft was prematurely released. It was not the Prime Minister's response.

**Senator FAULKNER**—A draft of the Prime Minister's response was prematurely released.

**Ms Belcher**—I cannot even say that it was a draft of the Prime Minister's response in that it was more a departmental draft of an approach to the report. It was not something that had been in any way discussed with the Prime Minister.

**Senator FAULKNER**—Didn't it really quote the Prime Minister?

**Ms Belcher**—It was something drafted by the department as something that might have gone on the web site if the Prime Minister had decided—

**Senator Hill**—Had chosen to use those words.

**Senator FAULKNER**—Fortunately, that is not plagiarism, is it? That is quoting the Prime Minister in advance of him even seeing what he was going to say. That is not plagiarism obviously. That was a foul-up, was it?

**Ms Belcher**—Yes, it was. I cannot find other words for it.

**Senator Hill**—Can't you find a more elegant expression for it?

**Senator FAULKNER**—Let me put it another way: that was an embarrassment to the department.

**Ms Belcher**—Naturally we would have preferred it not to have happened.

**Senator FAULKNER**—So what happened to the poor individual who was responsible for placing the Prime Minister's response on the web site in advance of the Prime Minister even seeing his response? At least the department was quick off the mark. They got the Prime Minister's response onto the web site two months ago. Mr Howard has sat on the report since that time. Who was the poor old victim? What happened to the poor old victim who put this on the web site? Have we identified the person? I do not want the name.

**Ms Belcher**—I do not even know the name of the person who put it on. It was one of those areas where something went wrong with the technical process of loading and something that had not been given approval somehow got onto the web site. I do not even know the name of the person responsible. I have not pursued it.

**Senator FAULKNER**—I was not going to ask you the name. We do not want some scapegoat to be swinging for this. Is that a concern, Mr Metcalfe, in terms of internal departmental processes at PM&C?

**Mr Metcalfe**—As Ms Belcher said, we would certainly have preferred it had not happened. It was a stuff-up. It is one of those technical things that—

**Senator FAULKNER**—That is a technical term—stuff-up—is it?

**Mr Metcalfe**—I quite often use it in relation to computers.

**Senator FAULKNER**—Quite restrained really.

**Mr Metcalfe**—We wish it had not happened. We have apologised to the Prime Minister's office that it did happen. It was certainly nothing that was of their making.

**Senator FAULKNER**—I hope it was not too obsequious.

**Mr Metcalfe**—No. If we foul up then we have to be accountable for it. In relation to the individual, as we have said, we do not know who it was. I am sure they realise it was unfortunate, and everyone has learnt from the experience.

**Senator FAULKNER**—So how long was the Prime Minister's response on the web site before it was realised that the Prime Minister had responded to a report that he had not actually seen?

**Ms Belcher**—It was approximately five days. I think it was accidentally loaded just before Easter.

**Senator FAULKNER**—That is very funny.

**Ms Belcher**—We became aware of it when someone rang Government Division and said that they had been trying to open the links to the webpage. We said, 'What is it you are talking about?' We discovered then that it had been loaded, and it was taken off the same day.

**Senator FAULKNER**—Do you know how many people accessed the information?

**Ms Belcher**—About 200, I am told.

**Senator FAULKNER**—Two hundred lucky people with advance knowledge of the Prime Minister's attitude and view about the Senate.

**Mr Metcalfe**—The point is that it was not, because it had not been cleared with anyone. We were being efficient and anticipating what might happen, possibly.

**Senator Hill**—Trying to be helpful.

**Mr Metcalfe**—We were trying to do our jobs too well.

**Senator FAULKNER**—Let me check with Senator Hill, who represents the Prime Minister here. He will be able to assist us as to whether there has been a conversion on the road to Damascus. The web site mentioned in its response to the *Resolving Deadlocks* report:

The government would not be pursuing constitutional change at this time, but would be considering options for implementing an ongoing program of public education and consultation.

Minister, does that now reflect the government's view about this?

**Senator Hill**—I think the Prime Minister should be allowed to express his own view, in his own words, in his own time.

**Senator FAULKNER**—So you cannot tell us what the government's view is about this?

**Senator Hill**—I wouldn't—

**Senator FAULKNER**—But you were on your feet cheering at the Liberal Party convention in Adelaide. You were cheering in the front row, weren't you, when the Prime Minister launched his attack upon the Senate and what an extraordinary impediment to the democratic process it is in Australia.

**Senator Hill**—I thought he made a very sound case.



**Senator FAULKNER**—But you always say that. You do not have an independent bone in your body.

**Senator Hill**—I found it convincing.

**Senator FAULKNER**—You have disappointed many of your old friends and colleagues who were expecting more of you in that regard.

**Senator Hill**—I was disappointed that there seemed to be so little interest within the Australian public on pursuing something that would lead to better government.

**Senator FAULKNER**—This has gone off the boil, has it?

**Senator Hill**—The Prime Minister will respond in his own time, and it sounds as if that might be soon.

**Senator FAULKNER**—Ms Belcher, has the report been printed?

**Ms Belcher**—Yes, the consultative group report has been printed.

**Senator FAULKNER**—How many copies have been printed?

**Ms Belcher**—Five hundred copies have been printed.

**Senator FAULKNER**—Five hundred; it does not seem as if it is going to be a big seller.

**Ms Belcher**—It will be on the web site.

**Senator FAULKNER**—Oh, dear! Thank heavens. It is not the only thing on the web site, is it?

**Mr Metcalfe**—We will check carefully that it is rightly on the web site.

**Ms Belcher**—The cost is \$3,905, and there is also an amount of \$465 for braille copies. The total is \$4,370.

**Senator FAULKNER**—When was the report printed?

**Ms Belcher**—Soon after it was received. I do not have the date.

**Senator FAULKNER**—The report has just been gathering dust on this important issue, has it? The report of the committee has been gathering dust for a couple of months. Senate reform is a terribly important issue, as we all know, but it was not important enough to—

**Mr Metcalfe**—I think Ms Belcher said earlier that the report of the consultative group is not the only input considered when formulating the government's response to the issue. So it is an unfair characterisation to say that it has been gathering dust or whatever. There will be an announcement.

**Senator FAULKNER**—I always try not to be unfair. I thought that was pretty reasonable. But what about this inaccurate report on the web site about the ongoing program of public education and consultation?

**Ms Belcher**—Senator, may I just make a minor correction? I told you that the report had been printed soon after. I have been advised that a printed copy was provided to the Prime Minister so it was done immediately before presentation.

**Senator FAULKNER**—So it has been printed for at least two months. My comment stands but my question went to the ongoing program of public education and consultation. Can the department confirm that such a program is going to take place?

**Ms Belcher**—No, I cannot confirm that.

**Senator FAULKNER**—I am talking about what was accidentally released on the web site.

**Ms Belcher**—Yes.

**Senator FAULKNER**—That was the department's idea. Who comes up with these ideas?

**Mr Metcalfe**—That report had no status.

**Senator FAULKNER**—But someone in the department came up with it, didn't they?

**Mr Metcalfe**—Someone came up with it but it had no clearance or status, so I think you should not assume anything from what you read on the web site.

**Senator FAULKNER**—I do not assume anything at all, Mr Metcalfe. I just assume that someone in the department came up with the idea.

**Mr Metcalfe**—You were asking us whether or not a particular thing was going to happen and I am just saying that you should not assume anything.

**Senator FAULKNER**—Given that some officer in the Department of the Prime Minister and Cabinet thought that 'an ongoing program of public education and consultation' would occur, I am asking the question: will it occur?

**Mr Metcalfe**—That is a matter for the Prime Minister to announce.

**Senator Hill**—There might have been a suggestion of a third party.

**Senator FAULKNER**—Really? The plot thickens.

**Senator Hill**—It is better to just wait and see.

**Senator FAULKNER**—What about the submissions made to the committee? Are they going to be made public?

**Ms Belcher**—Yes, that is the intention.

**Senator FAULKNER**—There are 293 of those, aren't there?

**Ms Belcher**—That sounds right. Yes, there were 293 written submissions.

**Senator FAULKNER**—What was the reason for the department's rejection of the FOI request to see the public submissions on Senate reform?

**Ms Belcher**—The decision made was that premature release might encourage ill-informed speculation.

**Senator FAULKNER**—That is mildly amusing given that there was a premature release of the Prime Minister's own views on this on your own web site. On that mildly amusing note I think we might break for the dinner adjournment and just note that the grand total of \$187,000 on this Senate reform exercise has been flushed down the toilet.

**Proceedings suspended from 6.29 p.m. to 8.02 p.m.**

**CHAIR**—The committee will continue its examination of output group 4 of the Department of the Prime Minister and Cabinet.

**Senator FAULKNER**—I have a couple of questions about Kirribilli House. I think there are answers to questions on notice that are still outstanding from the last estimate round in relation to functions at Kirribilli House between 1 July 2003 and 1 January 2004 and the costs that were borne by the taxpayer. What is the status of those? Why have they not been answered and when might we expect an answer?

**Ms Scott**—That answer is not available at this time. We hope to make it available as soon as possible.

**Senator ROBERT RAY**—What does ‘that answer is not available’ mean? Can you translate that so we can understand what you are saying?

**Ms Scott**—We are not in a position to provide an answer to you.

**Senator ROBERT RAY**—I can understand that, but is it because the department has not completed the necessary research or because it has gone to the Prime Minister’s office and is awaiting clearance there and, if so, when did it go?

**Ms Scott**—We are simply not in a position to provide the answer at this time to the committee.

**Senator ROBERT RAY**—That is not satisfactory. What do you mean you are not in a position to provide an answer? You must be able to explain why you are not in a position to provide an answer. We are going to accept it if it is a reasonable explanation.

**CHAIR**—Ms Scott, can you give any more information about—

**Senator ROBERT RAY**—This is deliberate.

**CHAIR**—where we are up to in relation to that matter?

**Ms Scott**—There was a request for the costs of a range of official functions borne by the Commonwealth at Kirribilli House from July 2003 to January 2004, and we are not in a position at this stage to provide an answer.

**Senator ROBERT RAY**—Why aren’t you in a position to provide an answer? There has to be a reason. We have been through this before with these answers. We do not want to have to ask 100 questions to get the answer, as we have before. Either cough it up or give us an explanation.

**CHAIR**—How far has the department got?

**Ms Scott**—We are awaiting advice in relation to that answer. I am not in a position to provide the answer at this time.

**Senator ROBERT RAY**—Who are you awaiting advice from?

**Ms Scott**—You are aware of the process of answering questions. We seek information and we try to get it together; we go through the steps. We are not in a position at this stage to provide the answer to that question.

**Senator ROBERT RAY**—That is not the question I asked you. Answer the questions you are asked.

**Senator Hill**—What is the question?

**Senator ROBERT RAY**—We have been asking why the answers to the questions on notice have not been provided. The answer we constantly get is that they are not yet in a position to provide them. We then asked, ‘Why not?’ and we are getting the run-around. Has it been submitted and not yet been cleared by the Prime Minister’s office? Has it not yet been drafted so that it can be submitted to the Prime Minister’s office? We are entitled to those answers, especially when we have a cut-off point.

**Senator Hill**—My understanding is that that one is still with the Prime Minister’s office.

**Senator FAULKNER**—So what the committee is now being told is that answers have been drafted in the department. I believe that is what we are being told. Can you confirm that please, Ms Scott?

**Ms Scott**—We have submitted some material to the office in relation to that answer and we are awaiting advice from the office.

**Senator ROBERT RAY**—Good. When did you submit that material?

**Ms Scott**—On 7 April.

**Senator FAULKNER**—Was it in the form of a draft answer to my questions you took on notice at the last estimates round?

**Ms Scott**—We had some of the information you sought and we were trying go backwards and forwards to get a complete set of information. We did not have the complete set available.

**Senator FAULKNER**—My question is: has a draft answer been provided to the Prime Minister’s office?

**Ms Scott**—A draft answer has been provided.

**Senator FAULKNER**—Thank you. When was the draft answer provided? Was it on the same date that you gave us?

**Senator Hill**—It was on 7 April, it would seem.

**Senator FAULKNER**—Has the Prime Minister had draft answers to all the outstanding questions, or just one?

**Senator Hill**—Which ones do you want to know about?

**Senator FAULKNER**—There are a number from that estimates round that have not been answered.

**Senator Hill**—There are a few that seem to have been provided in April to which we have not got responses. That is not all that unusual. There are a few that were provided to me in April that have not been answered. It depends. A draft is a draft. Often it leads to further questions being asked—clarifications. I note for one in this list specific questions coming back.

**Senator FAULKNER**—Can you identify the number of questions on notice in relation to Kirribilli House that have not been answered? Can you identify them in some way by number?

**Ms Scott**—PM 38.

**Senator FAULKNER**—Others?

**Ms Scott**—Just that one.

**Senator Hill**—There is one apparently.

**Senator FAULKNER**—You just put a number on each of those questions as you work through the *Hansard*. Is that the way it works?

**Ms Costello**—The committee secretariat puts the numbers on it.

**Senator FAULKNER**—So PM 38 is a question with multiple parts—is that correct?

**Ms Scott**—The summary I have got of the question is providing a list of official functions and there are subelements of that.

**Senator FAULKNER**—For your administrative purposes, that is considered to be question PM 38. A draft was supplied to the Prime Minister's office of that answer on 7 April.

**Ms Scott**—That is correct.

**Senator FAULKNER**—Has there been any communications on that with the Prime Minister's office and the department since that time?

**Ms Scott**—Yes.

**Senator FAULKNER**—Could you explain that process to the committee so we are clear on it?

**Ms Costello**—What happens is that we will send up a number of questions. We might get questions back on a number of them. Those that do not have questions on them are bundled up and sent forward, and departmental officers then seek to provide the additional information requested if that is what the concern is in any of the answers. That iterative process can occur a number of times.

**Senator FAULKNER**—I understand the broad process. That is helpful. What I would like now to do is concentrate on the iterative process in relation to question PM 38 provided to the Prime Minister's office on 7 April. Has there been any tick-tacking between the department and the Prime Minister's office on those particular issues?

**Ms Scott**—To the best of our knowledge, there has only been discussion about whether those answers were ready for submission.

**Senator FAULKNER**—There has only been discussion about whether they were ready for submission.

**Senator Hill**—That means whether they have been cleared by the Prime Minister. Multiple questions relating to the cost of functions are not necessarily straightforward.

**Senator FAULKNER**—But they are necessarily the sorts of questions that this government and Mr Howard, in particular, like to cover up the answers to. It is true.

**Senator Hill**—That is the colour you always like to add, but if the question was—

**Senator FAULKNER**—I am sorry, the answer to my important questions were provided to the Prime Minister's office on 7 April. The answers are there and have been there for seven weeks, and that is a cover-up.

**Senator Hill**—That is not a cover-up.

**Senator FAULKNER**—Of course it is a cover-up.

**CHAIR**—It is also not a question.

**Senator FAULKNER**—I am responding to Senator Hill's editorial comments, and it is perfectly reasonable for another committee—

**CHAIR**—You were provoked.

**Senator FAULKNER**—Yes, of course it is a cover-up.

**Senator BRANDIS**—He was not provoked. That is not right. He is just pretending to be provoked; he is always pretending to be provoked.

**Senator FAULKNER**—You have broken new ground defending the Prime Minister. Good on you! Congratulations! Let it be noted in the Prime Minister's office. You will go to the top of the class. You might be a parliamentary secretary in 10 years.

**CHAIR**—Senator Faulkner, you have had your fun.

**Senator FAULKNER**—We have established, Senator Ray, that they have been there since 7 April. One question outstanding, PM 38, has been in the Prime Minister's office—

**Senator Hill**—We have established—

**Senator FAULKNER**—Excuse me, I am just bringing my colleague up to speed—for seven weeks.

**Senator Hill**—But do it fairly.

**Senator ROBERT RAY**—I will hear your version in a minute.

**Senator FAULKNER**—No-one knows why they have not been responded to.

**Senator ROBERT RAY**—What do you mean no-one knows?

**Senator Hill**—There is one question with multiple parts relating to the cost of a series of functions. As we know from other questions that have been asked of public officials by this committee, the cost of functions is not straightforward because the issue is what is attached to the function or what is attached to the overhead. There are all sorts of complexities of that nature.

**Senator ROBERT RAY**—Are the rest of the answers being held up while they finalise that one?

**Senator Hill**—Apparently it is the only one relating to Kirribilli, which I am told is the subject of the discussion at the moment.

**Senator ROBERT RAY**—Are there any other questions that have not been answered, that have been stuck in there since 7 April?

**Senator Hill**—Yes, there are some other questions.

**Senator ROBERT RAY**—What do they relate to?

**Senator Hill**—I thought that you would know that.

**Senator ROBERT RAY**—I am checking whether you know.

**Senator Hill**—You will tell us if we are right. There is one relating to the breakdown of gardening service costs from 1999 to 2004.

**Senator ROBERT RAY**—Where is that at?

**Senator Hill**—That is with the Prime Minister's office.

**Senator ROBERT RAY**—No. Where are the gardening costs?

**Senator Hill**—This does not tell me.

**Senator ROBERT RAY**—Is that at Kirribilli too?

**Ms Costello**—No, it was the Lodge.

**Senator Hill**—I am not sure what the complexity is there—perhaps because it covers some five years. Senator Faulkner says it is seven weeks, but the ones I am referring to went to the PM's office in about April. So, if there is some process of clarification, that does not strike me as particularly extraordinary.

**Ms Costello**—If I could make a correction: apparently the gardening cost was for both official establishments. I thought it was just the Lodge, but it is both.

**Senator FAULKNER**—My understanding was that they were asked as two separate questions. That was the sense of them.

**Senator ROBERT RAY**—We were told there was only one Kirribilli related cost—

**Senator Hill**—That was what I was told—

**Senator ROBERT RAY**—That is understandable because it was not specified.

**Ms Costello**—That was my mistake.

**Senator FAULKNER**—As long you correct the record you will not have breached the Prime Minister's guidelines.

**Senator ROBERT RAY**—We know one and you have identified one; that is two.

**Senator Hill**—The second one I do not understand: 'Has PM&C ever had a coordinating role before?' What does that mean?

**Senator FAULKNER**—You have to read these questions in context with the *Hansard*. The numbering system that—sensibly, I think—the department adopts allows a person who has an interest in this, as opposed to someone who has just come in here at the last moment to try and see if he can defend the indefensible, to place this important information in context. That was you I was referring to, by the way.

**Senator Hill**—The second one again relates to quite a complex issue, which we debated at some length at the last meeting, on intelligence and whether this department has a coordinating role in relation to questions that might be addressed to particular agencies. That reached the PM's office in mid-April. That is not much more than a month ago. The Prime

Minister's staff have sent back some issues—that is, an iterative process is taking place in relation to that.

**Senator ROBERT RAY**—When did the first question that you identified relating to gardening go to the Prime Minister's office?

**Senator Hill**—It went on 7 April.

**Senator ROBERT RAY**—What is the hold-up with that one? You say that with the one in mid-April, there have been queries back from PMO.

**Senator Hill**—I do not know what the hold-up is in relation to the first one. Because it covers five years of gardening and two establishments that may be why there is some uncertainty.

**Senator ROBERT RAY**—You say that those were the first two. There was the previous one, of course.

**Senator Hill**—I am going through it in this order: the gardening one was questioned. The committee's numbering is PM 7. The one about a coordinating role for PM&C is numbered PM 20.

**Senator ROBERT RAY**—And the one to do with—

**Senator Hill**—Kirribilli?

**Senator ROBERT RAY**—Yes, the entertainment—

**Senator Hill**—The official functions one is PM 38.

**Senator ROBERT RAY**—It also went in on 7 April; is that right?

**Senator Hill**—Yes.

**Senator ROBERT RAY**—Are there any others?

**Senator Hill**—There were three others. PM 20 should be associated with PM 22, PM 23 and PM 24. They also related to the briefing from the department to the Prime Minister in relation to the joint committee's report on intelligence agencies. They are all part of the same package. For some reason they went in five days later on 19 April.

**Senator ROBERT RAY**—They were complex questions like the other ones, were they?

**Senator Hill**—It is all part of that group as to the role of the department vis-a-vis the supervisory committee.

**Senator ROBERT RAY**—So there are six in all that are unanswered; is that right?

**Senator Hill**—I assume you know the ones that are not answered, but I am going off our list.

**Senator FAULKNER**—You have to understand that the list that you have and the numbering is generated in the Department of the Prime Minister and Cabinet.

**Ms Scott**—That is not the case.

**Senator FAULKNER**—I am sorry; it is generated by the committee. The committee are numbering these questions. The responses that we get from the department are numbered. The



questions I am asking are ones which I have identified concern official establishments. The question that I have directed my attention to is PM 38. We will check with the secretary because I do not know whether the committee provides a consolidated list—at times it does—of unanswered questions. Do we have an up-to-date consolidated list of unanswered questions? Yes, we have. So we could get a copy of that as we speak. That is updated every few weeks or so, isn't it?

**Secretary**—Yes. It is updated on receipt of answers.

**Senator FAULKNER**—Every few weeks or so?

**Secretary**—That is correct.

**Senator Hill**—That would be helpful. We can compare our list with the committee's list.

**Senator ROBERT RAY**—Going back to what is known as PM 38, we were told that the answer was not available. We are now told that at least a draft of that answer went to PMO on 7 April. Has there been a request from PMO for further details or clarification of that answer up until today?

**Senator Hill**—This list does not tell me the answer to that.

**Senator ROBERT RAY**—I think the officials might know better than a list.

**Senator Hill**—That is what I am trying to find out.

**Senator FAULKNER**—I think we have already had that answer. The answer is no.

**Ms Costello**—No.

**Senator FAULKNER**—But we do know, Senator Ray—just so you are aware—that the department has actually chased the Prime Minister's office.

**Senator Hill**—No, the department last month provided a draft—

**Senator FAULKNER**—Yes, and have made further requests of the PMO, asking where the hell the answer is.

**Senator Hill**—It obviously covers a range of different functions, and the response has not yet come back, but I do not know that that is unreasonable.

**Senator FAULKNER**—Let us check with the officials. You do not believe me—check with the officials. Ms Costello, can you again, for the purposes of the *Hansard* record, indicate what contact the department has had with the Prime Minister's office after 7 April in relation to the question with the very interesting number of PM 38?

**Ms Costello**—The officer responsible for coordinating responses has followed up outstanding questions on notice and sought an indication of whether they were cleared.

**Senator FAULKNER**—Thank you.

**Senator ROBERT RAY**—So you say it is not unreasonable to have a seven-week wait, even though the department put in their draft answer five weeks after the deadline for answering questions?

**Senator Hill**—I do not think it is necessarily unreasonable with a question with multiple parts that relates to the costs of a series of functions, no. I do not know—

**Senator ROBERT RAY**—Weren't you the person who introduced the 30-day rule, along with others in the Senate, and voted for it?

**Senator Hill**—Yes, and I make considerable efforts to get answers back quickly, and I presume the PM does as well, but some of them—

**Senator ROBERT RAY**—You were happy, in opposition—

**Senator Hill**—I have some—

**Senator ROBERT RAY**—to blame the then government.

**Senator Hill**—I have a few, not too many, that would be outstanding longer than that because of issues of complexity.

**Senator ROBERT RAY**—I think I might be generous enough to accept the fact that a complex question, on occasion, cannot meet the deadline set by this committee. I accept that, and therefore it may have taken till 7 April to get all the components ready, but we have had no explanation as to why it has taken seven weeks and has not cleared the Prime Minister's office—other than my assuming that this is a sensitive area that they do not want on the public record.

**Senator FAULKNER**—I think you've got it.

**Senator Hill**—I am told that with some 60 questions asked, 85 per cent of them have been answered. It seems to me that the Prime Minister's office is not doing a bad job.

**Senator ROBERT RAY**—I see. We could reflect on why so many questions had to be taken on notice, but we will be charitable and move on, because it may reflect on the competence of the officers at the table that they could not answer the questions, so many had to be taken on notice. But, of all the questions, I think I could have guessed last February which one or two would not make it through the cut and be returned to us—PM 38 would have been at the front of the queue.

**Senator Hill**—The Kirribilli House functions went up to as late as 1 January this year, so there would be some where there would obviously be little information on the record.

**Senator ROBERT RAY**—Let me ask you this question, Senator Hill. Of the 85 per cent of questions answered, what was the average time for them to go to the Prime Minister's office and be released to this committee? Was it seven weeks?

**Senator Hill**—It sounds as if most of them must have been handled in a very short period of time.

**Senator ROBERT RAY**—Yes, that is right.

**Senator Hill**—So perhaps a bit of credit is due in that regard.

**Senator ROBERT RAY**—Well, no. If it is uncontroversial, it gets kicked through. If it has an element of controversy, they sit over there and think, 'We'll artificially delay this so it can't be released to the committee.'

**Senator FAULKNER**—And if it is about Kirribilli House, you hope it is never answered.

**Senator Hill**—I think that if it is a few weeks late it is pretty hard to make that argument.

**Senator ROBERT RAY**—You argue for the complexity of the question taking time to accumulate the answer. I accept that. But once the answer is there, it is the seven-week delay in the Prime Minister's office. Can't they comprehend the answer? Does it take them 48 days, so far, to comprehend what is in the answer? Is that the problem? Because they have not sent a query back. They have not sent back a note for clarification.

**Senator Hill**—The lack of a query to the department does not mean that there are not issues being pursued within the Prime Minister's office.

**Senator ROBERT RAY**—When these matters were chased up—and I commend the department for chasing up questions that have not been answered—was the response that they would be released soon?

**Senator Hill**—This is for the last 15 per cent?

**Senator ROBERT RAY**—Yes. We have heard that the department were diligent and chased them up. Did they get a response to say, 'They might be there in a week'?

**Senator Hill**—With some of them that we have been talking about there is a clear pattern of communication back.

**Senator ROBERT RAY**—Nevertheless, I persist with the question to the officer: what was the response?

**Ms Costello**—We would follow them up through our departmental liaison officers, and each time they undertook to follow them up with the advisers concerned.

**Senator ROBERT RAY**—We heard evidence before from Ms Belcher, but how many DLOs are there in the Prime Minister's office?

**Ms Costello**—Two, I think.

**Senator ROBERT RAY**—So you would have chased it up with one of them.

**Ms Costello**—Indeed.

**Senator ROBERT RAY**—Did you get a response, an indication of when they may be released?

**Ms Costello**—No, not a definite response. They just said they would follow it up.

**Senator ROBERT RAY**—I see. So your way of following this up is just to let the DLOs know and to await developments. Is that an unfair characterisation?

**Ms Costello**—We would say, 'These questions are not yet cleared for answer. Can you follow it up?' And they would do so.

**Senator ROBERT RAY**—So we have no idea when we will get answers to these, Senator Hill.

**Senator Hill**—I do not have a date attached to them, but 85 per cent have been provided within time, which I think is a show of good faith. I therefore assume that the PM's office is working on the others as quickly as possible.

**Senator ROBERT RAY**—Just let me check that, because I did not understand. You are saying that 85 per cent were provided by 31 March?

**Senator Hill**—Eighty-five per cent have been provided.

**Senator ROBERT RAY**—No, you said ‘on time’. Let us just check that.

**Senator Hill**—I do not know whether I said ‘on time’, but 85 per cent have been provided. I do not think I said ‘on time’ because I do not know what the cut-off date was.

**CHAIR**—I do not think you did, but let us clarify it.

**Senator ROBERT RAY**—Let us establish when they came in. When did the 85 per cent come in? I am accepting Senator Hill’s figure here; I have not checked it. We will say it is the approximate figure.

**Senator Hill**—I am accepting it as well.

**Senator ROBERT RAY**—When did they come in?

**Senator Hill**—We have the calculator out and we are trying to work it out.

**Ms Scott**—About three-quarters were delivered by the deadline of 31 March.

**Senator ROBERT RAY**—Three-quarters of 85 per cent?

**Ms Scott**—No, three-quarters of the total. The remainder, a further six questions, were answered on 21 April.

**Senator ROBERT RAY**—Three weeks after the deadline. Can you give me a reason why they were 21 days late? Was that because of the complexity of the questions or the time it took to clear the Prime Minister’s office?

**Senator Hill**—We would have to research that and go through them one by one.

**Ms Scott**—I do not have that information.

**Senator FAULKNER**—Can I ask now for the departmental calculations, please? Can the department indicate how many functions were held at Kirribilli House from 1 July 2003 to 1 January 2004? Do you have that information before you?

**Ms Costello**—I do not have that information with me.

**Senator FAULKNER**—But is that not in the draft answer prepared for the Prime Minister?

**Ms Costello**—Yes, but I do not have a copy of that draft with me.

**Senator Hill**—That is something we can provide, if you want it, but we would have to get it.

**Senator FAULKNER**—So you do not bring copies of draft answers that are provided on a range of questions that have been canvassed at this estimates committee?

**Ms Scott**—No, Senator.

**Ms Costello**—No, I did not.

**Senator FAULKNER**—Tell me this about Kirribilli House: are the arrangements in relation to access to the Admiralty House swimming pool still extant?

**Ms Costello**—I do not know what those arrangements are or were. I am advised that, as far as my adviser knows, they are still extant.

**Senator FAULKNER**—That means that the Prime Minister's family and guests have access to the pool at Admiralty House.

**Ms Costello**—I am advised so.

**Senator FAULKNER**—Is there a bore at Kirribilli?

**Ms Costello**—I do not know.

**Senator ROBERT RAY**—Drilled into the ground.

**Senator Hill**—I assume that is what you mean!

**Senator FAULKNER**—Your interpretation was interesting. It is noted that you immediately assumed—

**Senator Hill**—No, I immediately assumed—

**Senator ROBERT RAY**—Be fair!

**Senator Hill**—I appreciated the question.

**Ms Costello**—We are not aware of a bore drilled in the ground, so I would say no.

**Senator Hill**—Are you sure? I thought there had been previous evidence to the committee about it.

**Senator FAULKNER**—Not while I have been on the committee.

**Senator ROBERT RAY**—Do you think there may have been evidence in the committee, Senator Hill?

**Senator Hill**—I might be confusing official establishments.

**Senator ROBERT RAY**—We will have to get our *Hansards*.

**Senator Hill**—We do not normally get questions about bores.

**Senator FAULKNER**—It depends on your interpretation—and I think everyone would have noted your interpretation of my question. So we can say, Ms Costello, that there is no bore at Kirribilli.

**Ms Costello**—To our knowledge, there is none.

**Senator FAULKNER**—I think the department can answer this question about the next-door neighbours at Admiralty House. Is there a bore at Admiralty House?

**Ms Costello**—We do not know.

**Senator FAULKNER**—How is watering at Admiralty House done? You do have responsibility for Admiralty House?

**Ms Costello**—Not for Admiralty. We are only responsible for Kirribilli.

**Senator FAULKNER**—There is joint use of the swimming pool; we know that. It is just good neighbourliness, I am sure. We know that the current Governor-General has apparently continued the arrangement that existed in relation to residents of Kirribilli House using the swimming pool at Admiralty House. I wondered if you, as those responsible for Kirribilli House, were aware if there was any sharing of the gardening facilities or water reticulation systems or anything like that.

**Ms Costello**—Not to my knowledge; it is completely separate.

**Senator FAULKNER**—That is what I wanted to know. So how is the watering at Kirribilli House done? We know it is done by a town water system, isn't it?

**Ms Costello**—Yes, it is.

**Senator FAULKNER**—Is that undertaken manually by staff, or is a sprinkler system used?

**Ms Costello**—I would have to check that; I do not know. I do know whether there is an automatic reticulation system installed or not.

**Senator FAULKNER**—Can someone check that?

**Ms Costello**—We can check as far as we can.

**Senator FAULKNER**—I would appreciate that. I would like to know, if I could. I might come back to it in a short while. After all, we do have to deal with Mr Williams and advertising, so we have plenty of time. While we are at Kirribilli House—and we will come back to the watering systems there—how is the wine consultant going? How is the cellar looking at this stage?

**Ms Costello**—It is looking much as it did the last time you asked.

**Senator FAULKNER**—Really—so there has not been much consumption?

**Ms Costello**—There has not been much purchasing, no.

**Senator FAULKNER**—Why is that?

**Ms Costello**—It is just done on an as-needs basis.

**Senator FAULKNER**—Is the consultant still in harness there?

**Ms Costello**—Mr Bourne was used on two occasions in 2003. He has not been used this year.

**Senator FAULKNER**—What were the two occasions that he was used in 2003?

**Ms Costello**—An Anzac Day function and the luncheon for President Bush.

**Senator FAULKNER**—Are you aware of which wines he recommended for the Anzac Day function?

**Ms Costello**—No, I do not have that information with me.

**Senator FAULKNER**—Could you find that out for us?

**Ms Costello**—I can ask, yes.

**Senator FAULKNER**—What about President Bush—what did they serve up to him?

**Ms Costello**—I think we answered that when we tabled the menu at the November estimates.

**Senator FAULKNER**—Those were the wines that were included on the menu?

**Ms Costello**—Those wines were his recommendations, yes.

**Senator FAULKNER**—Did you see the *Age* Epicure section on 9 March? I do not normally read it myself, but a number of constituents pointed it out to me.

**Ms Costello**—Yes, I did.

**Senator Hill**—I am very impressed.

**Senator FAULKNER**—That reported that the Wine and Brandy Corporation actually offered free consultation on the Prime Minister's wine cellar. Is that true?

**Ms Costello**—My adviser has left. I would have to ask her.

**Senator FAULKNER**—When your adviser comes back we might check that out because I would like to know whether that was true. I would also like to know whether it was true that the Wine and Brandy Corporation actually offered a list of Australian wines to select from and this was rejected by the Prime Minister and his department in favour of Mr Bourne's consultancy.

**Ms Costello**—I can say that, at the time the consultancy was let, care was taken to select a consultant who was not also a provider of wine or spirit so that there was no conflict of interest.

**Senator FAULKNER**—Would you be suggesting that someone from the Wine and Brandy Corporation has a conflict of interest?

**Ms Costello**—I do not know what their role is. I am just saying that, at the time, care was taken to make sure that it was a consultant who was not connected with the industry as a provider.

**Senator FAULKNER**—I would have thought that, if a service was offered free of charge to the Commonwealth, most people would grab it. Anyway, we will check when your adviser comes back. We will come back to those issues when we are able to. Perhaps Mr Williams could join us and we can deal with the outstanding issues.

**Ms Costello**—We do not have an answer on the Wine and Brandy Corporation. We would have to do some further research on that. On the watering at Kirribilli House, there is no bore. We do use town water. The watering is conducted by hand-held hoses or by watering cans.

**Senator FAULKNER**—So there is no sprinkler system or drip irrigation system there—I think that is what you are saying?

**Ms Costello**—There is but, since the water restrictions in Sydney on 1 October, the staff have all been directed to comply with the restrictions and they have been doing so.

**Senator FAULKNER**—I am pleased to hear that. I am sure people would expect nothing less. Are there any rainwater tanks or anything like that at Kirribilli? It is just all town water, is it?

**Ms Costello**—There is no tank water.

**Senator FAULKNER**—Mr Chairman, can we move to Mr Williams please?

**CHAIR**—Are we finished with these issues now, Senator Faulkner?

**Senator FAULKNER**—No; it is the same output.

**Senator ROBERT RAY**—If I could have an answer on Kirribilli and party central we will get through it, but we are not over that.

**Senator FAULKNER**—We are just trying to save time and move through this as quickly as we can. Mr Williams, at the last round of estimates and also yesterday we flagged with you what we thought might be the good sense of providing a consolidated list of advertising campaigns. I wonder if you are in a position to table such a document for the benefit of the committee.

**Mr Williams**—I have prepared a list of current campaign activity and brought along a few copies for members of the committee.

**Senator FAULKNER**—I think some of this information has been made available. Can you run through the global budget for the campaigns that are on the list?

**Mr Williams**—I cannot run through the global budget, because that is not information the GCU has, but I can run through the proposed media spend.

**Senator FAULKNER**—Could you run through the media spend for each of these campaigns?

**Mr Williams**—For the superannuation co-contribution campaign it is \$4.2 million. For the particular burst of quarantine matters that is currently running it is \$0.8 million.

**Senator FAULKNER**—What element of the total spend is \$0.8 million?

**Mr Williams**—I am saying that for the list of campaigns I have given you I can give some detail on the media spend associated with each campaign. That is the only information the unit holds. The other elements of the campaign are contract arrangements between the departments running the campaigns and the various suppliers. We do not hold details of those contractual amounts.

**Senator FAULKNER**—Yes, but how many phases of the campaign on quarantine matters are there?

**Mr Williams**—That campaign will run over a number of years.

**Senator FAULKNER**—Is this phase you are talking about the first?

**Mr Williams**—There was an earlier phase last year.

**Senator FAULKNER**—What was the media spend then?

**Mr Williams**—The media spend at that time was \$4.3 million.

**Senator FAULKNER**—It was \$4.3 million, and the current phase is \$0.8 million.

**Mr Williams**—For the regional telecommunications inquiry it is \$3.5 million. For Defence Force recruiting it is \$12.8 million.

**Senator FAULKNER**—The Natural Heritage Trust?

**Mr Williams**—The Natural Heritage Trust is \$0.52 million. Waste oil is \$1.8 million. New Apprenticeships are \$4.8 million. The Smartraveller safe travel campaign is \$4.1 million, and citizenship is \$2 million.

**Senator FAULKNER**—You have not mentioned Medicare and tobacco.



**Mr Williams**—Medicare is \$15.7 million.

**Senator FAULKNER**—Tobacco is also on your list?

**Mr Williams**—Tobacco is \$1.5 million.

**Senator FAULKNER**—For the *Hansard* record, can you just outline, in relation to the costs of such a campaign, what that includes and what it does not include? I think we know that, but it is useful for the record.

**Mr Williams**—Those numbers are the estimated—and, generally speaking, the actual—media spend of the campaigns. For example, we have just kicked off Medicare on Sunday night. I have given you a number there of \$15.7 million. When the bill comes in, it might be a little bit on either side of that.

**Senator FAULKNER**—There was an advertisement on family benefits in Saturday's papers. That does not appear to be here on this list. Can you help us with that one?

**Mr Williams**—I am not aware of that ad. Do you have a copy of it? I am not aware of any ads being placed last Saturday.

**Senator FAULKNER**—I do not carry it around with me, but I will see if I can get one sent up for you.

**Mr Williams**—I can have inquiries made, but it is not something that I am aware of.

**Senator FAULKNER**—You have indicated what the media spend is, so there is a range of elements of an advertising campaign that are not included. Also, for the record, could you just outline what they are?

**Mr Williams**—With an advertising campaign, there will be a cost for the advertising agency and the cost of producing the material. We market research campaigns, they are tested with focus groups, so there would be costs—

**Senator FAULKNER**—Qualitative and quantitative?

**Mr Williams**—Qualitative in the development of the creative and quantitative to track the campaign, yes. And there can be a public relations involvement in some campaigns as well.

**Senator FAULKNER**—Are you aware of which of these campaigns contain a public relations element?

**Mr Williams**—For the superannuation co-contributions campaign there is a public relations agency appointed. For quarantine matters there is a public relations consultant appointed. For the regional telecommunications campaign a public relations company was appointed. There was no public relations company appointed for the Natural Heritage Trust Envirofund campaign or for waste oil. There was no public relations company for New Apprenticeships. For safe travel, again there was no public relations company. For citizenship there was one. For tobacco there was a PR firm. We are now typically running bursts of advertising around New Year's Day and World No Tobacco Day in May. I do not think the public relations firm is still operating, but that is a question best directed at the Department of Health and Ageing. There is a public relations company for the Medicare campaign.

**Senator FAULKNER**—Is the Natural Heritage Trust Envirofund the one with the Open Mind Research company, promoting government's role in managing resources, with salinity and water quality as part of the campaign? Are we talking about the same thing?

**Mr Williams**—The Natural Heritage Trust Envirofund, which I have just referred to, is, given the size of the advertising budget, a small campaign aimed at seeking applications for grant moneys to undertake projects in local regions. There is a campaign in prospect—it is not a current campaign and it is not yet approved—which will look at issues of water salinity.

**Senator FAULKNER**—Is that the \$5.84 million campaign that you flagged at the last estimates?

**Mr Williams**—There is a prospective campaign—and it is not approved at this stage—called environment and resource management. That may be the campaign to which you are referring. It is the campaign that is under consideration but not approved.

**Senator FAULKNER**—I am referring to what you told us in the February estimates committee about the \$5.84 million environment campaign. You said that it promotes government's role in managing resources and that salinity and water quality are part of the campaign. The Open Mind Research company is involved, it is at the developmental stage and it is worth \$5.84 million.

**Mr Williams**—That is right. What I have given you is a list of current campaign activity—

**Senator FAULKNER**—I understand that.

**Mr Williams**—and this is a campaign that is in prospect, it is not a campaign that is running.

**Senator FAULKNER**—I appreciate that. My question was: are they different campaigns? In other words, I was wondering whether the \$0.52 million campaign was some sort of downsizing from that original proposal.

**Mr Williams**—No, they are separate campaigns.

**Senator FAULKNER**—That is fine.

**Mr Williams**—I would not call the environment and resource management a campaign at this stage because it is a project under consideration which may become a campaign.

**Senator FAULKNER**—Have you any indication of the timing on that?

**Mr Williams**—There has been no firm decision on it. It may occur in June, but there has been no specific decision taken.

**Senator FAULKNER**—It may occur in June. Is the budget for that campaign still the same as what you referred to before?

**Mr Williams**—The current number I have for that, if the campaign does proceed, would be in the order of \$5½ million.

**Senator FAULKNER**—So it is similar to what you told us previously. What other campaigns are in the same category then as the environment campaign? You can assure me it is an exhaustive list of current campaign activities?

**Mr Williams**—It was put together by the staff of the GCU. I have got no reason to doubt that it is not. It is given to you in good faith and I understand it to be a complete listing of current campaign activity, yes.

**Senator FAULKNER**—Mr Acting Chair, I wish to table a copy of this Family Assistance Office advertisement, which may or may not be part of the campaign. I am not entirely sure what it is. It is not authorised, but you might be able to assist me, Mr Williams.

**Mr Williams**—If it is not authorised, it is not likely to come through us.

**Senator FAULKNER**—I do not know what it is, but you will get it soon no doubt. If you can identify it, I would appreciate it. As briefly as possible, Mr Williams, can we go through the campaigns that are in a similar category to the environment campaign that we have just identified—those that are not defined obviously as current campaign activity. What is the next category as we move forward in time?

**Mr Williams**—I call them projects.

**Senator FAULKNER**—Is there a category beyond project?

**Mr Williams**—No.

**Senator FAULKNER**—I just want to be clear. Can we now run through the projects—I hope you have a document that goes to the projects. Do you have a document, Mr Williams?

**Mr Williams**—I do not have a document in the same fashion as the one you have, but I can run through fairly quickly what we have.

**Senator FAULKNER**—For projects?

**Mr Williams**—Yes. Can I start with the elimination of violence against women project?

**Senator FAULKNER**—Yes.

**Mr Williams**—It is a project that is under development at the moment, and that has an estimated media spend of \$6.7 million. There is a campaign called giving, which is encouraging giving and philanthropy, and that has an estimated media spend of \$2.7 million.

**Senator FAULKNER**—What department is handling that one?

**Mr Williams**—The Department of Family and Community Services.

**Senator FAULKNER**—We have the environment campaign at \$5.5 million.

**Mr Williams**—You do, and that is coming out of the Department of the Environment and Heritage.

**Senator FAULKNER**—And I know that elimination of violence against women comes under PM&C. Moving along.

**Mr Williams**—The Commonwealth Regional Information Service is an update of a campaign run a couple of years ago. It is focusing on informing people living in regional Australia of the various Commonwealth programs that are accessible to people in regional Australia.

**Senator FAULKNER**—The department and the media buy?

**Mr Williams**—The department is the Department of Transport and Regional Services and the estimate is \$2 million.

**Senator FAULKNER**—If you could give us the proposed timing of these, if you have it, that would obviously be helpful. That is the other element of it.

**Mr Williams**—I cannot really be too specific. The advice I have here is somewhere between June and September.

**Senator FAULKNER**—What about the giving campaign timing?

**Mr Williams**—I do not have an advice on that.

**Senator FAULKNER**—The domestic violence campaign?

**Mr Williams**—I have June-July on that.

**Senator FAULKNER**—And the environment campaign?

**Mr Williams**—May-September.

**Senator FAULKNER**—So that is four. We have done the Regional Information Service.

**Mr Williams**—AusLink was announced in the budget. That is a DOTARS program. There is an estimate of \$3 million on that.

**Senator FAULKNER**—What about the timing?

**Mr Williams**—I have got June-July for that.

**Senator FAULKNER**—Funny that.

**Mr Williams**—There is a campaign on illicit drugs, which is the second phase of the campaign that was run in I think 2001. That is focusing on youth. The previous campaign focused on parents.

**Senator FAULKNER**—What department?

**Mr Williams**—That is the Department of Health and Ageing. That is \$5 million.

**Senator FAULKNER**—And the timing of that \$5 million campaign?

**Mr Williams**—Again that is July to October. Higher education reforms, with an estimated budget of \$4 million, will be timed around—

**Senator FAULKNER**—The election.

**Mr Williams**—No, timed around when people are going back to university, towards the end of the year.

**Senator FAULKNER**—‘Going back to university, towards the end of the year’?

**Mr Williams**—Getting ready either to go to university or—

**Senator FAULKNER**—Not that I know much about universities—

**Mr Williams**—Getting ready to go to university or going back to university in the new year. National security is out of Attorney-General’s. The media spend I have for that is \$0.9 million. There is an announcement in the budget of a campaign on families.

**Senator FAULKNER**—Is that the dob in a dole bludger campaign?

**Mr Williams**—No. I am just referring to the budget papers here.

**Senator FAULKNER**—Budget Paper No. 2, page 143?

**Mr Williams**—I have got it as page 4 of 8 because I have downloaded it from the Internet. It talks about funding for communicating changes to families of \$21 million. We have only had extremely preliminary discussions with the Department of Family and Community Services, so I really cannot give you—

**Senator FAULKNER**—So that is \$20 million, is it?

**Mr Williams**—That is as announced in the budget, but I cannot give you a number for the media spend at this stage.

**Senator FAULKNER**—So you are describing this as—

**Mr Williams**—As I said at the start, I can only give you an indication of media spend. I have seen a number in the budget papers, and there have been some preliminary discussions with the department about a possible project, but I do not know what that \$21 million translates into in terms of media spend.

**Senator FAULKNER**—You do not know what \$20 million—

**Mr Williams**—It is \$21 million.

**Senator FAULKNER**—You are calling this changes to family benefits. That is fine, but is that different to the campaign that you find in Budget Paper No. 2 on page 143, which is called ‘Keeping the System Fair’? Have we got Budget Paper No. 2?

**Mr Williams**—I have got Budget Paper No. 2, with the heading ‘More Help for Families’.

**Senator FAULKNER**—I just want to make sure that we are talking about the same thing. Let me just check that. I just want to be clear on whether we are talking about different campaigns or the same campaign.

**Mr Williams**—I am talking about More Help for Families, which is clearly identified in Budget Paper No. 2.

**Ms Scott**—Senator, can we have that page number again?

**Senator FAULKNER**—It is the wrong page number. I wrote it down wrongly, I think. It is the ‘Keeping the System Fair’ campaign, but I just cannot turn it up.

**Ms Scott**—It is at page 167 in this book.

**Senator FAULKNER**—That is sure not what I said it was. Thank you.

**Mr Williams**—Senator, I cannot comment on that. We have had no contact from the department with that project. As I said earlier, I am working on the More Help for Families reference in that budget paper, and we have had preliminary contacts from the department on that.

**Senator FAULKNER**—But you would admit that the timing appears to be the same, and it looks like a pretty substantial campaign.

**Mr Williams**—I really could not comment, Senator. The first I have seen of it is tonight.

**Senator FAULKNER**—That is a bit of a worry. We will put a question mark next to it. This is the family benefits campaign. Those of us not in the government—other Australians—have had the benefit of knowing this was under planning in November because of all that leaked material that Mr Hamburger was talking about earlier on tonight. It has got me beat. So we have got these two FaCS campaigns, changes to family benefits—right? I am surprised if that is in the preliminary stages, as you say, because it was canvassed in some of in these eight leaked documents that Mr Hamburger has talked about earlier on in evidence before this committee, the leaking of which is now being investigated by the AFP. You say it is preliminary, but I am surprised to hear that. It has been in the newspapers.

**Mr Williams**—I can only reiterate that discussions are being held between the GCU and FaCS on a project called More Help for Families.

**Senator FAULKNER**—We have ‘Keeping the System Fair’, which is on page 167 of the budget papers. They are different campaigns, aren’t they?

**Mr Williams**—By the sound of it. But, as I say, I can only comment on—

**Senator FAULKNER**—They are both massive campaigns.

**Mr Williams**—I can only comment on what has come to the GCU.

**Senator FAULKNER**—With regard to your preliminary discussions with the Department of Family and Community Services, you are saying to the committee that no-one mentioned to you the ‘Keeping the System Fair’ education campaign.

**Mr Williams**—I will take that on notice because I was not personally involved in the discussions between the GCU and FaCS. The advice I have is that the campaign that was being discussed was More Help for Families. However, I will take on notice your question about—

**Senator FAULKNER**—I would appreciate that, but I would appreciate an early response to it. I think it is something that ought to be able to be sorted pretty quickly.

**Mr Williams**—I have one adviser here. I do not have anyone in the office at the moment.

**Senator FAULKNER**—I appreciate that; it is late at night. If you can let us know quickly—

**Mr Williams**—We will see what we can do, but it is not something I am aware of at the moment.

**Senator FAULKNER**—I am not suggesting you will get the answer tonight but you may be able to get it to the committee quickly. It seems a minor matter. Obviously, I assume you cannot tell us about the timing of the ‘Keeping the System Fair’ campaign because you have never heard of it.

**Mr Williams**—No, I cannot comment.

**Senator FAULKNER**—Can you talk to us about the timing of the changes to the family benefits campaign?

**Mr Williams**—The campaign I am describing is More Help for Families.

**Senator FAULKNER**—All right; let us call it that.

**Mr Williams**—That is what it is described as in the budget.

**Senator FAULKNER**—Yes, of course it would be described that way.

**Mr Williams**—That is the working title the department is operating on.

**Senator FAULKNER**—When will that go to air?

**Mr Williams**—That is foreshadowed for June-July this year. Indeed, the budget indicates that the funding is for the two years 2003-04 and 2004-05.

**Senator FAULKNER**—Okay. What else do you have?

**Mr Williams**—The only other thing that may be occurring is perhaps another run of Smartraveller, which is the safe travel campaign out of Foreign Affairs and Trade, but I do not have a time frame for that. I do not really have much detail.

**Senator FAULKNER**—Do you have an indication of media spend?

**Mr Williams**—An estimate of around \$2 million.

**Senator FAULKNER**—Is there a question mark around the timing?

**Mr Williams**—Yes.

**Senator FAULKNER**—Around the Olympics—would that be reasonable?

**Mr Williams**—I would be speculating there.

**Senator FAULKNER**—I am speculating.

**Mr Williams**—I do not know.

**Senator FAULKNER**—Is that it?

**Mr Williams**—That is all I have, yes.

**Senator FAULKNER**—I think we have been through this, but I just want to get it clear. Do you know which, if any, of these campaigns either involve a mass mail-out or involve plans for a mass mail-out?

**Mr Williams**—The only one that I am aware of where a booklet is in contemplation is the Commonwealth Regional Information Service, and that would be an update of a booklet that was sent out a couple of years ago. I will take the question on notice. I cannot—

**Senator FAULKNER**—That is not quite right, is it? You know the campaign for the elimination of violence against women also involves a booklet.

**Mr Williams**—I am sorry; I assumed that you knew that because of the discussions last night.

**Senator FAULKNER**—I do.

**Mr Williams**—I had mentioned it in my answer to you last night. I thought you knew the information.

**Senator FAULKNER**—That is why I was qualifying my question to you. I understand that.

**Mr Williams**—As I say, there are none other than the one for the elimination of violence against women, the prospect of Commonwealth Regional Information Service having one and the Medicare booklet. Again, you would be aware of that because that campaign is currently going to air and that advertising is foreshadowing that booklet. If there are any others, I will make inquiries.

**Senator FAULKNER**—You have that Family Assistance Office advertisement in front of you?

**Mr Williams**—Yes, I do.

**Senator FAULKNER**—Can you shed any light on that?

**Mr Williams**—Having read that, I think it is probably an ad placed by the Family Assistance Office. Given that it reflects the 2001-02 income year, I am just assuming they used ongoing administrative processes within the Family Assistance Office. You would have to ask the FAO, because it is not something that came through the GCU.

**Senator FAULKNER**—That was what I was checking with you. As I said, I noted it is not authorised. Can we turn our attention for a moment to the Medicare campaign, please. I am not going to go through this in relation to a range of these campaigns or projects, as they are described. I just want to have a look, if I can, at this Medicare campaign. You have not mentioned mail-outs in relation to the Medicare campaign. The *Australian Financial Review* of the 21st of this month reported a major Medicare campaign mail-out, with a home information pack and a letter signed by either Mr Abbott or Mr Howard. Can you help me with this at all?

**Mr Williams**—As I mentioned last night and as is clear in the television advertising, there is a booklet which will be delivered to all households.

**Senator FAULKNER**—So that is another one that has a booklet, right?

**Mr Williams**—I have included that in the current campaign activity—Medicare.

**Senator FAULKNER**—We may be at cross-purposes here. I just wanted to be clear about any of the current or proposed campaigns that involved a booklet. The Regional Information Service and the elimination of violence against women are in the projects, both involving a booklet.

**Mr Williams**—Yes.

**Senator FAULKNER**—In the current campaign activity—that is, the different definition—there is Medicare. Are there any others that involve a mail-out?

**Mr Williams**—In the current campaign, no—that is, not in that list of campaigns that I have given you. Sorry—I should correct that. Medicare, yes.

**Senator FAULKNER**—Yes, Medicare. We are using two definitions here. The list that you have provided to us shows current campaign activity. One involves a mail-out, which is the Medicare campaign. And you are aware of at least two of the projects—namely, the elimination of violence against women and the Regional Information Service—involving mail-outs.

**Mr Williams**—That is correct.



**Senator FAULKNER**—Thank you.

**Mr Williams**—The Regional Information Service booklet, if the approval process for the project goes through, would only be a mail-out to Australians in regional Australia. It would not be an all-household mail-out.

**Senator FAULKNER**—I will now ask a question—if you can assist me—in relation to the Medicare campaign. Are you able to say when this mail-out will occur?

**Mr Williams**—I cannot say with precision, but I can say that it will be soon—and by soon it could be next week or the week after.

**Senator FAULKNER**—There will be a mail-out either next week or the week after to whom?

**Mr Williams**—All households, and that is foreshadowed in the advertising that went to air on Sunday night. Indeed, there is a facsimile of the booklet in the advertisement.

**Senator FAULKNER**—Is that household or direct mail?

**Mr Williams**—All households; it is not personally addressed to the householder.

**Senator FAULKNER**—It is householder delivery?

**Mr Williams**—Yes, it is householder delivery.

**Senator FAULKNER**—Does it include a letter from either the Prime Minister or the Minister for Health and Ageing?

**Mr Williams**—It will include a letter, yes.

**Senator FAULKNER**—Separate to the booklet or contained in the booklet?

**Mr Williams**—Separate to the booklet.

**Senator FAULKNER**—I suppose Mr Howard has signed the letter?

**Mr Williams**—It will be signed by the Prime Minister, yes.

**Senator FAULKNER**—Are you able to disaggregate for us the costs of that particular mail-out?

**Mr Williams**—No, that is something you will have to ask the Department of Health and Ageing.

**Senator FAULKNER**—The letter is arriving with the booklet, isn't it? It is not arriving separately.

**Mr Williams**—It will be part of the pack, yes.

**Senator FAULKNER**—Are you able to indicate the costs of the printing in relation to the booklet and letter?

**Mr Williams**—As I said, all the contracts for printing and distribution are held between the department of health, the printing company and the distributor.

**Senator FAULKNER**—Yes, and of course those figures are not included in the \$15.7 million?

**Mr Williams**—As I indicated earlier I always only provide media spend, because that is the only figure that this unit—

**Senator FAULKNER**—And in this case the media spend is television advertising?

**Mr Williams**—It will be television, press—

**Senator FAULKNER**—Is there any radio?

**Mr Williams**—There will be some radio, but specialised radio.

**Senator FAULKNER**—One thing you can do for me then, in relation to this Medicare campaign, is disaggregate the \$15.7 million figure into those elements.

**Mr Williams**—I will have to take that on notice, because I do not have a copy of the media plan with me.

**Senator FAULKNER**—You do not have that? You normally have that sort of information, Mr Williams.

**Mr Williams**—No, I normally have the estimated media spend. The media plan is essentially a breakdown of the total amount across the various mediums.

**Senator FAULKNER**—Where are the newspapers getting their figures from? You have seen the *Australian* newspaper article ‘No hip hip hoorays for MedicarePlus ad launch’ and so forth. Where are all these figures coming from?

**Mr Williams**—I am not sure which figures you are speaking of.

**Senator FAULKNER**—You are seriously saying you cannot give me a disaggregation of the \$15.7 million into newspaper, television and radio?

**Mr Williams**—I am not saying that at all; I am saying I do not have the media plan with me so I cannot give it to you tonight.

**Senator FAULKNER**—Do you actually know the advertising agency in this case?

**Mr Williams**—The agency that places the Australian government’s media is Universal McCann, and it prepares the media strategies and media plans for all government campaigns.

**Senator FAULKNER**—I know that. I am asking you in this case: do you know which agency, or agencies, is handling this campaign?

**Mr Williams**—Do you mean the creative agency?

**Senator FAULKNER**—Yes.

**Mr Williams**—Whybin TBWA.

**Senator FAULKNER**—Are they responsible for all elements of the campaign—press, radio and television?

**Mr Williams**—Yes.

**Senator FAULKNER**—Do you know which research companies, qualitative and quantitative, are involved?

**Mr Williams**—The research company is Worthington Di Marzio.

**Senator FAULKNER**—Apart from ceremonial and hospitality, is there anything coming back to the committee on official establishments tonight?

**Ms Costello**—We do have advice on the wine recommendation for Anzac Day.

**Senator FAULKNER**—That can be read into the record. If the Government Communications Unit can stay and perhaps CERHOS, I think we can battle through with the senior staff, apart from those areas.

**CHAIR**—Senator Faulkner has indicated that he will continue with the government communications and, later on this evening, ceremonial and hospitality. Everyone else, other than the senior officers, can go.

**Proceedings suspended from 9.32 p.m. to 9.53 p.m.**

**CHAIR**—I call the committee to order.

**Senator FAULKNER**—Mr Williams, can you confirm for the committee that, on the figures you have provided tonight of current campaign activity as of late May 2004 in terms of projects, for media placements only there is a plan to spend in excess of \$100 million?

**Mr Williams**—No, I cannot confirm that.

**Senator FAULKNER**—They are the figures you have given us.

**Mr Williams**—It will depend on how you have interpreted the More Help for Families campaign because I did not give a figure on that. I said the budget paper indicated an amount of \$21 million and the media spend would be some part of that, but at the moment I am not in a position to give a number on that.

**Senator FAULKNER**—The spike in advertising expenditure before the 1998 election was \$32 million, in the four months leading up to that election. In 2001 it was \$78 million. On the figures now made available to this estimates committee tonight, it is in excess of \$100 million, but this of course is for placements only—there is no creative work, no research work, printing, postage: a whole range of elements are not included in those figures. It is a massive increase over the advertising spike that we had in 2001. Can I be assured, Mr Williams, that there are no other planned campaigns or projects—to use your preferred terminology—that you are aware of?

**Mr Williams**—To the best of my knowledge, I have given you details of the campaigns that are currently running and the campaigns about which the GCU is aware.

**Senator MURRAY**—Just as a final wrap-up and follow-up to that line of questioning, Mr Williams, it is true, isn't it, that you might not be aware of planned information campaigns or advertising campaigns that are not in the budget papers and that have not yet been brought to the GCU's attention? They might be being thought through by departments or agencies or by ministerial offices and they have not been communicated to you.

**Mr Williams**—That could be the case.

**Senator MURRAY**—Is there any specific and deliberate written and enforced instruction to the GCU to be certain and to check that no party political benefit accrues from any information campaign or advertising campaign that is undertaken, particularly in a sensitive election year?

**Mr Williams**—The GCU, and indeed the Ministerial Committee on Government Communications, operate on a set of guidelines which were first promulgated in February 1995 and have continued to do so, certainly over the period that I have been associated with the GCU.

**Senator MURRAY**—Take me through what that means. Does it mean that when a campaign is wrapped up conceptually—it has gone through the processes and people say, ‘We’re nearly ready to run it’—somebody pulls out the guidelines and says, ‘Right, let’s check this against them.’ Is there an actual audit or is it just there in the background of people’s memory?

**Mr Williams**—We look at the guidelines in the context of campaigns, yes.

**Senator MURRAY**—So somebody physically pulls them out to remind themselves of the content?

**Mr Williams**—We do not do a formal audit, but obviously as the project—I continue to use that word—is developed we look at the nature of the message and the target audience and we look to see that it is consistent with the guidelines.

**Senator MURRAY**—Is there someone of authority who signs off a project and signs that that project is in accord with those guidelines?

**Mr Williams**—No, there is not a degree of formality.

**Senator MURRAY**—If, for instance, they were found or thought to be in breach of the guidelines, there is no single individual who could be found as a line of accountability?

**Mr Williams**—I head the secretariat function to the ministerial committee and I would make the comment at the ministerial committee meeting if I thought there was a difficulty with the campaign in terms of the guidelines. There are some one-off advertisements that run on occasion and I look at those particular proposals against the guidelines. I sometimes seek guidance from elsewhere in the department just to inform my decision or my view.

**Senator MURRAY**—With your capacity, experience and authority, do you consider yourself to be fully cognisant of the letter and spirit of those guidelines?

**Mr Williams**—I believe I am quite familiar with the guidelines and what they mandate in terms of government information campaigns. I look to see what is being communicated in the context of those guidelines, yes.

**Senator MURRAY**—But the final signing off of a project is not up to you, is it?

**Mr Williams**—No, it is not up to me.

**Senator MURRAY**—It is an executive decision.

**Mr Williams**—The ministerial committee will sign off on the campaign and the minister whose campaign it is will have the campaign proceed through their particular department.

**Senator MURRAY**—Do you sit in on those committee meetings?

**Mr Williams**—I do.

**Senator MURRAY**—Is there a minister or a person representing the minister who signs off the project and signs that it is in accord with those guidelines?

**Mr Williams**—There is no formal process there, no. What happens typically is that the minister whose department is proposing to run a campaign is a member of the committee for the purposes of considering that campaign, along with the permanent members, and a decision is taken at a point in time that the campaign will run.

**Senator MURRAY**—Would it be reasonable for me to assume that a person like you, who deals with it on a regular basis, and permanent members of the council would be far more alert to the guidelines than a minister doing an occasional project?

**Mr Williams**—Certainly.

**CHAIR**—Any further questions?

**Senator FAULKNER**—I have some questions for CERHOS. Ms Costello seems to provide the most precise answers on these sorts of issues, but could someone explain to me why my Senate question on notice dated 1 December 2003 in relation to the Prime Minister's extravagances at Claridges has not been answered.

**Ms Yeend**—Senator, we have been following up with the Department of Finance and Administration in relation to all of the accounts. I understand from the department of finance, as late as Monday of this week, that not all of the acquittals have been done—hence the delay.

**Senator FAULKNER**—So you can assure me it is receiving the appropriate level of attention in the department?

**Ms Yeend**—I can absolutely assure you of that, Senator.

**Senator FAULKNER**—I am very pleased to hear that. Are you able to indicate to the committee when you believe an answer is likely to be submitted to the Prime Minister for approval?

**Ms Yeend**—I do not have the details of the few remaining items that are outstanding, but we would anticipate them in the near future. The department of finance, as I understand it, is following up regularly in relation to the information it is seeking.

**Senator FAULKNER**—What about the questions asked about the Prime Minister's most recent trip to London, between 7 and 13 November 2003, to dedicate the London War Memorial?

**Ms Yeend**—I understand there were two questions on notice. One related to that—the one you are adverting to—and the other related to overall costs for that visit. It is the same lack of information that is preventing the immediate answering of both of those questions.

**Senator FAULKNER**—It seems to me to be an unusually long delay. Is it within your expectations? I am not talking about the answering of the question; I am talking about the acquittals process.

**Ms Yeend**—Yes, the acquittals routinely take a number of months. Accounts do trickle in, unfortunately, over a long period of time. I understand the department of finance is quite vigilant in its follow-up of overseas posts, but the posts themselves are dependent on a number of services being provided by people who have to put in accounts. There is, unfortunately, a rather long lead time with these processes.

**Senator FAULKNER**—I did notice, however, on the *Gazette* publishing system that there were a couple of identified contracts. One was contract ID 1281567, for the Ceremonial and Hospitality Branch, International Division. The description of this was ‘Hotel and other lodging services at Claridges of Brook St, London’.

**Ms Yeend**—Yes. That amount would be the amount that is actually paid by the Department of the Prime Minister and Cabinet and would relate to the expenses of departmental officers at the hotel.

**Senator FAULKNER**—Can we be sure of this? I assumed it was something like that, but are you certain that that particular contract relates to the PM&C officials at the hotel?

**Ms Yeend**—I will double-check on that, but my understanding is that that is the case. One of the officers in my branch who does that visit is responsible for paying, before she leaves, the account for herself and other departmental officers—but I would need to check. Can I have the details again?

**Senator FAULKNER**—It is contract ID 1281567, accommodation contract value \$6,260.55. Then we have a similar contract. On this occasion it is 1281568, with a similar description—Claridges, \$6,784.69. They are two similar amounts.

**Ms Yeend**—I will need to check on those.

**Senator FAULKNER**—Can you just indicate, for the benefit of the committee, what they might be? What about the London Marriott Hotel and contract ID 1281570, for an amount of \$2,992.47?

**Ms Yeend**—The advance party for the Prime Minister’s visit did not stay at Claridges. They stayed at another hotel, and that relates to the expenses of those who travelled in advance.

**Senator FAULKNER**—For which trip was that?

**Ms Yeend**—The trip in November 2003.

**Senator FAULKNER**—That was the one that involved the opening of the war memorial?

**Ms Yeend**—Yes.

**Senator FAULKNER**—But none of this is for the Prime Minister’s own accommodation?

**Ms Yeend**—No.

**Senator FAULKNER**—This is all for officials.

**Ms Yeend**—That is correct.

**Senator FAULKNER**—Thanks for that. The Prime Minister has announced today an overseas trip. I am not quite sure of the date, but some of the details have been outlined in the House of Representatives. I, sadly, have been in the Senate estimates committees so I have not caught up with all the detail of it—though some of it I have. CERHOS obviously would have some involvement in this.

**Ms Yeend**—Yes.

**Senator FAULKNER**—Can you first of all tell me the dates of the planned trip, please?

**Ms Yeend**—I do not have the information in front of me. I will give you an oral briefing not based in information.

**Senator FAULKNER**—I would appreciate that. That would be helpful.

**Ms Yeend**—I understand the Prime Minister will leave on 1 June and return on 8 June. The destinations are: firstly, Los Angeles and then Washington, London and France for the D-day commemoration.

**Senator FAULKNER**—One of my colleagues told me—and I assume he was pulling my leg—that the Prime Minister was planning to see Mr Schwarzenegger in Los Angeles.

**Mr Metcalfe**—Do you mean the Governor of California?

**Senator FAULKNER**—Yes. He is the Governor of California. Is that right?

**Ms Yeend**—I think that might be a program element, but I think the reason the Prime Minister is stopping in Los Angeles is to do with a BHP LNG project there. I am not sure whether the call on the Governor of California is confirmed. I have been in estimates too.

**Senator Hill**—As I understand it from the media, the Prime Minister is lobbying for a very large LNG contract for Australia. That would be consistent with his efforts to build Australia's LNG industry internationally and in particular would follow on the success he had in China.

**Senator FAULKNER**—I see. That is the same Arnie Schwarzenegger who was the star of *True Lies*, is it?

**Senator Hill**—He is the Governor of California.

**Senator FIFIELD**—He is married to a liberal Democrat.

**CHAIR**—That is right, and he was endorsed by Senator Kennedy as well.

**Senator FAULKNER**—Asta la vista! What a sad note to complete this Senate estimates hearing on. I really thought someone was joshing me.

**Senator BRANDIS**—No.

**Senator FAULKNER**—But if Senator Brandis says it is true then it must be true. I know he is right across the details of the Prime Minister's diary, so it has to be right. I will take your word for it.

**Mr Metcalfe**—The department will say, 'I'll be back.'

**Senator FAULKNER**—If I were the department, Mr Metcalfe, I think my slogan would be *Total Recall!*

**Mr Metcalfe**—Touche, Senator! It already is.

**CHAIR**—Could I thank the minister, Mr Metcalfe, Ms Scott and officers very much for their attendance and assistance. That completes the examination of the portfolio, with the exception of the Office of the Official Secretary to the Governor-General to appear on Thursday night. A reminder: the committee set 9 July as the date for the submission of written answers to questions taken on notice.

**Committee adjourned at 10.15 p.m.**