



COMMONWEALTH OF AUSTRALIA

Official Committee Hansard

SENATE

FOREIGN AFFAIRS, DEFENCE AND TRADE LEGISLATION
COMMITTEE

Consideration of Additional Estimates

WEDNESDAY, 20 FEBRUARY 2002

CANBERRA

BY AUTHORITY OF THE SENATE

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SENATE

FOREIGN AFFAIRS, DEFENCE AND TRADE LEGISLATION COMMITTEE

Wednesday, 20 February 2002

Members: Senators Bourne, Evans, Ferguson, Hogg, Sandy Macdonald and Payne

Senators in attendance: Senators Bartlett, Brandis, Calvert, Jacinta Collins, Cook, Cooney, Evans, Faulkner, Ferguson, Forshaw, Heffernan, Hogg, Ludwig, Lundy, Sandy Macdonald, McKiernan, Mason, and Payne

Committee met at 9.08 a.m.

FOREIGN AFFAIRS AND TRADE PORTFOLIO

In Attendance

Senator Abetz, Special Minister of State

Senator Hill, Minister for Defence

Australian Trade Commission (Austrade)

Outcome 1—Public understanding of Australia's trade and investment direction, government export programs and promotion of Australia's image internationally

1.1—Show all Australians the benefit of overseas trade; raise awareness ... promote image of Australia internationally

Outcome 2—Contribution to Australia's export trade performance by facilitating and encouraging trade and investment between Australia and foreign countries

2.1—Export and outward investment services

2.2—Advice and guidance to federal government and coordination of Commonwealth export activities

2.3—Inward investment attraction services

Outcome 3—Australians informed about and provided access to consular, passport and immigration services in specific locations overseas

3.1—Consular, passport and immigration services

Outcome 4—Contribution to Australia's export trade performance by providing financial and other assistance to eligible Australian organisations through export market development schemes

4.1—Export financial assistance

Ms Julia Selby, Acting Deputy Managing Director

Mr Michael Crawford, Acting Executive General Manager, Australian Operations

Mr Craig Symon, General Manager, Export Finance Assistance Programs

Mr Ian Chesterfield, General Manager, Corporate Finance and Assets

Mr Les Sobieraj, Group Manager, Corporate Budget and Assets

Mr Terry O'Connor, Corporate Manager, Government, Policy and Communications

Mr Michael Vickers, Group Manager, Client Development and Ally Liaison

Mr Bernd Neubauer, General Manager, Invest Australia

Ms Marcia Kimball, General Manager, Human Resources

Mr Kym Hewett, Chief Information Officer
Ms Denise Pendleton, Client Service Manager
Mr Peter Amey, Manager, Europe Regional Office
Mr Peter Bergman, Manager, North East Asia Regional Office
Mr Anthony Fernando, Manager, Americas Regional Office
Ms Jessica Ramsden-Smith, Manager, Middle East/Indian Ocean Regional Office
Mr Pat Stortz, Manager, South Pacific & South East Asia Regional Office
Mr Greg Joffe

Department of Foreign Affairs and Trade

Portfolio overview

Dr Alan Thomas, Deputy Secretary

Mr Doug Chester, First Assistant Secretary, Corporate Management Division

Output 1.1—Protection and advocacy of Australia's international interests through the provision of policy advice to ministers and overseas diplomatic activity

1.1.5—Bilateral, regional and multilateral trade negotiations

Mr Bruce Gosper, First Assistant Secretary, Office of Trade Negotiations

Mr Tim Yeend, Assistant Secretary, Trade Policy Issues and Industrials Branch

Ms Alison Burrows, Acting Assistant Secretary, Agriculture and Food Branch

Mr John Larkin, Assistant Secretary, Services and Intellectual Property Branch

Mr Justin Brown, Assistant Secretary, WTO Trade Law Branch

Mr Michael Tietge, Textiles, Clothing and Footwear Market Access Facilitator

Mr Richard Bush, Automotive Taskforce Market Access Facilitator

1.1.6—Trade development/policy coordination and APEC

Mr Peter Baxter, First Assistant Secretary, Trade Development Division

Mr Patrick Lawless, Assistant Secretary, Trade and Economic Analysis Branch

Mr Ron Wickes, Director, Trade Analysis Section

Mr David Garner, Director, Export Credit Section

Mr Neil Batty, Director, Market Information and Analysis Unit

Mr David MacLennan, Executive Officer, Export Credit Policy Section

Mr Daniel Tehan, Executive Officer, E-APEC Business, Economic and Ecotech Issues Section

Ms Ruth Adler, Acting Assistant Secretary, APEC and Regional Trade Policy Branch

Mr Richard Ryan, Director, E-APEC Business, Economic and Ecotech Issues Section

Ms Lorraine Barker, Acting Assistant Secretary, Market Development and Business Liaison Branch

Mr Andrew Todd, Director, Trade Advocacy and Outreach Section

Ms Di Johnstone, Director, Trade Liaison Section

1.1.1—North Asia (including Australia–Japan Foundation, Australia–China Council, Australia–Korea Foundation)

Mr Murray McLean, First Assistant Secretary, North Asia Division

Ms Penny Richards, Assistant Secretary, North East Asia Branch

Mr Hans Saxinger, Director, Korea Section

Ms Carol Allnut, Executive Officer, Korea Section

Mr Heath McMichael, Executive Officer, Korea Section

Dr Leslie O'Brien, Director, Australia-Korea Foundation
Mr James Baxter, Director, Japan Section
Mr Doug Trappett, Executive Officer, Japan Section
Ms Gillian Walker, Director, Australia-Japan Foundation
Ms Lyn Wing, Executive Officer, Australia-Japan Foundation
Mr Peter Rowe, Assistant Secretary, East Asia Branch
Mr Kyle Wilson, Director, China Political and External Section
Ms Eleanor Lawson, Executive Officer, China Political and External Section
Mr David McGrath, Director, China Economic and Trade Section
Ms Diane Russell, Director, Australia-China Council
Ms Jane Urquhart, Director, Hong Kong/Macau/Taiwan Section
Mr Adam Patterson, Executive Officer, Hong Kong/Macau/Taiwan Section
Mr Borong Ros, Executive Officer, Hong Kong/Macau/Taiwan Section
Dr Frances Perkins, Executive Director, Economic Analytical Unit
Mr Brendan Berne, Director, Economic Analytical Unit
Mr Michael Growder, Deputy Director, Economic Analytical Unit

1.1.2—South and South East Asia (including Australia–India Council, Australia–Indonesia Institute)

Ms Gillian Bird, First Assistant Secretary, South and South East Asia Division
Ms Lisa Filipetto, Assistant Secretary, Mainland South East Asia Branch
Mr Phillip Stonehouse, Director, India and South Asia Section
Mr John Powys, Director, Australia India Council
Mr Jurek Juszcyk, Director, Thailand, Vietnam and Laos Section
Ms Merrilyn Murphy, Acting Director, ASEAN, Burma and Cambodia Section
Mr Paul Grigson, Assistant Secretary, Maritime South East Asia Branch
Dr David Engel, Director, Indonesia Section
Ms Nore Hoogstad, Director, Australia Indonesia Institute
Mr Graeme Lade, Director, Philippines, Malaysia, Singapore and Brunei Section
Ms Kathy Klugman, Director, East Timor Section

1.1.3—Americas and Europe

Mr David Ritchie, First Assistant Secretary, Americas and Europe Division
Mr Peter Shannon, Assistant Secretary, Americas Branch
Dr Lee Kerr, Director, Canada, Latin America and Caribbean Section
Mr Michael Kourteff, Executive Officer, United States Section
Ms Sue Jorgenson, Executive Officer, United States Section
Ms Zorica McCarthy, Assistant Secretary, Europe Branch
Ms Zena Armstrong, Director, North and West Europe Section
Ms Lucy Charlesworth, Director, European Union and Institutions Section
Ms Leanne Caflisch, Executive Officer, European Union and Institutions Section
Mr Barrie Blackburn, Executive Officer, European Union and Institutions Section
Ms Jane Kriegel, Executive Officer, European Union and Institutions Section
Mr Alex Brooking, Director, Central, East and Southern Europe Section
Ms Susan Rose Allen, Executive Officer, Central, East and Southern Europe Section
Ms Sonja Weinberg, Executive Officer, Central, East and Southern Europe Section

Mr Stephen Martin, Executive Officer, Central, East and Southern Europe Section

Mr Mark Fraser, Executive Officer, Central, East and Southern Europe Section

1.1.4—South Pacific, Middle East and Africa

Mr James Wise, First Assistant Secretary, South Pacific, Middle East and Africa Division

Mr George Atkin, Assistant Secretary, Middle East and Africa Branch

Mr Bill Richardson, Acting Director, Middle East Section

Mr Don Cuddihy, Executive Officer, Middle East Section

Mr David Windsor, Executive Officer, Middle East Section

Mr Billy Williams, Director, Africa Section

Mr Rohan Titus, Executive Officer, Africa Section

Mr Tony Greneger, Executive Officer, Africa Section

Mr John Oliver, Assistant Secretary, Papua New Guinea and New Zealand Branch

Mr Bruce Hunt, Director, Papua New Guinea Section

Ms Julie Chater, Director, New Zealand Section

Mr Graeme Fletcher, Assistant Secretary, Pacific Island Branch

Ms Anne Plunkett, Director, Pacific Regional Section

1.1.7—International organisations, legal and environment

Dr Geoff Raby, First Assistant Secretary, International Organisations and Legal Division

Mr Harry Leece, Divisional Coordinator

Mr Christopher Langman, Assistant Secretary, Environment Branch

Ms Rhonda Piggott, Director, Environment Strategies Section

Ms Amanda Gorely, Acting Assistant Secretary, Legal Branch

Mr Greg French, Director, Sea Law, Environmental Law and Antarctic Section

Mr Rod Smith, Assistant Secretary, International Organisations Branch

Mr Peter Doyle, Director, People Smuggling, Refugees and Transnational Crime Section

Mr Eric van der Wal, Director, Human Rights and Indigenous Issues Section

Mr Joe Thwaites, Head, CHOGM Task Force

Ms Paula Watt, Director, United Nations and Commonwealth Section and CHOGM Task Force

Mr Ian McConville, Director, Administrative and Domestic Law Group

Mr Peter Scott, Director, International Law Group

1.1.8—Security, nuclear, disarmament and non-proliferation

Mr Bill Paterson, First Assistant Secretary, International Security Division

Mr Peter Tesch, Assistant Secretary, Arms Control and Disarmament Branch

Dr Lachlan Strahan, Director, Chemical and Biological Disarmament Section

Mr Todd Mercer, Executive Officer, Conventional and Nuclear Disarmament Section

Mr John Quinn, Assistant Secretary, Nuclear Policy Branch

Mr Garth Hunt, Director, Non-Proliferation Policy Section

Dr Terry Beven, Director, Nuclear Trade and Security Section

Mr Bruce Miller, Assistant Secretary, Strategic Policy and Intelligence Branch

Mr David Nethery, Director, Anti-Terrorism Task Force Secretariat

Mr Bryce Hutchesson, Director, Asia Pacific Security Section

Mr Harry Genn, Director, Defence and Intelligence Policy Section

Mr John Carlson, Director General, Australian Safeguards and Non-Proliferation Office

Mr Andrew Leask, Assistant Secretary, Australian Safeguards and Non-Proliferation Office

Output 1.2—Secure government communications and security of overseas missions

Mr Paul Tighe, First Assistant Secretary, Diplomatic Security, Property and Information Management Division

Mr Paul Foley, Assistant Secretary, Information Management Branch

Mr Alan Valtas, Director, Business Development and Management Section

Mr Scott Little, Director, Service Development Section

Mr Andrew Mullin, Director, Communications and Information Section

Ms Iris Carter, Chief Accountant, Business Development and Management Section

Mr Peter Sams, Administration and Logistics, Business Development and Management Section

Mr John Richardson, Assistant Secretary, Diplomatic Security Branch

Mr Stephen Gee, Director, Security Policy and Operations Section

Mr Phong Bui, Director, Information Technology Security Section

Mr Peter Mottram, Director, Australian Technical Security Section

Mr Denys Batten, Executive Officer, Security Policy and Operations Section

Mr Robert Nash, Assistant Secretary, Property Branch

Mr Graeme Swift, Director, Overseas Property Policy and Operations Section

Mr David Poulter, Acting Director, Domestic Property and Services Section

Output 1.3—Services to other agencies in Australia and overseas (including Parliament, state representatives, business and other organisations)

1.3.1—Parliament of Australia

1.3.2—Services to attached agencies

1.3.3—Services to business

1.3.4—Services to state governments and other agencies overseas and in Australia

Mr Doug Chester, First Assistant Secretary, Corporate Management Division

Mr Ralph Hillman, First Assistant Secretary, Public Diplomacy, Consular and Passports Division

Mr Peter Baxter, First Assistant Secretary, Trade Development Division

Output 1.4—Services to diplomatic and consular representatives in Australia

1.4.1—Services to the diplomatic and consular corps

1.4.2—Provision of protection advice through liaison with the Protective Security Coordination Centre

Ms Karina Campbell, Chief of Protocol

Mr Miles Armitage, Director, Diplomatic and Consular Accreditation Section

Mr Paul Smith, Director, Protection, Privileges and Immunities Section

Output 2.1—Consular and passport services

2.1—Consular services

Mr Ralph Hillman, First Assistant Secretary, Public Diplomacy, Consular and Passports Division

Mr Ian Kemish, Assistant Secretary, Consular Branch

Mr Keith Gardner, Director, Consular Operations Section

Mr Peter Budd, Executive Officer, Consular Response and Crisis Management Section

2.2—Passport services

Mr Derek Tucker, Assistant Secretary, Passports Branch

Mr Bill Monaghan, Director, Passports Operations Section

Output 3.1—Public information services and public diplomacy

3.1.1—Public information and media services on Australia's foreign and trade policy

3.1.2—Projecting a positive image of Australia internationally

3.1.3—Freedom of information and archival research and clearance

Mr Ralph Hillman, First Assistant Secretary, Public Diplomacy, Consular and Passports Division

Mr Chris De Cure, Assistant Secretary, Parliamentary and Media Liaison Branch

Ms Victoria Owen, Assistant Secretary, Images of Australia Branch

Ms Penny Amberg, Director, Cultural Relations Section

Ms Corrine Tomkinson, Director, Public Communications Section

Mr Chris Freeman, Media Strategies and Internet Section

Mr David Lee, Director, Historical Documents Project, Historical Documents Unit

Output 4.1—Property management

Output 4.2—Contract management

Mr Peter Davin, Executive Director, Overseas Property Office

Mr Kevin Nixon, Assistant Secretary, Alliance Management Branch, Overseas Property Office

Mr Philip Moran, Assistant Secretary, Portfolio Strategy Branch, Overseas Property Office

Enabling services

Items—General corporate support; human resource management and overseas conditions of service; financial and budget management; national non-secure (communication system) information technology and information management; records management; property management; executive support; training and development; evaluation and audit; internal legal and statistical services; security services.

Ms Caroline Millar, Assistant Secretary, Executive, Planning and Evaluation Branch

Ms Nicola Watts, Director, Ministerial and Executive Liaison Section

Mr Christopher Marchant, Director, Evaluation and Audit Section

Mr Ian Biggs, Director, Corporate Planning Section

Ms Jane Madden, Assistant Secretary, Staff Development and Post Issues Section

Mr Chris Moraitis, Assistant Secretary, Staffing Branch

Ms Anne Hazell, Chief Finance Office and Assistant Secretary, Finance Management Branch

Mr Richard Andrews, Director, Budget Management Section

Mr John Langtry, Director, Management Strategy, Recruitment and Coordination Section

Australian Agency for International Development (AusAID)

Outcome 1—Australia's national interest advanced by assistance to developing countries

Output 1—Policy

Output 2—Program management

Administered items—Australia's aid program

Mr Bruce Davis, Director General

Mr Scott Dawson, Acting Director General, East Asia Branch

Mr Mike Dillon, Acting Director General, PNG Branch

Mr Paul Flanagan, Acting Director General, Humanitarian, Multilateral & Community Branch

Mr Mark Fleeton, Acting Director General, Resources Branch

Ms Ali Gillies, Acting Director General, Executive Services Group

Mr Robert Glasser, Acting Director General, Corporate Policy Branch

Peter Jensen, Director, Finance & Budget Section

Mr Laury McCulloch, Acting Director General, Contract Services Group

Mr Alan March, Director, Development Banks Section

Mr Richard Moore, Acting Director General, Mekong, South Asia & Africa Branch

Ms Annmaree O’Keeffe, Acting Director General, South Pacific Branch

Mr Murray Proctor, Acting Director General, Office of Review and Evaluation

Ms Jennifer Rawson, Deputy Director General

Mr Charles Tapp, Deputy Director General

CHAIR—I declare open this meeting of the Senate Foreign Affairs, Defence and Trade Legislation Committee and I particularly welcome Senator Eric Abetz, the Special Minister of State, representing the Minister for Foreign Affairs and Trade, and officers from the Department of Foreign Affairs and Trade and from Austrade.

The committee has before it the particulars of proposed expenditure for the service for the year ending 30 June 2002, documents A and B, and the portfolio additional estimates statements for Foreign Affairs and Trade and for Austrade. The committee will begin with proceedings by examining the particulars of Austrade. The committee will then examine the estimates for the Department of Foreign Affairs and Trade, and we will begin with questions on the portfolio overview, followed by trade outputs 1.1.5 and 1.1.6. We will then revert to consideration of proposed expenditure in output order, commencing with output 1.1.1, with some slight alterations because of the hearings today of the Senate select committee where some of the members of this committee are involved.

When written questions on notice are received, the chair will state for the record the name of the senator who submitted the questions, and the questions will be forwarded to the department for an answer. The committee has resolved that the deadline for provision of answers to questions taken on notice at these hearings will be Wednesday, 27 March 2002.

I remind my committee colleagues that the Senate Finance and Public Administration Legislation Committee is continuing to monitor the format and contents of the portfolio budget statements. If you have any comments you may wish to make about these documents, please place them on the public record during these estimates hearings or direct them to that committee.

Witnesses are reminded that evidence given to the committee is protected by parliamentary privilege, and I also remind witnesses that the giving of false or misleading evidence to the committee may constitute a contempt of the Senate. The Senate has resolved that there are no areas in connection with the expenditure of public funds where any person has any discretion to withhold details from the parliament or its committees unless the parliament has expressly provided otherwise. An officer of a department of the Commonwealth shall not be asked to give opinions of matter of policy. However, you may be asked to explain government policy and how it differs from alternative policies and to provide information on the process by

which a particular policy was selected. An officer should be given reasonable opportunity to refer questions asked of the officer to a superior officer or to the minister.

Welcome, Minister. Do you wish to make an opening statement?

Senator Abetz—No, thank you.

[9.11 a.m.]

Australian Trade Commission (Austrade)

Senator LUNDY—With regard to the distribution of resources of Austrade throughout Australia, and in particular regional Australia, can you just run through the physical locations of Austrade offices around Australia?

Mr Crawford—The way to answer this question is on two levels. We have a state office network. So there are offices in every state capital, in Darwin and in the ACT. We also have a number of offices in other regional centres such as Newcastle, Wollongong and Townsville. As well as that, we have what is called the TradeStart network, which is an alliance arrangement with a variety of allies that gives us presence throughout regional Australia with about 24 offices. Those offices are actually contained in the annual report. We can provide you with the full list if you are interested. The Sydney office is the head office at the moment. The corporate function tends to be focused in Canberra.

Senator LUNDY—What is the corporate function?

Mr Crawford—It includes the Information Division, Finance and Assets, and Human Resources.

Senator LUNDY—I will get a copy of the annual report. Can you refer me to the page, please?

Mr Crawford—It is page 34.

Senator LUNDY—In terms of the actual Austrade offices, do they extend outside of the state capitals, Newcastle, Wollongong, Townsville, Canberra and Darwin?

Mr Crawford—Do we have offices outside those areas?

Senator LUNDY—Yes.

Mr Crawford—No, we do not. But we have staff covering them.

Senator LUNDY—In each of those Austrade offices, how many people do you have servicing those areas?

Mr Crawford—Servicing each state, so to speak?

Senator LUNDY—Yes.

Mr Crawford—I would need to get details, but let me give you an indication. In each office there is a state manager, plus what we refer to as regional trade commissioners. These are staff who are responsible for defined areas within the state. In Sydney we also have our Export Advisory and Marketing Unit, which is a unit of about 20 people. In Melbourne we have another branch of the Export Advisory and Marketing Unit, which also runs the 13 2878 contact number. Between Sydney and Melbourne, they handle general inquiries from the public. As well as that, we have a number of industry specialists in Melbourne, Sydney and Brisbane. In addition to that, we have what is called the trade promotion group, which is a group of people who provide support to events, trade fairs and exhibitions offshore. They are

spread throughout the country. I do not have details with me—although one of my colleagues may—on the numbers in each one, but we can certainly provide them.

Senator LUNDY—Thank you. I will look forward to that. With respect to the Canberra office, which services Canberra and the local region, what are the human resources in that office?

Mr Crawford—We have a regional trade commissioner for Canberra, the Monaro area and the South Coast, so that is the coverage for Canberra.

Senator LUNDY—I thought you said the capital cities had a state manager and a regional trade commissioner and industry specialist.

Mr Crawford—Except for the ACT. We have a regional trade commissioner.

Senator LUNDY—How come the ACT misses out?

Mr Crawford—It is a matter of allocation of resources on the basis of need.

Senator LUNDY—But you nominated Canberra as being an office. Are you telling me that every other office has several people, but the ACT office—or the Canberra and region office—just has one person?

Ms Selby—As Mr Crawford alluded to, some of the people in Sydney, Brisbane and Melbourne have national coverage, so inquiries from ACT companies to 13 2878 would be handled by our teams in Melbourne or Sydney. ACT companies working in the information and communications technology sector, for example, would be handled by our national manager in that sector, who happens to be based in Melbourne but has national coverage.

Senator LUNDY—Why is that? Why do you arrange it like that?

Mr Crawford—Senator, because we have limited resources, we have to allocate them in the most effective manner. We also focus, in the case of ICT, on ensuring that we have strong industry expertise and experience in the group that looks after that area. The nature of Austrade's organisational structure is that it is quite dispersed, both within Australia and internationally, so it is not accurate to say that there is only one officer servicing Canberra; there is an entire global network which, as appropriate, services companies in Canberra.

Senator LUNDY—The Canberra office is also required, as you said, to service the South Coast and the whole south-east region of New South Wales. Can you tell me precisely what region that officer services?

Mr Vickers—I could not give you a firm definition. I would have to draw a map. If I could provide you with that map, it would give a clear definition based on postcodes.

Senator LUNDY—Could you give me a rough idea?

Mr Vickers—About two hours from Canberra is the rough area that is serviced.

Senator LUNDY—So they do not service Eden?

Mr Vickers—I would have to double-check on Eden. We do have TradeStart offices at Nowra and I would need to calculate where—

Senator LUNDY—I think the answer is that they service Eden. They go right down to the Victorian border on the south-east coast—

Mr Vickers—Do they?

Senator LUNDY—and extend quite a way west as well. I know they do not cover the Albury area. The issue is, I guess, how you allocate resources. I am concerned that local business is not adequately serviced by Austrade, and I want to follow up the point about the ICT sector.

Mr Vickers—In Canberra?

Senator LUNDY—In Canberra.

Mr Vickers—Can I just emphasise that we have a regional trade commissioner in Canberra located with the ACT government and use their resources as well, so it is a team effort in the ACT. We also have an export access officer who is located with the local chamber. The combination of the ACT government's resources, Austrade's resources and the export access resources in the ACT chamber does give quite good coverage in terms of the number of people and the range of skills in industry coverage.

Senator LUNDY—Are you aware of the proportion of output of the ICT sector located here in the ACT, in terms of density, as compared with other places?

Mr Vickers—It is actually very high. I know this because the ACT government is currently discussing with us whether there should be someone dedicated to the sector in Canberra.

Senator LUNDY—What is your view of that?

Mr Vickers—I could not give you an answer on that until—

Mr Crawford—I referred to the fact that we have our own staff and own network, and then we have what you might refer to as an outsourced alliance network. We are currently in the process of, effectively, restarting, rebuilding, retendering for that network. The government committed to funding it during the election campaign.

Senator LUNDY—This is TradeStart?

Mr Crawford—Yes, TradeStart export access.

Senator LUNDY—I am going to come to TradeStart in a minute.

Mr Crawford—But this is key to this issue. So we will be looking to maximise the contribution we get from other agencies, including state and territory governments, so that we can really extend the network as far as possible. In the case of the ACT, obviously, the ICT sector is critical, and we will be looking at that when we consider the distribution of the resources.

Senator LUNDY—The ICT sector and biotech sector are five and four per cent, as far as those proportions go. Are you telling me that you are not considering providing another Austrade officer, that you are going to try and provide support in other ways, or are you actually considering putting a specialist in those technology industries in your Austrade office here?

Mr Crawford—We are considering a range of options at this time, and that will become clearer after the federal budget.

Senator LUNDY—And what do you see as your options?

Mr Crawford—I think we have a range of options, but the driver has to be to maximise the degree of cooperation and coordination with other government agencies—federal, state

and territory—and industry associations. We have to get the maximum reach by working with those agencies.

Senator LUNDY—I appreciate that, and there are lots of broad issues involved about agency coordination. What I am concerned about is that, with the high proportion and high density of activity in those crucial industries, you have one person in the Austrade office servicing a very dynamic and large region. At the same time, it has been nominated by Ms Selby that you have a specialist in Melbourne looking at ICT. How often does that person come to Canberra?

Mr Crawford—Reasonably frequently. I would have to check their travel requisitions, but—

Senator LUNDY—Yes, if you could, and provide them to me, thank you.

Mr Crawford—But I think we just need to clarify a point here. There is in Melbourne a senior manager who has responsibility for ICT and biotechnology. She is also supported by a number of staff who also have responsibilities in each of those areas. So we do not have people just in Melbourne. There is quite an experienced and skilled biotechnology person based in Sydney, and another ICT person based in Sydney. So I think that, as Ms Selby said, if you think of assistance as just the one person in Canberra, that is not the case. There is a raft of assistance available. There is that one RTC, the regional trade commissioner, but, as we said, we have got the export access program, we have got industry specialists, and the Export Marketing and Advisory Unit—which is based, as I mentioned, in Sydney and Melbourne—also provides services on a global level.

Let me say again, though, that we continually review our resource allocation to meet needs, and that is part of the process we are going through at the moment. I cannot guarantee what the results will be, but we are certainly conscious, as Mr Vickers has indicated, that these two sectors are important to the ACT and to Australia. We are looking at that at the moment as we decide on resource allocation.

Senator LUNDY—It seems to me that the ACT has had a bit of a raw deal as far as the allocation of resources is concerned, particularly when you look at, as I said, the densities of those crucial industries here. Despite having an excellent record of increasing exports, whether it is Tower Software or Catalyst or any of those companies, that does not seem to be recognised through the agency.

Mr Crawford—I disagree—we do recognise it—but I do not think we can pursue that much further.

Senator LUNDY—Okay. Could we move on to the TradeStart program. I have in front of me the annual report, which has a series of dots all over it about the location of TradeStart offices. How many TradeStart offices are there around Australia at the moment?

Mr Vickers—There are 24 TradeStart offices around the country.

Senator LUNDY—When were they put in place, or opened?

Mr Vickers—They vary. I can provide you with a list, if you like. Some date from 1998 and some were opened more recently.

Senator LUNDY—When is ‘more recently’?

Mr Vickers—In 2001.

Senator LUNDY—Can you list the TradeStart offices that were opened in 2001?

Mr Vickers—Yes, I have the list here. Alice Springs, Kununurra and Carnarvon are the only offices which were opened in 2001.

Senator LUNDY—They are the only offices in 2001?

Mr Crawford—I will clarify that. We did open an office in Adelaide around four weeks ago, associated with the wine industry—I am sorry, it was announced that it would be opened; it will be opening in the new financial year, technically.

Senator LUNDY—In July?

Mr Crawford—Yes.

Senator LUNDY—In terms of the election announcements, my recollection is that Minister Vaile announced the opening of 10 new TradeStart offices.

Mr Vickers—He announced the intention to open 10 new TradeStart offices and indicated the geographic region for the majority of them, but there have not been partners selected to actually physically open those offices yet. It was an announcement of the intention, not the announcement of the opening of those offices.

Senator LUNDY—Were Adelaide, Alice Springs, Kununurra and Carnarvon part of that announcement?

Mr Vickers—No.

Senator LUNDY—Separate?

Mr Vickers—Adelaide was, but Alice Springs, Kununurra and Carnarvon were not.

Senator LUNDY—So they were just hangovers from earlier allocations, or earlier decisions to open offices?

Mr Vickers—No. The funding for those offices derives from another department, the Department of Transport and Regional Services.

Senator LUNDY—But they are called TradeStart offices?

Mr Vickers—They are TradeStart offices, but they are funded by the Department of Transport and Regional Services.

Senator LUNDY—Why is that?

Mr Vickers—We had discussions with the department about our regional network, and we approached the department on the basis that, while we did not have sufficient TradeStart funding, there was still a need to provide the services. The department had some funding available for programs of a similar nature and accepted that TradeStart would meet the department's goal for regional development, and offered us funding for those three offices.

Senator LUNDY—How much funding?

Mr Vickers—I would have to check the exact figure. It is of the nature of \$35,000 per office.

Senator LUNDY—Who selected the locations of those three offices?

Mr Vickers—Austrade.

Senator LUNDY—Austrade did. And Transport and Regional Services said, 'Sure, we will pay—we are happy to pay.'

Mr Crawford—'We are happy to contribute.'

Senator LUNDY—How much did they contribute and how much did you contribute?

Mr Vickers—I will have to get the exact figures for you, but they contributed in the order of \$35,000 and Austrade puts in a lesser financial amount but a greater amount in kind. I would have to take that question on notice to give you an exact breakdown of the valuation of the money and in-kind contributions.

Senator LUNDY—If you could. What were the criteria used to select those three offices?

Mr Vickers—Basically, unmet demand. WA is a very special case because of the large distances involved, and our state manager and our regional trade commissioners in Perth felt there were a small but significant number of clients in those areas which it was just not possible to service because of the very large distances involved.

Senator LUNDY—Even though you can fly experts up and down the east coast all the time.

Mr Vickers—You can, but it costs a very great deal of money.

Senator LUNDY—But you have chosen to do it with respect to ICT expertise on the east coast.

Mr Vickers—The distances are far smaller—

Mr Crawford—Can you clarify the intent of that question, please, Senator Lundy.

Senator LUNDY—I am observing the inconsistency in the arguments. You are saying you are opening offices in remote areas in WA, which I think is commendable and very worthy, but your reason that it costs a lot to fly people around to service those areas is inconsistent with the fact that you will not increase the number of resources in, for example, the ACT; you would prefer to fly people up and down the east coast to service those needs. It is just an observation.

Mr Vickers—The orders of magnitude are entirely different. It would cost us probably in excess of \$2,000 to fly someone from Perth to Kununurra return, and take several days, whereas—as you will appreciate—Canberra to Sydney and Canberra to Melbourne are different orders of magnitude.

CHAIR—Senator Lundy, I am finding it very hard to hear you. I do not know whether it is—

Senator LUNDY—Well, I am speaking into the microphone; that's not my fault.

CHAIR—Perhaps Broadcasting could turn up the sound; thank you.

Senator LUNDY—Sorry, Mr Vickers, I have interrupted you. Could you continue with the criteria that you used to select those offices. Unmet demand and—

Mr Vickers—Difficulty of service. Prior to those offices being opened, the staff from Perth would visit those regions only very rarely, simply because of the time it takes and the amount of money that is involved.

Senator LUNDY—Could you take it on notice to provide a complete breakdown of which departments contribute what, in both financial terms and in-kind terms.

Mr Vickers—Yes.

Senator LUNDY—Are the proposed 10 new TradeStart offices listed in the annual report?

Mr Vickers—No.

Senator LUNDY—Do you have a list that I could refer to of where those offices are going to be?

Mr Vickers—Not at the moment. It was issued in a press statement and I do not know if we brought a copy of that press statement.

Mr Crawford—We could certainly provide an indication.

Senator LUNDY—Can you provide it now? I would like to be able to refer to that list.

Mr Vickers—We will see if we can find a copy of the press statement for you. Sorry—I may have to read them.

Senator LUNDY—Please do.

Mr Vickers—Dubbo, Penrith and Sutherland in New South Wales, Emerald in Queensland, Bunbury in WA, Geelong and Mildura in Victoria, Port Lincoln in South Australia and a specialist industry office with the Australian Wine Export Council in Adelaide, and one further location to be selected.

Senator LUNDY—So, when the minister made that statement, he said he had opened 10 and just nominated nine areas?

Mr Vickers—Yes.

Senator LUNDY—Not to have that statement in front of me to refer to makes this a little difficult. What was the rationale behind the extension of the TradeStart program?

Mr Crawford—The TradeStart program is quite an innovative approach to the delivery of government services. What we have attempted to do, as I have said before, is to maximise our role with other service providers. So the rationale behind the announcement during the campaign is just that. We have got a very successful government program. The government agreed to re-fund it, on the condition that we continue to derive maximum efficiency and effectiveness out of it. So we are looking to do that by remaximising the contribution we can get from allies. So we want to expand the reach cost-effectively.

Senator LUNDY—On what date did the minister make his announcement; can you remember?

Mr Crawford—It was during the election campaign when he released the government's trade policy, but I do not recall what date that was. We could find that out for you.

Senator LUNDY—Yes, if you could now, please.

Mr Crawford—24 October. Someone has got a better memory than I.

Senator LUNDY—Thank you. What work had the department done in terms of establishing the criteria for those 10 new offices prior to that date?

Mr Vickers—The department had reviewed the current TradeStart network and, after discussing with the state managers in each of the states, had assessed where additional offices might be placed if further funding was available.

Senator LUNDY—Can you tell me the actual process that you went through with regard to that review, and the key dates of decisions?

Mr Vickers—I cannot tell you the key dates for the decisions because the review was, effectively, ongoing. During the latter part of the last calendar year we had been looking at where additional offices might be placed, to consider what might happen in the budget round

at the end of the year. The process we use is that we discuss with the state managers, who draw on data from their regional trade commissioners, the extent to which they are meeting potential exporters and exporters who are demanding service that we would appear to have a difficulty in meeting. It is not a numeric process. It is based on a subjective view of client demand, simply because of our experience in having looked at a number of different numeric indicators and finding them to be less reliable than using our field staff to judge, in their travels around Australia, where unmet demand is.

Senator LUNDY—Were you involved in this process directly, Mr Vickers?

Mr Vickers—Yes.

Senator LUNDY—So when did you meet with those state managers to discuss that?

Mr Vickers—I could not give you a specific date off the top of my head.

Senator LUNDY—I am actually looking for a specific date.

Mr Crawford—I think there would be a number of specific dates, Senator. Austrade does not run its programs by sitting in management isolation. Mr Vickers would have been consulting with his colleagues on an ongoing basis. I am a bit reluctant to tie his time up in identifying specific dates that he may have or may not—

Senator LUNDY—It is actually very important to me, Mr Crawford, to know what those specific dates are and when key decisions were made about where those offices should be located.

Mr Crawford—We are happy to take that on notice and put together a time line for you.

Senator LUNDY—Mr Vickers, in terms of that process, when did you start discussing with the state managers this specific issue of the 10 new offices?

Mr Vickers—There is no specific date, because the process is that we have regular telephone hook-ups with the state managers. We discuss from time to time how we are going, what the client mind is against target—whether there are any areas of unmet demand. During the second half of the year we prepared some target areas. These were circulated by email to state managers and then there was some further discussion at meetings. So, as Mr Crawford said, it is an ongoing process. It is not a formalised process where there are specific dates that have to be met, because it is part of Austrade's own internal research to prepare ourselves for the new budget year.

Senator LUNDY—At what point did you make the recommendation, if you like, that those were the nine areas where you felt there was unmet demand?

Mr Vickers—I can draw that date for you. If you are looking for reassurance, it was prior to the calling of the election.

Senator LUNDY—Was it prior to 24 October?

Mr Vickers—I would have to check. It was certainly prior to 24 October. As you appreciate, there is a point where the relationship between the minister's office and the department changes because the election campaign is on. It was prior to that date.

Senator LUNDY—In terms of the nine, as opposed to 10, officers, can you perhaps provide the committee with some record of the determination being reached by the department that those locations were the specific locations where you felt there was most unmet need?

Mr Crawford—As I said, we can give you an indicative time line as to when advice was provided to the minister. It was definitely before the start of the election campaign—some way before, from my recollection, but we will check that for you.

Senator Abetz—Mr Chairman, I was engrossed in the annual report, but I understand that the question is leading to the advice that may or may not have been proffered to the minister, and clearly that is not for the departmental officials to comment on.

CHAIR—Thank you, Senator.

Senator LUNDY—I am trying to restrict my questions to matters of process. I am trying to determine the process by which the department determines the level of unmet need, what conclusions the department drew about where that unmet need was and whether they had made those conclusions prior to the minister's announcement of the proposed nine new TradeStart offices. I am sure you have worked that out by now. What I am looking for are assurances that the department had in fact engaged in a process of consideration, inquiry and consultation with state managers and resolved those outcomes prior to the minister making his announcement.

Senator Abetz—Ministers can make announcements as to what the policy will be. Whilst the officials and public servants are there to proffer and give advice, at the end of the day it is for the minister and the government to make decisions, I would have thought. Sometimes advice might be taken; sometimes advice might be partially taken, and at other times it might not be accepted. At the end of the day, I would imagine that where those offices are set up stops with the minister.

CHAIR—You can ask questions on policy alternatives, Senator Lundy, but you cannot ask what advice was offered to the minister.

Senator LUNDY—I was very interested in Senator Abetz's response then, because what I have been trying to do, of course, is to assist the minister to establish a defence. The obvious allegation is that he made the decision about the location of the TradeStart offices on the basis of a Liberal marginal seat in the lead-up to the election campaign. What I want to know, Minister—

Senator Abetz—This will be front page.

Senator LUNDY—No, it is a genuine inquiry. Were those decisions made on the basis of justification and need established by the department or was it, as you say, the minister's prerogative to determine the location of the 10 new TradeStart offices without any due regard to unmet need?

Senator Abetz—Decisions are made and they are justifiable decisions based on need as determined by the minister.

Senator LUNDY—I do not know if I need to go any further. I will take that as pretty much a confession that the department had not concluded its inquiries, had not come up with any resolutions that they are able to demonstrate to the committee—

Senator Abetz—Whatever.

Senator LUNDY—that they found the areas of unmet need and the minister went ahead and worked out which mates needed a bit of a pork barrel during the campaign.

Senator Abetz—Just as well she said 'barrel'.

Senator LUNDY—That is the way it looks. Unless you have got something of substance that would demonstrate otherwise, it is pretty easy to draw that conclusion.

CHAIR—Are you happy to move on there, Senator Lundy?

Senator Abetz—No matter what we said, I am sure Senator Lundy would draw that conclusion anyway.

Senator LUNDY—Perhaps you could tell me what the usual process is for determining the location of an Austrade or, in this case, a TradeStart office?

Senator Abetz—I am not the portfolio minister but I would imagine it is an assessment of need and where opportunities might arise for the benefit of Australian exports and Australian industry. That is the basis of it. If you do not support that, that is fine.

Senator LUNDY—Considering the areas of unmet need, is that something you are still engaged in with respect to those nine of 10 new offices that the minister announced, Mr Vickers?

Mr Crawford—Senator, I will take that question if you don't mind. As I said before, the government has agreed to refund it. We are currently looking at the next iteration of the program, and I refer to the fact that we are going out to get expressions of interest in the program from agencies and allies. Once we have done that we will be able to map out the most cost-effective and efficient means of applying the funds that are available to us to get the maximum reach and that process is currently under way.

Senator LUNDY—Okay. Are these nine of 10 new offices part of that process?

Mr Crawford—Yes, they are.

Senator LUNDY—They are. So you are actually still thinking about how those nine locations—

Mr Crawford—As Mr Vickers said, the minister indicated these during the election campaign; he did not specify them.

Senator LUNDY—So can you tell me, given that he made an announcement of those nine locations—

Mr Crawford—Well, an announcement of an indication—yes.

Senator LUNDY—Sorry?

Mr Crawford—An indication—they were indicative.

Senator LUNDY—An indication of those locations. But am I wrong—he used the words Dubbo, Penrith, Sutherland?

Mr Crawford—No, you are not wrong.

Senator LUNDY—I am not wrong, I am right. So the minister did use the words Dubbo, Emerald, Bunbury. They are pretty specific, are they not?

Mr Crawford—But as Mr Vickers said, he 'indicated'—they were indicative locations.

Senator LUNDY—Did he say the word 'indicative' in his press statement?

Mr Crawford—I would have to check exactly what his press statement was.

Senator LUNDY—Has anyone been able to find a copy yet?

Mr Crawford—If you would just wait a moment.

Senator LUNDY—Thank you.

Mr Crawford—It appears there is no single press announcement or press release on this matter. There was the coalition's trade policy, which indicated this. I will just have to check on the details that were in that.

Senator LUNDY—Yes, if you could find the actual text, that would be useful. My understanding is that those areas were in fact named and specified and were then subsequently used by the coalition candidates in those respective electorates, no doubt to great political effect.

Senator Abetz—And I am sure the Labor Party did not use its candidates during the election to announce specific Labor Party promises around Australia as well. I know it happened in my home state of Tasmania; that is what happens.

Senator LUNDY—I am glad you called it a promise because the next question is: given it was an election promise, is it the government's intention to proceed with TradeStart offices in Dubbo, Penrith, Sutherland, Port Lincoln, Adelaide, Emerald, Bunbury, Geelong and Mildura?

Senator Abetz—I suppose the intention is there, subject to budgetary constraints.

Senator LUNDY—So you are telling me that that promise might be broken, subject to budgetary constraints?

Senator Abetz—Most things this time of year are subject to budgetary considerations.

Senator LUNDY—And is the relative merit of need a factor in the ongoing consideration about the location of those offices as well?

Mr Crawford—Yes, it is. As I said a number of times, that is one of the key drivers.

Senator LUNDY—So you are still engaged in a process of assessing need, despite the minister having specifically named nine places where a TradeStart office would go.

Mr Crawford—Yes.

Senator LUNDY—I am sure the people of Dubbo, Penrith, Sutherland, Port Lincoln, Adelaide, Mildura, Geelong, Bunbury and Emerald will now be lobbying their minister vigorously in requesting him to honour his promise that they would in fact get a TradeStart office. In your assessment, Mr Crawford, are those areas all areas of significant unmet need?

Mr Crawford—In my assessment that issue will be resolved during the process we are currently engaged in.

Senator LUNDY—Questions that I asked earlier indicated that there had been at least an indicative establishment of unmet need in those areas. Is that something you are just continuing to explore? You have not finally resolved it yet?

Mr Crawford—I will just try and put this forward again. We are currently reviewing the entire TradeStart program and network to ensure we maximise the reach, the effectiveness and the efficiency of it. That process is going on at the moment, as the minister has said. Of course, there is also the issue of subject to budget outcomes. That process is going on. I can say no more.

Senator LUNDY—Can you tell me whether or not there are going to be 10 new offices, and whether the locations may change? Or are you suggesting that the number of new TradeStart offices might be reduced?

Mr Crawford—I am suggesting exactly the opposite. If the process we are engaged in comes out as well as we hope it will, we may be able to get more offices than that. But that is subject to negotiation with allied partners.

Senator LUNDY—And who are those partners? Is that the Department of Transport and Regional Services—

Mr Crawford—No. Obviously this is an issue where, as I said, we are going out looking for expressions of interest. But indicatively, we are talking about state government agencies, industry associations and regional development bodies. There is a raft of them.

Senator LUNDY—So a TradeStart office only gets opened if you can find an industry partner?

Mr Crawford—The TradeStart network is dependent on contribution from both the Commonwealth and allied partners. Those allied partners are quite diverse.

Senator LUNDY—So without an allied partner, a TradeStart office does not necessarily open? That is certainly my understanding.

Mr Crawford—That is basically correct.

Senator LUNDY—Had an allied partner—or whatever the word is—been found and established in any of the nine of 10 announced locations? I am presuming that with the wine industry one there was an allied partner in the wine industry. What about the others?

Mr Vickers—No, not at this stage.

Senator LUNDY—So in all of the others no allied partner has been identified?

Mr Vickers—No, but the locations were settled after a review of whether there were potential allied partners available in the region. There have been no discussions with any of those allied partners at this point.

Senator LUNDY—That is fine. So you do not lock it up before you make the announcement; you make the announcement and then you go looking. Is that the process?

Mr Vickers—Yes.

Senator LUNDY—Can you describe to me the support that Austrade has provided to the Australian Industry Group?

Mr Crawford—The Australian Industry Group?

Mr Vickers—Senator, could you define ‘support’? Are you talking financial?

Senator LUNDY—Money: taxpayers’ money.

Mr Crawford—The Australian Industry Group proposed a campaign last year, which we thought had some merit. It was called the export boost campaign, from recollection. We provided some cash contributions plus in kind support, once again.

Senator LUNDY—What was the export boost campaign? Can you describe what it did?

Mr Crawford—Yes. Essentially, you would describe it as a program to raise the level of awareness and interest in exports and to put companies in touch with potential training programs, the AIG and the broader ally network.

Senator LUNDY—Does the AIG already get other program money from the government?

Mr Crawford—Not that I am aware of.

Mr Vickers—AIG is a partner in the Export Access program and they receive funding.

Senator LUNDY—Export Access program? Sorry, you will have to forgive me, this is all pretty new.

Mr Vickers—It is a lot of jargon, I appreciate that.

Senator LUNDY—Export Access program?

Mr Vickers—Yes.

Senator LUNDY—How much money do they get for that?

Mr Vickers—I would have to check the exact figure they get.

Senator LUNDY—Is it about \$750,000?

Mr Vickers—It is of that order, yes.

Senator LUNDY—Is that on an annual basis?

Mr Vickers—Yes.

Senator LUNDY—Has it stayed at the same amount each year?

Mr Vickers—It is dependent on performance.

Senator LUNDY—What are the key performance indicators?

Mr Vickers—The number of clients recruited to the Export Access scheme.

Senator LUNDY—What is the Export Access scheme? Is it a series of seminars, training? What is it?

Mr Vickers—No. It is an intensive coaching program for new exporters.

Senator LUNDY—Do they charge participants?

Mr Vickers—Export Access providers have the option of charging up to \$500. My understanding is that AIG currently has a policy of charging \$500 to participants.

Senator LUNDY—Are you aware of the business case behind that, does that cover their costs?

Mr Vickers—The \$500?

Senator LUNDY—Yes.

Mr Vickers—No. The \$500 has two purposes. One is to provide revenue to AIG in addition to the money the Commonwealth provides, and the other is that it is a way of qualifying those companies who are serious and likely to be successful because they are willing to invest their own resources. There is an argument put, which AIG subscribes to, that if you offer a free program you get people with relatively low commitment—it is very difficult to test people's commitment. The simplest way to test that commitment is with an administration fee.

Senator LUNDY—Is your rationale for providing that \$750,000 that you are, essentially, engaging or contracting AIG to provide that service on your behalf?

Mr Vickers—Yes.

Senator LUNDY—Do you put that out to tender?

Mr Vickers—It is not subject to a tender in the normal legal sense but it is a selection process based on merit from people who are prequalified. That whole process is currently

being repeated because the Export Access program funding expires on 30 June this financial year, and we are currently preparing a disclosure document and a tender-like process to reselect service providers.

Senator LUNDY—So is it actually contestable or is it a series of prequalifications that you engage in?

Mr Vickers—It is contestable. We prequalify those organisations that have the ability to deliver an export program. We do not put advertisements in the paper, but we do prequalify companies. We ask for proposals against a set of selection criteria as a competitive process.

Senator LUNDY—So you approach people?

Mr Vickers—Yes.

Senator LUNDY—How many companies did you approach last year?

Mr Vickers—It was four years ago, so my memory does not stretch to exactly the number approached last time.

Senator LUNDY—Could you take that on notice and provide the names of the companies approached.

Mr Vickers—Yes. There were no companies approached: we only approached industry associations and organisations.

Mr Symon—The original question you asked about AIG was about any assistance that was provided. You would be aware of the Export Market Development Grants Scheme.

Senator LUNDY—Yes.

Mr Symon—Part of the Export Market Development Grants Scheme includes what we call approved bodies, that is, most of the money for EMDG goes to commercial entities who are starting up in exporting. There is a subgroup within, which we can approve, called approved bodies. They are normally peak industry associations who can receive EMDG money on the basis of them doing generic export promotion of their industry. In the past, AIG has been an approved body. We have over 3,000 clients, so I do not have the exact amount that we have given, but we can tender that to you, if you would like. They have had approved body status in the past.

Senator LUNDY—So they have some annual financial support from you?

Mr Symon—Very briefly, the way the scheme works is that if you get approval under EMDG that allows you to go out and do your export promotion with some of your expenses, knowing that you will get partial reimbursement from the Commonwealth.

Senator LUNDY—It is on a reimbursement basis?

Mr Symon—Correct. You have to spend the money first and then you can get part of it reimbursed. Obviously, there are very strict criteria.

Senator LUNDY—Could you provide me with the details of the itemised reimbursement for all industry bodies that have approved body status under EMDG.

Mr Symon—For all industry bodies?

Senator LUNDY—Yes.

Mr Symon—Okay.

Senator LUNDY—Could you also provide a description of what they actually did to qualify for that reimbursement. Going back to the Export Access program, has the \$750,000 been on an annual basis for four years?

Mr Vickers—The figure varies from year to year, based on their performance. They have a quota, and that gives them the ability to recruit a certain number of clients. We pay per client, so if they do not reach their quota we do not pay the full amount of money.

Senator LUNDY—What acquittal process do you have for that? Do they provide you with a report?

Mr Vickers—They provide us with a proposal that outlines the company, so that we can check that the company qualifies, subject to Austrade's approval. We conduct surveys over three years. There is an exit survey that the company completes and we follow up over subsequent years. We conduct, through a research house, at various times, a random sample of companies, and we also check client satisfaction.

Senator LUNDY—Was the export boost a campaign?

Mr Vickers—The export boost campaign, yes.

Senator LUNDY—How much money was that?

Mr Vickers—I would have to check the precise figure.

Mr Crawford—Senator, we provided AIG with \$50,000.

Senator LUNDY—When was that provided, and for what?

Mr Crawford—It was provided to help support the export boost campaign.

Senator LUNDY—I want to get into specifics, though, about what that involves. Can you tell me when the money was given to the AIG?

Mr Crawford—Not off the top of my head. I would have to check.

Senator LUNDY—Was it last year?

Mr Crawford—It was certainly last year, yes.

Senator LUNDY—Was it in the first half of last year?

Mr Crawford—No, I think it was in the second half of last year, but I would have to check that.

Senator LUNDY—Was it in September?

Mr Crawford—If your sources tell you it was September, Senator—

Senator LUNDY—Oh, I am just guessing.

Mr Crawford—I will check that for you.

Senator LUNDY—If you could, immediately, please.

Mr Crawford—We may have to take that on notice. I do not know if we can check it immediately.

Senator LUNDY—What program, then, did that \$50,000 come from?

Mr Crawford—We cannot clarify the exact date, so I will take that on notice.

Senator LUNDY—Can you give me a month, approximately?

Mr Crawford—No, I cannot. I will check that for you.

Senator LUNDY—What time do you stop doing stuff leading up to the election? When was the caretaker period?

Mr Crawford—Once it is announced, I think, is the protocol.

Senator LUNDY—So it could have been September, maybe early October, August?

Mr Crawford—It may have been, Senator. I will have to check that.

Senator LUNDY—But thereabouts?

Mr Crawford—It may have been. I will have to check that.

Senator LUNDY—What program was that money allocated from?

Mr Crawford—My recollection is that we provided the funds out of the Australian operations budget. I think that is correct. We have a small capacity to support programs of other agencies or allies and sponsor awards, so it came out of that, I believe.

Senator LUNDY—If you have got the portfolio budget statement, that would be good.

Mr Crawford—My colleagues have just reminded me that it would be under output group 1.1, which is about raising awareness.

Senator LUNDY—So it is not part of a scheme or a program?

Mr Crawford—No, but it was part of one of Austrade's outputs and outcomes.

Senator LUNDY—Part of the general output?

Mr Crawford—Yes.

Senator LUNDY—Did you allocate any other money in that way in the second half of last year, from that area?

Mr Crawford—We agreed to sponsor a number of awards—I think the Australian Seafood Industry Council awards—

Senator LUNDY—A worthy investment.

Mr Crawford—Their inaugural annual awards.

Senator LUNDY—Where was that held?

Mr Crawford—In Brisbane.

Senator LUNDY—Where in Brisbane?

Mr Crawford—Somewhere not as exotic as the Australian export awards. I cannot remember where it was. It was at a function room because it was the first time. ASIC's headquarters are in Canberra but, as I said, it was their first annual awards and we saw it as important to support that. We also supported the—

Senator LUNDY—If you could provide me with full details about the logistics of the inaugural seafood industry awards, that would be wonderful.

Mr Crawford—I am more than willing to give you anecdotal evidence on the logistics. It was not as polished as the Australian export awards but it was a worthy cause.

Senator LUNDY—Was that because it was a bit rushed?

Mr Crawford—No, it was not because it was a bit rushed; it was because it was the first time the Australian Seafood Industry Council had actually ever done this. Senator, the quantum we are talking about here is \$2,000, inclusive of GST.

Senator LUNDY—Is that all?

Mr Crawford—That is all.

Senator LUNDY—You have sponsored other people for heaps more than that. The AIG got \$50,000. That is a bit cheap.

Mr Crawford—I was about to say that we also sponsored one of AEEMA's awards and I think an AIIA award. We have been deliberately trying, over the last 12 to 18 months, to provide some sponsorship of this type of events to key industry associations and allies, because we believe they do have a significant role in terms of output 1.1, in raising awareness.

Senator LUNDY—Those events were all in September-October, weren't they?

Mr Crawford—Despite the electoral cycle—

Senator LUNDY—I know most of them have their awards that time of the year.

Mr Crawford—The silly season is from October-November onwards, when you find yourself at a lot of national awards.

Senator LUNDY—I appreciate that. Is that something you do on an annual basis?

Mr Crawford—It certainly is on an annual basis in the sense that we have an annual budget that we have to operate within and allocations against outputs, but, as I said, strategically we are trying to target a few more. But Ms Selby might—

Senator LUNDY—So is this the first time you have used that particular source of funds to sponsor events and awards?

Mr Crawford—No.

Ms Selby—We also sponsor state export awards and have been doing that for quite some time. The Australian Export Awards that Mr Crawford mentioned involve the national finalists of local state awards—I am sure you would be aware of the ACT one—and in many of the states, if not all, in various years we have provided sponsorship to the state organisers for their local awards.

Senator LUNDY—Is that from this same output, this same source of funds?

Ms Selby—Yes.

Senator LUNDY—But I still do not know whether it was the first time you had used that source of funds to sponsor national awards like the AIIA—another worthy award night, I have to say—and AEEMA. Is that the first time you have done that?

Mr Crawford—I do not think you would say categorically that it is the first time, but I would have to check that.

Senator LUNDY—From a federal perspective.

Mr Crawford—I understand what you are saying.

Ms Selby—We might have done AIIA a couple of years ago, I am not sure, but this is not the first year—I think—that we have done industry awards. We have done odd ones at different years depending on what seemed sensible at the time.

Senator LUNDY—Is there an application process or is it something that you decide and ring them up and say, 'By the way, we've got a couple of grand to help you out'? How does it work?

Mr Crawford—They tend to ring you.

Senator LUNDY—They ring you and say, ‘Have you got a couple of grand to help us out?’

Ms Selby—They do.

Mr Crawford—Regularly.

Senator LUNDY—Do they all know that that is available? I suppose they do now.

Mr Crawford—It is one of my management challenges.

Senator LUNDY—One of your management challenges, so if they know who to lobby—

Senator Abetz—Possibly the government needs to run an advertising campaign on it to make sure there is sufficient community awareness, Senator.

Senator LUNDY—I think they should come and knock on your door, Minister.

Senator Abetz—We will take that on board.

Senator LUNDY—They could just knock on your door and ask you. It is all commendable.

Senator Abetz—We will take that suggestion on board; I think it is very commendable.

Senator COOK—One was never made.

Senator LUNDY—It is all very commendable expenditure and I am sure gratefully received by the industry and their members. Back to the export boost campaign for which you gave \$50,000 to the AIG. What was that for specifically?

Mr Crawford—There were a number of events held by AIG around the country which, as I said, were focused on awareness raising and getting potential exporters and companies in. I would have to come back to you on the details of where it was held and so on. In fact it is still going on.

Senator LUNDY—It is still going on.

Mr Crawford—Yes, there are still some workshops and events being held. The person who dealt with that is not here today, so I would have to come back to you with a detailed answer. I would have to take that on notice.

Senator LUNDY—There were seminars held that involved the minister in various places?

Mr Crawford—I think the minister may have been involved in one of them, but I would have to check that.

Senator LUNDY—In one of them? Is there anyone here who can tell me?

Mr Crawford—No, because the relevant officer is actually in Sydney. I am quite happy to get back to you on notice.

Senator LUNDY—If you could provide me with a description of the events, where they were held, when they were held and what ministers, candidates or members of parliament were present at each. Minister, I know the implication is not lost on you that, once again, the evidence may present itself to look like this was used to support the coalition government in the election campaign and provide opportunities for various ministers and marginal seat candidates for a bit of profile amongst the local business community.

Senator Abetz—The department, as I understand it, was not in charge of the invitation lists. Therefore, for them to be asked to provide a list of who is who in the local community, and who was there, is impossible.

Senator LUNDY—In order to acquit that grant, that would be a reasonable request.

Senator Abetz—Made a contribution to it and then the local—

Senator COOK—So taxpayers' money was involved?

Senator Abetz—Yes.

Senator COOK—Answer the question, then.

Senator Abetz—Just because taxpayers' money was involved—

Senator COOK—Yes, just because taxpayers' money was involved. That is what we are about actually.

Senator Abetz—You have citizenship ceremonies, for example, where the local council usually does the invitation list.

Senator COOK—That is not an analogy. Mr Chairman, is the minister refusing to answer the question?

Senator Abetz—The local council usually does the invitation list. Would you expect the minister for immigration to be able to tell you all the people who were invited at each town hall around the country? Of course not! You know better than that as a former minister; come on.

Senator LUNDY—There was \$50,000 spent of taxpayers' money.

Senator Abetz—Australia wide.

Senator LUNDY—It was provided through output 1.1, obviously for a specific purpose and for a specific outcome under the department's programs, and I certainly respect that. I also make a reasonable assumption that they are able to acquit an account for that expenditure, which means they need to know what it was spent on, for what purpose.

Senator Abetz—And how many had how many drinks at the function, I suppose, is the next question.

Senator LUNDY—If you want to be flippant and smart about it you can. I have asked a reasonable question and I am looking forward to an answer. I am happy for the department to take it on notice.

Senator Abetz—No, it is not a reasonable question. As I indicated to you—

Senator LUNDY—Have you got something to hide?

Senator Abetz—There is nothing to hide, that is the problem, because we—

Senator LUNDY—Well, provide the answer.

Senator Abetz—as the department did not have an invitation list. They did not develop the invitation list or send them out, on what I have been told. As a result they cannot tell you who actually attended. So there is nothing for the department to hide, because they did not develop the list.

Senator LUNDY—No, but there is something for you to hide. I put the question to you, Minister, that you provide this committee with a list of candidates—

Senator Abetz—But I cannot.

Senator LUNDY—and members of parliament or ministers that attended the functions that were funded by taxpayers' money.

Senator Abetz—No, partially funded.

Senator LUNDY—People have a right to know if this is a pork barrel—

Senator Abetz—No, partially funded.

Senator LUNDY—through a third party or not, and that is what we want to know.

Senator Abetz—As I understand it, these things are partially funded and you use the local Australian Industry Group or chapter or whatever in each state—it varies—to drive the invitation list. The department will not check up on that, I would not imagine, in the acquitting. They want to make sure that the moneys have been appropriately spent, but not who was invited and who actually turned up. But if the department has something, if there does happen to have been an invitation list sent to the department and that is available, they will make it available to you. They will take it on notice, I am sure, but they did not generate the list so they cannot be held responsible for it.

Senator LUNDY—I will look forward to the information the department provides. As I said before, I expect the details of each of the functions—when, where and, where the information is available, who. And, Minister, for your part I put the question to you that you actually make the inquiry about the attendance of ministers, candidates and members of parliament.

Senator Abetz—I am not sure why I should necessarily do that, but the question is being taken on notice—

Senator LUNDY—If you have got something to hide you will not provide the answers; if you have not got anything to hide you will. I think that is a reasonable assumption.

Senator Abetz—No. You asked me to personally take it on. It is a situation that the question is being taken on notice and I am sure that the department, through Minister Vaile, who will ultimately provide the answers, or Senator Hill, will provide whatever information is available. I am not going to take personal responsibility as you suggested—a ludicrous proposition.

Senator LUNDY—Did the department have a view on the merits of the export boost program?

Mr Crawford—Certainly. There was a positive view. That is why we—

Senator LUNDY—You thought it was a worthy investment? You thought that the timing was good?

Mr Crawford—There is a range of activities and issues we need to latch onto to promote awareness, and this seemed appropriate to us, yes.

Senator LUNDY—And my understanding is that it was a series of seminars.

Senator FERGUSON—Mr Chairman, just on a point of order. I think you said right from the outset that the department officials were not to be asked to give opinions or views in regard to policy. That is very close to asking the department to give an opinion, to say whether they think a certain policy is a good one or not. That is something that could be asked of the minister but not of the departmental officials.

CHAIR—Point taken, Senator Ferguson. I think we have been through this already this morning. You can ask about alternative policy proposals; you cannot ask about which policy was put to the government and you cannot ask about opinions, Senator Lundy, so please try and keep your questions relevant.

Senator LUNDY—I would like to know whether the department had taken any initiative with respect to this proposal—whether it was something that was brought to the department, or was part of their policy proposals. That is what you are looking for, isn't it, policy proposals and alternative policy proposals?

CHAIR—You can ask the question and the minister will respond, if it is policy advice that was particular to the government. So fire away.

Mr Crawford—I can clarify it. AIG approached us and we discussed the proposal with them. As I said, we did see merit in it and we agreed to participate in it.

Senator LUNDY—Okay.

Senator COOK—Mr Chairman, I wonder if through you I could ask Senator Lundy if she would mind if I asked a question or two. I have got to go to the inaugural meeting of the 'children overboard' committee, which is at 10.30 a.m.

CHAIR—I understand you have got one question, Senator Cook.

Senator COOK—Yes.

CHAIR—I am sure Senator Lundy will understand.

Senator COOK—This may be an appropriate juncture.

Senator LUNDY—Yes, that is fine.

Senator FERGUSON—I think you mean a 'certain maritime incident', don't you, Senator Cook?

Senator COOK—Into a certain maritime incident, you are correct. Thank you.

Senator LUNDY—I am also expected at the economics committee, so I may have to put the rest of my questions on notice. I will just get an update on where the other committee is at.

CHAIR—The committee would be happy for that, Senator Lundy, but do you mind if Senator Cook interrupts you?

Senator LUNDY—No. By all means.

Senator COOK—I have essentially just one question. Is Charles Jamieson still serving out the remainder of his term as the general manager?

Ms Selby—Charles Jamieson is the managing director of Austrade. It has been announced that he will be finishing at some stage up to August 2002.

Senator COOK—My understanding is that there is an executive search on for his replacement, because he has made it known that he wishes to leave Austrade at about that point. Can you explain to me what the arrangements for a handover are?

Ms Selby—The search process is still under way with an executive search agency. It is being handled by the chairman of the board. There has been no announcement, so until somebody is found—we do not know when that will be; it depends on what handover arrangements would be made—it is premature.

Senator COOK—This is under the care of the chairman of the board, not under the care of any operational officer of Austrade?

Ms Selby—That is correct.

Senator COOK—You do not know how close to conclusion this process is?

Ms Selby—No. I know that interviews have taken place, but I do not know if all the interviews have taken place. So no, I don't know.

Senator COOK—I am not going into who the candidates are. Their identity is obviously private.

Ms Selby—Even the rumour mill is silent on the subject.

Senator COOK—I would not ask you a question about the rumour mill, Ms Selby. I think that is not necessarily in the estimates.

Senator Abetz—I thought the rumour mill got a good working-over in some other estimates.

Ms Selby—Senator, the chairman is handling it and I do not know the status at the moment.

Senator COOK—Can you tell me what the salary range is for the position as advertised?

Ms Selby—I would have to ask our general manager, people and organisational development, to assist me on that one.

Senator Abetz—Are you looking for a job?

Senator COOK—It had not occurred to me but if you are offering one, Senator Abetz, I will consider it and apply.

Senator Abetz—Put your name in!

Ms Kimball—What was your question, Senator?

Senator COOK—Could you inform us what the salary range is for the position that has been advertised to replace Mr Jamieson?

Ms Kimball—We have approached the Remuneration Tribunal for an indicative salary range. We were informed that it would be circa \$290,000 per annum, as a package.

Senator COOK—Is that the total value of the salary package or is that just the salary component of the package?

Ms Kimball—The salary package.

Senator COOK—All up?

Ms Kimball—Yes. That has not been formalised. That is just an early indication from the Remuneration Tribunal.

Senator COOK—The final arrangement is to be negotiated with the successful applicant, isn't it?

Ms Kimball—Yes, then a recommendation is put by the board to the minister and then, I understand, from the minister for finance, and then agreement is reached.

Senator COOK—We do not need to go into this now but are you able to make available to us what the responsibilities, the duty statement, are of this position?

Ms Kimball—Yes, I am happy to do that.

Senator COOK—Can you tell us whether, in seeking guidance from the Remuneration Tribunal, like positions elsewhere in the Public Service, state or federal, were identified as being of similar standing to this position?

Ms Kimball—Yes. Can I take that on notice?

Senator COOK—Yes. Before I conclude, let me say that I regret I did not raise this matter at the commencement of proceedings, but I can indicate to you that, for my part, I have no questions to officers of the Department of Foreign Affairs and Trade on trade matters as such. It may be that other senators do, but I thought I should indicate that in case they do not so that those officers in attendance may return to their duties.

CHAIR—Thank you, Senator Cook. I was hoping we would be able to finish this before 10.30, but I understand that Senator Lundy has a number of other questions and Senator Ludwig has a couple.

Senator LUDWIG—I will take you to page 14 of your annual report, to the right-hand side where it has ‘export impact’. I understand, or you can agree, that that is a significant measure of how well you perform. Is that what it is designed to do? Is that a measure of how successful you otherwise claim to be?

Ms Selby—We have a number of key performance indicators and that is one of them, yes.

Senator LUDWIG—Is there a significant key performance indicator?

Ms Selby—They are all equally significant. Client satisfaction is important and this one is very important to us, yes.

Senator LUDWIG—Previously you used an external market research agency.

Ms Selby—That is correct. The export impact numbers are validated by the companies involved.

Senator LUDWIG—What was the cost of that external market research agency? If you do not have those available you can take that on notice. What I was trying to then establish is that you have now introduced a new system and the new system, as I understand it, articulated in your annual report, says that you use Austrade offices to verify in writing your client success. Is that right? So you have gone from an external agency to an internal client system. Is that right?

Mr Crawford—We will clarify this.

Senator LUDWIG—That is what your annual report says. That is not my question. I am trying to establish where we are at.

Ms Selby—That is correct.

Senator LUDWIG—You do not know?

Ms Selby—The individual officers say to the company, ‘Will you validate the export impact?’ and the company send us a fax with their signature on it validating it.

Senator LUDWIG—That is the system you have now introduced.

Ms Selby—Yes.

Senator LUDWIG—Was that a bought system or a system you designed yourself? You came from an external agency using a particular system; you have now introduced a client

system. I am trying to establish whether that system is a bought system and, if it is, how much it costs. We can then get an appreciation of how much your previous market research external costs were and how much your current system is costing—to then give you an outcome.

Mr Joffe—My department looks after the performance measures. I understand your question. It is worth starting by saying that the objective of the measure has always been to get a client validated measure of how many dollars of exports Austrade actually was involved in. With the old system, as you have identified, we actually got an external agency to call the clients and get the clients to validate, but the ANAO recommended that that may be excessive because we already had an estimate from the client and then an external agency did it.

So we looked at redesigning the system around just sending the client a sheet of paper, which they fill in with the dollars, sign and send back to us. That is then checked by the senior trade commissioner in the post and entered into our internal client database. So there is no extra system that we have bought. We send out a standard sheet of paper which they sign and send back. That is checked and then entered into our client database, which already existed.

Senator LUDWIG—Was that a suggestion by the ANAO?

Mr Joffe—Not specifically recommending how we should do it, but they looked at our previous system and thought there were too many unnecessary levels of checks and balances to try and ensure we had as robust a figure as possible to report.

Senator LUDWIG—How do you then assess whether that system you have now introduced gives you a figure which seems to suggest a positive contribution to an export impact? How do you know that? Or does it become a self-fulfilling prophecy: people feel good about you, so they fill out a good form?

Mr Joffe—We do not think that there is any difference between this and the old system, where if people felt good about us they could tell the external agency we had done a good job and they had \$10 million worth of exports. Now, if they feel good about us they could write on a piece of paper: ‘I got \$10 million of exports and Austrade was involved.’ We have tried over the years to be as robust as possible. We have put in a categorisation. The questions are: ‘We understand you got exports of \$10 million. Could you please validate that?’ If yes: ‘Could you please rank Austrade’s assistance?’ And we break that into: ‘I would not have made a sale without Austrade’, ‘Austrade was a key factor in my success’, ‘Austrade was a positive factor’, and ‘Austrade neither helped not hindered’—and luckily we get very few of those.

As best we can, we are trying to get the client to give us their validation that they had success and their assessment of our contribution. We overlay that with the two checking systems. One, the senior trade commissioner has a role in checking every sheet before it is entered, checking that it has been validly sent to the client and has been signed by the client. We also have managers of finance and administration for the geographic regions check those numbers, and we also use our internal auditors, KPMG, to run some spot reviews. Obviously what we are trying to ensure is that the system is as robust as possible.

Senator LUDWIG—KPMG say, or you have said on their behalf, on page 14 of your annual report:

... the financial export/investment impacts for 2000-01, was not materially misstated.

Is that a euphemism for ‘you got it right’?

Mr Joffe—I do not know the exact answer to that. As I said, I do know that we asked them to review our system. We asked them when we actually set it up to give us a view, and then to be involved in ensuring that it was working and to go and conduct some audits. I would presume that the words that we have quoted would be the words they gave us, but I could check that for you.

Senator LUDWIG—Thank you.

Proceedings suspended from 10.33 a.m. to 10.52 a.m.

CHAIR—The committee is reconvened. Senator Lundy has advised that she has a number of further questions on the portfolio overview of Austrade. We will then proceed to the outputs of Foreign Affairs.

Senator LUNDY—I would like to follow up some of the questions asked by Senator Ludwig in relation to how Austrade self-assesses, particularly in the context of the recent Productivity Commission report. Perhaps a good starting point would be for officers to reflect on their understanding of the implications of the Productivity Commission report on how Austrade assesses and reports their performance.

Ms Selby—I wish to clarify that it was not a Productivity Commission report; it was a staff paper reflecting the personal views of the Productivity Commission staff. The Productivity Commission itself said that the report is not an evaluation of the programs concerned or their administration by the responsible agencies.

Senator LUNDY—Thank you for that clarification. I used generic terms. On that point, what does that mean? What implication does that have on the status of that document and how Austrade responds to it?

Ms Selby—As I understand it, it is not a Productivity Commission report, so there is no official response. Obviously we read the views that are said about our organisation and take note of them.

Senator LUNDY—Perhaps you could tell me—and I do not know whether you can—what the motivation was behind that report being prepared if it was not an official Productivity Commission report and it does not prompt any official response from Austrade. What was its purpose, who initiated it and did that have anything to do with you?

Mr Crawford—No, Senator. That is a question you would have to refer to the relevant committee that covers the Productivity Commission.

Senator LUNDY—Obviously you were aware it was being produced.

Mr Crawford—No.

Senator LUNDY—You were not. When did you find out about it?

Mr Crawford—About 1 a.m. on the night it went on the web site.

Senator LUNDY—Are you serious? That was when you found out about it?

Ms Selby—I found out about 6 o'clock in the morning when I read the *Australian*.

Senator LUNDY—Is that usual with papers of that status? I am flying blind here. I did not realise the status of the paper as you have described it, so now I am just plain curious as to whether that is the normal way staff of the Productivity Commission actually assess departments. Did they not talk to you about it?

Mr Crawford—It is fair to say that we have expressed some disgruntlement to the Productivity Commission about the way this was handled, including our CEO meeting with the head of the Productivity Commission.

Senator LUNDY—Sorry, your CEO meeting with the head of the Productivity Commission?

Mr Crawford—Yes.

Senator LUNDY—Minister, perhaps I can refer some questions to you about that. Can you shed any light on the motivation of the Productivity Commission? What should I call it, Ms Selby, a staff paper of the Productivity Commission?

Ms Selby—Yes. A staff paper—a staff research paper.

Senator LUNDY—A staff research paper.

Senator Ian Macdonald—It has, obviously, very low standing and impact or import. No, you cannot ask me. Why they did it is really something you would have to ask the Productivity Commission about. Obviously it is the views of one or two staff: the commission has made it quite clear that it is not a Productivity Commission paper. You can give it whatever status you want, but my suggestion is that you may have more important questions to deal with on Austrade, because obviously it is not a terribly significant paper.

Senator LUNDY—The way it was reported was that it did have implications for Austrade's future. I guess that is why I am concerned about it, and I would like to know whether or not it was initiated by the minister.

Senator Ian Macdonald—It certainly would not have been initiated by the minister. Senator, you and I know from our daily lives that what is reported rarely bears any resemblance to the truth, so it really is just some research done by a couple of people. It certainly would not have been requested by the minister.

Senator LUNDY—You have said it is of low impact and low import. Is that the minister's view of the paper?

Senator Ian Macdonald—I am sure it would be. I have not actually discussed it personally with Mr Vaile, although I understand he is not terribly happy with it.

Senator LUNDY—Sorry, he is not very happy with it?

Senator Ian Macdonald—He is not terribly happy with it and the way it was done. We are all interested in other people's views, and if people raise an issue where we are not doing the job properly I guess we would always value constructive criticism—and I guess Austrade will have a look at it in that light. But it would certainly be wrong to attribute it to the Productivity Commission and give it the weight Productivity Commission work usually carries.

Senator LUNDY—Thank you very much for clarifying that for me. I know Senator Ludwig asked some questions about how you assess your performance, but I would like to go just a step further. My understanding is that you have a number of key performance indicators and that the dollar value of exports by Austrade's clients is just one of those. Are you assessing at the moment the merit of that performance assessment system or is it your intention to persist with having that whole series of six key performance indicators?

Mr Crawford—We are not debating the merits of having a performance measurement system.

Senator LUNDY—No, I appreciate that.

Mr Crawford—We, however, continue to look at the relevance of particular measures against what we are doing. At this point in time we are in the part of the cycle where we are preparing our corporate plan for the next three years. Those measures are being reviewed in the context of that corporate plan, which goes to the minister and is signed off by the minister. So the measures are under review.

Mr Joffe—The measures, just to run through them, are measures like client satisfaction, done by external survey, and export impact dollars validated by clients that we are involved in helping them succeed—a number of those clients because we need to look at both dollars and numbers. The same thing for outward and inward investment and, for the last plan, some activity measures. As my colleague has just said, we are looking at reviewing those all the time and getting the right mix. Again, restating Mr Crawford's view, we have found, in meetings with other trade promotion agencies, that we are generally regarded as having the most outcome driven performance measures. We would be very loath to move away from them. They will always be iterating and improving.

Senator LUNDY—Within the key performance indicators—and my question goes more towards the dollar value of exports—what scope is there in your assessment measures to allow for different levels of complexity, given that the casework you do with specific companies can vary significantly? For example, it might take a long time to facilitate one company's exports, yet for another it might just involve phone calls and the provision of information. How do you allow for that and reflect that in your assessment?

Mr Joffe—There are two options. One is to let the Austrader try to assess the value add; the other is to let the client assess the value add. As I was explaining before we broke, what we have done to try to address that is to have these three levels of client assessment of our contribution. The client either says, 'Yes, I have got exports and it was a \$10 million sale. I would not have got the sale without Austrade; Austrade was a key factor; Austrade was a positive factor,' or says, 'Austrade neither helped nor hindered,' in which case we do not count the sale. We have made that choice to try to let the client evaluate our value add, rather than having some complex numerical system where we say, 'ICT is harder to export than fish, so you get an extra three points.' We looked at that, but we think the client measure is a better approach.

Senator LUNDY—Are those issues the subject of this review as well? Are you continuing to work on refining those?

Mr Joffe—Yes. One of the measures that we introduced in the last few years was to move from just measuring dollars to measuring the number of clients. We are finding that that is becoming a more and more important indicator as SMEs become a more important part of the economy.

Senator LUNDY—One of the other concerns I have is, because it is still a very quantitative measure, how you value the synergies that Austrade can create. For example, we have heard this morning about the TradeStart programs and allied partners. How do you start to quantify the synergistic benefit of an Austrade presence, even though it might not show up in your quantitative outcomes?

Mr Joffe—I will answer that and maybe some of my colleagues will have views as well. As you have correctly identified, that is incredibly hard. We have these discussions with the board, where a number of the board members say, 'We know you add all this value just by being there, just by giving advice.' It is a trade-off we are always wrestling with. We have

tried to go for as robust a set of numbers as possible and, while we recognise that there is a spill-over, we have not quantified it. If you try to quantify it, you might devalue the underlying stuff, but it is always a tension. Even within Austrade, there is always debate about things that we have done that do not show up in the figures but which are of real value to Australia.

Senator LUNDY—You made reference earlier to a document by KPMG.

Mr Joffe—That was in relation to the question from Senator Ludwig. KPMG were one of the parties that had a look at whether the new written verification of the impact of exports was working. Senator Ludwig asked about the particular statement that we quoted. We asked KPMG, as our internal auditors, to review it. The statement quoted in the annual report is their assessment, which is that it does not materially misstate the numbers. So it is a pretty robust measurement.

Senator LUNDY—Can you provide to the committee the letter from which that paragraph was sourced?

Mr Joffe—I could, although I did that during the break and I was told that what would happen is a discussion between us and KPMG where they finalise the words. I do not know whether it was actually written down. If it was, I will certainly provide it. Otherwise, I have been told that it was a specific set of words from KPMG that were then put in the annual report.

Senator LUNDY—Could you take that on notice?

Mr Joffe—With pleasure.

Senator LUNDY—As far as the services you provide are concerned, is Austrade being asked to compete against other service providers in the market in supporting companies to develop an export orientation?

Mr Crawford—The basic principle on which we operate is that we operate in areas of market failure. It is always an issue that needs to be tested, but I would make the judgment at this point that we are not competing in any sense with other service providers where the playing field is not level.

Senator LUNDY—So you are not being asked to compete or find yourselves in a contestable market for the services you provide?

Mr Crawford—We have to continue to test the issue of contestability. At this point, we are comfortable in our position, but it is always on the cards, particularly with the increased focus on SMEs, for example. There is not much noticeable competition there, if any, essentially.

Ms Selby—As Mr Crawford said, it is something we continually look at, but the main thing that Austrade offers to Australian businesses is our global network. There are certainly no real other providers in Australia that have the global overseas network that we offer to the Australian business community.

Senator LUNDY—The government announced that it is their policy to double exports in five years. Without going into the big question of exactly how you are going to achieve that, what have you identified as the measurements and how will you be tracking progress towards that goal in quantitative terms?

Mr Crawford—The key parameter that we are operating under is that around four per cent of companies export. That is a relatively small percentage compared to a number of other

nations. On the basis of statistics and research between Austrade and the ABS, there are around 25,000 current exporters and the projections are that there will be a natural growth of about 12,000 exporters over the next five years. That leads to a position where we will need to create, basically, 13,000 exporters.

Senator LUNDY—So the measure is actually ‘number of exporters’, not ‘dollar value of exports’?

Mr Crawford—The number of exporters is how the policy is articulated. As I mentioned to you, we are in the corporate plan process at the moment, so we are putting together and articulating programs in support of this and in those there will be performance measures which help us to drive the goal.

Senator LUNDY—I will probably ask you about that in May. Will you have your corporate review completed?

Mr Crawford—The corporate plan is released, I think, in May. Is that correct?

Mr Chesterfield—It is submitted to the minister before the end of April.

Senator LUNDY—So you may well be able to answer questions about the corporate plan in the May estimates round.

Mr Crawford—Yes.

Senator LUNDY—How do you go about doing the assessment of the TradeStart and Export Access programs? Are you contracting that out?

Mr Crawford—I suppose you are talking about now and in the future. In broad terms the agreement is set out in the contracts. In the future, we will be looking to target that more specifically to the goal of doubling the number of exporters, but Michael might just add to that.

Mr Vickers—Senator, could I just get you to clarify the question: are you asking about the ongoing indicators or the progress of the program to date?

Senator LUNDY—It is really a question about how you are going to internally assess the efficacy of those programs, whether they are working or not and, within that, are you going to contract out that task?

Mr Vickers—The indicators we use are the number of companies who begin exporting, the sustainability of those companies tracked over three years and their client satisfaction. They are the base indicators. We change the methodology from time to time as we get better at it. We do contract out some of it. Some of it is actually done by the national office for the program through a survey, which is sent to the clients and the clients complete it themselves. But we do use research houses for some of it.

Senator LUNDY—Could you just take on notice to provide me with the details, perhaps across Austrade, of the contractors that you use for the value of the contract and the duration. It is a very general question.

Mr Crawford—Is this in relation to TradeStart or more generally?

Senator LUNDY—More generally.

Mr Crawford—So contractors across the range of services.

Senator LUNDY—I have been made aware that there are a number of positions that are currently acting within Austrade. Is there a time frame for filling those positions? I am not

aware of the detail. I am just aware of lots of acting positions and not many permanent positions filled.

Mr Crawford—There are probably two significant acting positions—that is, my role Acting EGM Australian Operations and Julia in charge of Corporate and Government. This goes to the issue that Julia Selby answered before about the recruitment of the MD. We are not sure about the finality of that position. The other position is the EGM Corporate and Government and once again that is being finalised. Once that position is finalised, we can move back to a more normal footing.

Senator LUNDY—Okay. Were those questions asked earlier on?

Mr Crawford—Yes, there was a question about the recruitment of the managing director.

Senator LUNDY—I will leave that, thank you. That is all I have.

CHAIR—Thank you, Senator Lundy, and thank you, Julia Selby, Michael Crawford and your colleagues. We look forward to seeing you in June. I now call officers from the Department of Foreign Affairs and Trade to the table.

[11.15 a.m.]

Department of Foreign Affairs and Trade

CHAIR—Welcome, Dr Thomas and officials. Minister, the arrangements are that we shall go through, apart from one general question that Senator Hogg has, the outputs first, and then later the committee will address the portfolio overview. That is in courtesy to Senator Faulkner, who cannot be here because of his involvement in a select committee. He wishes to ask some questions in the portfolio overview and that is why we are going to knock off the outputs now with Senator Hogg, Senator Forshaw and maybe Senator Ludwig. The outputs that we are not asking questions on have been advised, I understand.

Senator Ian Macdonald—Can we just clarify this—output 1.1.5 is not required.

CHAIR—It is not required, and the officers have been advised. Outputs 1.1.6, 1.1.1 and 1.1.3 are not required, subject of course to the portfolio overview of Senator Faulkner's questions later.

Senator HOGG—As I understand it, the secretary of the committee—if I can clarify—Senator Macdonald as chair and I had a discussion earlier this morning. We made an analysis of where there would not be questions to save bringing officers from your department here this morning. We understood that this was communicated to you by the secretary of the committee.

Dr Thomas—Yes, it was, Senator. My only hesitation about sending officers back is because of the portfolio overview area. I am not sure what—

Senator HOGG—The portfolio overview, as I understand it, will deal specifically with the issue of the Pacific solution and there may be questions related to the 'children overboard' claims and whether there is any role of the department there. I think that is why specifically 1.1.4 was excluded from that list of people, because you may well have officers there. You may well have officers in other areas, too, Dr Thomas, and we would be reliant particularly upon your judgment there. We have just tried to assist you in the management of your business.

Dr Thomas—Thank you.

CHAIR—I took the view, Dr Thomas, that your officers were only five minutes away if they were needed and it was better to let them get back to their work rather than have them sitting here all day. I thought that information had been conveyed to you.

Dr Thomas—Thanks, that is agreeable. The officers from the outputs that were read out, if you are happy, will return—

Senator HOGG—I think it is fair to say that, if there is a question raised by me, Senator Forshaw or Senator Ludwig, who might reappear, and if the appropriate officer is not here, we are quite happy to deal with it by having it taken on notice.

Dr Thomas—Yes, I understand, I have got all that.

Senator Ian Macdonald—Thank you for that, Mr Chairman and members of the committee; I understand that a lot of those officers are still here. They should go.

Senator HOGG—They are now going, Senator Macdonald, I can assure you of that. I have never seen them beat a path to the door so quickly.

Senator Ian Macdonald—They were still here and I do not want them hanging around if you do not want them. They have got far better things to do than this, I can assure you.

Senator HOGG—I would not think that, Senator Macdonald, and neither would you at the end of the day.

CHAIR—Anyway, that matter having been settled, welcome again and welcome to the departmental officials; it is always nice to have you in the parliament.

Senator HOGG—Just one very general question to start off with on the arrangement of the layout of the various outputs: I note in the annual report of last year there are still three outcomes and a number of outputs. In particular, output 1.4 has had a change in the current financial year, in the current PBS and the current Additional Estimates Statements, moving some of what was originally in 1.4 into now, I believe, 1.1. What significant difference has that made in terms of changes to those outputs and funding? And is it something that we will be able to track to see the shift from the 2000-01 financial year to the 2001-02 financial year?

Dr Thomas—Generally speaking, it was thought that the division into more outputs before was a bit confusing when it came to the reporting end of each year. We felt there was quite a lot of doubling up appearing in the annual report. Senators and members were finding it a bit confusing, seeing things repeated or seemingly repeated, and it was thought much better to rationalise those outputs and combine some of them. Naturally that would lead to some adjustment in the figures and to which programs or outputs activities are attributed. But it was really just an attempt to clarify the performance information and the way it is reported.

Senator HOGG—I accept that. But will you be able to give us an assessment of the transitional arrangements that will take place so that we can interpret the documentation from one year to the next? For example, if we are trying to interpret what happened—

Dr Thomas—Yes, for comparative purposes.

Senator HOGG—to 1.4 this year, we will not know the component that has been moved out in financial terms, in staffing terms or any other performance indicators that you might use. I presume you will take this on notice. Can you provide us with some transitional arrangements so that we can sort out the various components and understand the costs to staffing and those operations?

Dr Thomas—Sure. We would be happy to give you some elaboration of that and how that translates.

Senator HOGG—That is the only general question that I had there. The first question I want to go to now is in 1.1.2, which is ‘South and South East Asia’, in respect of our relationship with Indonesia. Could the department give the committee an assessment of the current state of the Australian-Indonesian relations.

Ms Bird—The bilateral relationship with Indonesia is in good shape at the moment. We have a very broad-ranging relationship with Indonesia. It covers a wide range of areas and we are working with the Indonesians to ensure that the relationship is productive and constructive.

Senator HOGG—In more specific terms, though, would you say our relationship now has improved as to where it may well have been six years ago? And what has caused that relationship to change?

Ms Bird—There were clearly strains as a result of the East Timor issue, but the relationship has improved considerably over the last year or so. I think it is also important to remember that the broad range of the relationship—the commercial relationship, the people to people—is very strong and has been strong for some time.

Senator HOGG—Are there different levels of the relationship and the way in which the relationship is improving—whether that be parliament to parliament, DFAT to their foreign affairs or business to business? Are you able to qualify that?

Senator Ian Macdonald—Senator, I have established a very good working relationship with the Indonesian fisheries minister, so that will cure everything.

Senator HOGG—We are very pleased about that, indeed, Minister.

Senator Ian Macdonald—I do not know what other minor things there are, but I am sure Ms Bird—

Senator HOGG—I am sure that Ms Bird will assist us.

Senator Ian Macdonald—Yes.

Mr Bird—As the minister mentioned, the relationship with Indonesia is very multifaceted. It is extremely broad and covers a very wide range of areas from fisheries, through tourism, students, a very strong commercial relationship, and parliamentary to parliamentary links. It is just such an extraordinary broad-ranging one.

Senator HOGG—One thing that was of concern in our relationship with Indonesia was the recent report that appeared in the *Australian* after a visit by Prime Minister Howard. The article referred to a comment attributed to a number of advisers who were with the Prime Minister in describing the President of Indonesia. The article said:

Her nickname among Howard’s advisers is “Helen Keller”—because she sees nothing and hears nothing.

Is the department aware of any of those comments being made and were any departmental officials involved?

Mr Bird—I am not going to comment on journalistic speculation. What I can say is that the Prime Minister was warmly received by President Megawati and that he has a constructive and positive working relationship with her.

Senator HOGG—I accept that, and I understand your not wanting to enter into journalistic speculation, but I am now asking a specific question about officers of the department who may have been with the Prime Minister. Were there any comments, either as reported in this article or similar to that of the article, by representatives of the department?

Mr Bird—I am not aware of that, but I am not going to comment on journalistic speculation.

Senator FORSHAW—Ms Bird, it is a bit more than journalistic speculation. It is a specific statement by the journalist who said:

Her nickname among Howard's advisers is "Helen Keller" ...

He is not speculating there; he is saying that that it is a fact. We are asking: is it a fact or isn't it a fact? Do you know whether it is a fact or whether it is not a fact?

Senator Ian Macdonald—As I said to Senator Lundy, you and I know what journalists are like. If you could get the name of the officer alleged to have said that, then I am sure Ms Bird will put to that officer whether that officer actually said it and perhaps the question can be answered.

Senator HOGG—The assurance that I sought from Ms Bird was that there were no DFAT officers involved in that or any similar behaviour, and I would expect that that would be the case.

Mr Bird—I have seen that quote, which is attributed to prime ministerial officials. You would really need to follow that up with Prime Minister and Cabinet. I am not in a position, really, to add anything on to that.

Senator HOGG—But there was no DFAT officer involved? I am not asking you to go into Prime Minister and Cabinet. That is another issue and I concede that.

Mr Bird—Not that I am aware of.

Senator FORSHAW—That is what we are after.

Senator HOGG—Were any representations made to the Department of Foreign Affairs and Trade by the Indonesians as a result of that article that appeared in the *Australian*?

Mr Bird—No.

Senator HOGG—That is the only question we have there. Could we now move on to 1.1.7?

CHAIR—We will move on to 1.1.7—International organisations, legal and environment.

Senator HOGG—I understand that we are signatories to a number of international terrorism conventions. I have got a listing of them. There seem to be a dozen or so—that is about correct, isn't it? Have we signed the Convention for the Suppression of the Financing of Terrorism and the Convention for the Suppression of Terrorist Bombings in particular?

Ms Gorely—We have signed the suppression of terrorist financing convention; that was signed in October. The terrorist bombings convention has already entered into force. So the process of becoming a party to that is not signature. It is actually accession and we have not acceded to that convention at this stage.

Senator HOGG—Why is that?

Ms Gorely—The process of accession by Australia obviously requires a number of domestic steps to be completed before that can happen. They include the step that, whenever

Australia takes treaty action, it must go before the Joint Standing Committee on Treaties, and necessary legislation needs to be put in place beforehand. The legislation is currently being drafted. I understand it will be introduced shortly by the Attorney-General. So the answer is that the processes are under way.

Senator HOGG—So for people like me, is accession the same as ratification?

Ms Gorely—It has the same effect in that you then become a party to the treaty, but ratification is the step that follows signature. On signature, you are not actually legally bound by the treaty in a formal sense. There is a subsequent step of ratification required. Where the treaty is entered into force, the step is called accession because it has already entered into force. So that is the reason.

Senator HOGG—So I understand we signed the terrorist financing convention last year—when did we sign that?

Ms Gorely—It was 15 October.

Senator HOGG—So that was post September 11?

Ms Gorely—That is correct.

Senator HOGG—Right. And I understand the terrorist bombings convention was signed some time ago; my notes tell me it was about 1998.

Ms Gorely—Well, yes, it has entered into force and we have not acceded to it as yet.

Senator HOGG—Right.

Senator COONEY—If we are acceding to a treaty, shouldn't we have our domestic law in conformity with that accession at the time we accede?

Ms Gorely—That is certainly Australian practice to have domestic law in place before we take the formal step of ratifying or acceding.

Senator COONEY—Well, if we have acceded to this treaty and we have not got our legislation—

Ms Gorely—We have not acceded to it.

Senator COONEY—We have not acceded to either of the treaties?

Ms Gorely—No.

Senator COONEY—So we have not acceded to either of the treaties that Senator Hogg has been asking about. All we have done is sign them?

Ms Gorely—We have signed the financing one.

Senator COONEY—But we have not signed the other one?

Ms Gorely—My understanding is that we have not signed that and it is now too late for signature as such because the treaty has entered into force.

Senator COONEY—So, as far as we are concerned, that is just floating in the air: we have not signed; we have not acceded; and we have not ratified.

Ms Gorely—It is not quite in the air in the sense that we are completing the important domestic processes that are necessary before we take on binding treaty obligations.

Senator HOGG—So how long before the ratification can be expected with the processes that are in place?

Ms Gorely—It is hard to make a guess at that. It depends on the processes of the Joint Standing Committee on Treaties and the passage of the legislation through the parliament.

Senator HOGG—All right. Whilst we might not have ratified those particular conventions ourselves, and we are taking steps to do so, what steps are we taking in our region to promote the signature to those conventions and the ratification of those conventions?

Ms Gorely—We are taking steps through a number of bodies that are focusing on the issue of terrorism. The United Nations has established a counterterrorism committee that will monitor implementation of UN Security Council resolution 1373. Australia is working with that committee. We are also taking action, for instance, through the Commonwealth, which is looking at the issue of terrorism and possible steps to assist Commonwealth countries to comply with their obligations under the UN conventions.

Senator HOGG—I note, from a briefing I have from the library, that among those who have signed but not ratified the convention on terrorist bombings, for example, are Australia and our neighbours Fiji and Malaysia. There is a wider range who have signed the terrorist financing convention but are yet to ratify it, including Fiji, Malaysia, New Zealand, New Guinea and Singapore, just to pick out a few at random. So I presume it is mainly the processes that are the problems within those nations—not that it is necessarily a problem, but the time that it takes to process it is causing the delay in ratification in most of those nations.

Ms Gorely—I think that is correct, Senator. Obviously, there was a heightened focus on these conventions in the wake of September 11. Between September and November last year, for instance, there were 73 states—including Australia—that signed on to the financing of terrorism convention. That reflects the fact that there is this renewed global focus on the need to suppress the financing of terrorism. That convention has not yet entered into force, by the way.

Senator FORSHAW—Could I go to the issue of the request by the United Nations High Commissioner for Human Rights, Mary Robinson, to send an envoy to visit the detention centres. Just so we can get the record straight, when was that request first made?

Dr Raby—The request arose during Minister Downer's recent visit to Geneva. We believe the request was made on 5 February.

Senator FORSHAW—And the initial response from the Prime Minister was that he was not too keen on the idea?

Dr Raby—I think that ministers considered the request. I cannot add to that.

Senator FORSHAW—It is true, isn't it, that the Prime Minister said on the Nine Network's *Sunday* program that he would not 'issue a blank cheque' and just approve the request because it had been made. He went on to say:

... you might ask why if the UNHCR—

the United Nations High Commissioner for Refugees—

has ready access ... why is it that she also wants access ... you might start to wonder whether there's some agenda being run.

Senator Ian Macdonald—That is not a question for the officers to answer.

Senator FORSHAW—The point I am asking about is this: it was the initial position of the Prime Minister, was it not, that he did not immediately agree to the request, or he did not agree to the request within a few days; he actually expressed concern about the request.

Dr Raby—I cannot comment on the Prime Minister's position on this. You might wish to direct it to PM&C.

Senator FORSHAW—The Prime Minister, at the moment, has a bit of a habit of flicking everything off to other ministers. Let us go on. How was this request dealt with? It was a request made to the Prime Minister, but was there then some process involved whereby it was considered by the department—or the Minister for Foreign Affairs?

Dr Raby—As I understand it, it was a request to the foreign minister during his visit to Geneva and the foreign minister discussed it with his ministerial colleagues.

Senator FORSHAW—Including the Prime Minister.

Dr Raby—Yes.

Senator FORSHAW—It seems that Foreign Minister Downer also questioned Mrs Robinson's motives for the request, didn't he?

Dr Raby—I think when the request was made Mr Downer undertook to discuss it with his ministerial colleagues and, given that the Office of the High Commissioner for Human Rights had previously and recently had access, there was a question of what additional value would be added from a further visit at this particular time.

Senator FORSHAW—Well, I will quote again. Mr Downer said:

We just can't have a stream of people from every UN agency that gets lobbied by the ACTU or other non-government organisations and, on the basis of that, they think they might get a bit of a media run out of it, rush along and go to Woomera.

What was the basis for that statement?

Dr Raby—Sorry, Senator—if I could just correct my previous comment, the previous visit was from the Office of the High Commissioner for Refugees, not the Office of the High Commissioner for Human Rights.

Senator FORSHAW—Can you answer the question I just asked?

Dr Raby—I cannot speculate on what was in the minister's mind.

Senator Ian Macdonald—It is inappropriate to ask the officers what the minister was thinking or what his reason was. If you want to ask that question, you should refer it to me, and I will refer it to the minister; but it is not appropriate to ask the officers.

Senator FORSHAW—Did the minister seek advice from the department officers before he responded in this way?

Dr Raby—Not that I am aware of. But the point, I think, that needs to be recognised here is that there is a concern, which the department would share, of duplication of visits from agencies from the UN doubling up.

Senator FORSHAW—I will go on, as you have just raised that that appears to have been a concern. The minister went on—and I am quoting from an article in a newspaper, the *Age* of 12 February—to say:

We don't want too much duplication, not a procession of people from the UN and all of its instrumentalities wandering through the detention centres followed by a mass of media.

Has there been a 'procession of people from the UN and all of its instrumentalities wandering through' or making requests to visit the detention centres? You have referred to one—so?

Dr Raby—There are also additional visits planned. My colleague from the International Organisations Branch, who is dealing with this, will answer that.

Mr R. Smith—One of the concerns in our mind at the time was that there is a visit planned by the UN Working Group on Arbitrary Detention. That visit is expected to take place between May and August of this year, pursuant to an invitation by the government. We felt that with that visit taking place there was a question about the need for another visit by another UN agency, because of the concern that Dr Raby mentioned about duplication and the absence of a rationalisation, if you like, of UN resources looking at this particular issue. The decision that the government made in respect of Mrs Robinson's request was to agree to her request but propose that the visit by her envoy take place at the same time as the visit of the Working Group on Arbitrary Detention.

Senator FORSHAW—When was that decision made?

Mr Smith—That was the decision that was made by ministers in respect of the request by Mrs Robinson.

Senator FORSHAW—Yes, but when?

Mr Smith—I think it was a matter of only some days after the request was made. It was later in the same week, as I recall.

Senator FORSHAW—But it was after these reports quoting these statements by the minister appeared in the paper. I have referred to 12 February, and the one that I mentioned in respect of the Prime Minister was 11 February. So it was after that, wasn't it, that the decision was made to agree to the request?

Mr R. Smith—I am not in a position of being able to comment on media reports on comments by various ministers. What I can say is that the decision was taken by ministers. From recollection, though, I think it was on Monday, the 12th. So it was a week after Mr Downer's meeting with Mrs Robinson. That was the decision that was then announced by Mr Downer in a press release.

Senator FORSHAW—I concede that if this article was in the paper on the 12th it was inevitably referring to statements that were made prior to the 12th—but most likely the day before or within a day or two, given the short time frames. But can you just check as to when the decision to agree to the request was made? And was that a decision of the minister, or was it a decision of cabinet?

Senator Ian Macdonald—The minister's press releases are on the web site, aren't they?

Senator FORSHAW—Yes, but the press releases do not necessarily tell me when decisions were made.

Senator Ian Macdonald—They are announcing the decision. I am just being helpful and suggesting that you might like to have a glance at that. That will probably answer a lot of the questions you have.

Senator FORSHAW—The officer can answer the question. If he needs to check the date, he can do it and do it formally.

Senator Ian Macdonald—Okay. We will get the officers to do work that you could perhaps easily do yourself by turning on your computer and having a look at the web site.

Senator FORSHAW—I repeat, Minister: ministerial press releases do not necessarily tell all of the facts that are involved, including, for instance, the time or the day on which a

particular decision may have been made. Nor do they say who made the decision. They are announcements. I have asked when the decision was made, and whether it was a decision made by the minister or by cabinet.

Senator Ian Macdonald—I am not sure that the officers will be able to indicate that. I do not think that any of them would have been—

Senator FORSHAW—Why are you running interference or obstruction, Minister? It is a very straightforward question.

Senator Ian Macdonald—I am just pointing out the stupidity of the question. I do not think that any of the officers would have been in cabinet, so they are not going to know whether cabinet made it. And I do not think that they can get into Mr Downer's mind. There is obviously—and you have been told this—a press release issued by Mr Downer, announcing the decision, and what I am suggesting to you is that a reference to that may answer all of your questions.

Senator FORSHAW—I repeat the question. I think the officer was doing quite well. He indicated that he thought it was the 12th. If that could be checked, and if we could be told whether it was a decision that was made by the minister or by cabinet, I would like to know. That is a fair question. Those questions get asked all the time in estimates committees, Minister. You know that.

Senator Ian Macdonald—That does not make them appropriate.

Senator FORSHAW—It may not make them convenient for you, but they are appropriate.

Senator Ian Macdonald—I am trying to help the committee by telling you where you might be able to find this information—if you have not been aware of this after your time in the Senate. Have a look at the web site and you will get a lot of this information from ministerial press releases.

Senator FORSHAW—I presume that with question time all of the senators on your side will stop asking questions that they can readily obtain the answers to by going to the Parliamentary Library or to the ministerial press releases.

Senator Ian Macdonald—I do not know that that is the case.

Senator FORSHAW—If you want those rules to apply, Minister, start looking at them yourself. I have one final question. So we had the visit that you referred to; that has occurred. When is another one to occur? Could you just repeat that? Was it between May and August?

Mr R. Smith—The exact timing of that visit is still being discussed, but the invitation was for the working group to visit between May and August of this year.

Senator FORSHAW—Thank you.

Senator COONEY—I have a question apropos of the request for the United Nations body to come to Australia—in this case to see the detention centres. Australia, in fact, is under no legal obligation to allow people to come and have a look at the detention centres. Is that correct?

Mr R. Smith—I believe that is correct, yes.

Senator COONEY—Whether or not Australia allows people to come in to have a look at asylum seekers will really depend upon an assessment of how that either helps or hinders our international relations. Would that be a fair comment?

Mr R. Smith—The government makes a decision on whether to accede to a request or to independently invite a UN body to visit, depending on what the government felt that sort of visit would contribute to public or international understanding of the issues.

Senator COONEY—I am not asking for what advice you give to government. I would have thought—and I might be wrong in this—that the Department of Foreign Affairs and Trade would be in a position to assess what effect an acceptance of a visit or a refusal of a visit would have on Australia's international standing. If that is not right, you tell me. If what you are saying is that Foreign Affairs is not in a position to assess and give advice as to whether refusing or accepting a United Nations visit has an effect upon our international relationships—if Foreign Affairs does not know that—I am happy to accept that statement.

Dr Raby—That is correct, and that is a normal part of our activities.

Senator COONEY—Whether it is to see our detention centres or to see anything else, there is always an issue to be resolved as to whether a visit should or should not be allowed. What I was then going to ask is whether Foreign Affairs made any assessment in terms of the material that Senator Forshaw was asking about or whether it did not. If you do not want to answer that, that is all right; we will just leave it up in the air. Do you want to comment on that?

Dr Raby—I cannot comment on the advice we give ministers.

Senator COONEY—All right. And you cannot advise on the assessment that Foreign Affairs made as to the advisability or otherwise of allowing the officers from the United Nations to come here?

Dr Raby—That was integral to the advice that we gave the minister.

Senator COONEY—So your position to us as a committee is this: there is a matter and, as Senator Forshaw has been pointing out, there has been a lot of press about it and some considerations within the community, I would suggest, and some concern, perhaps, by Australians about the international effect that might have; but you feel that, because of your proper obligations, you are not able to give or express to this committee what your assessment—and when I say 'your', I mean the Foreign Affairs assessment—was about the matter. Is that a fair summation of your position?

Dr Raby—Yes, that is correct. I would just say again that providing advice on the implications of activities for Australia's national interest is a normal part of our work—we do that on a daily basis. But, of course, in certain cases—and this is one—we consult with other relevant government agencies that have a view on and a responsibility in this area as well.

Senator COONEY—So, if the public or the opposition or anybody else makes an assessment about the wisdom or otherwise of allowing a visit, your position is that you are not going to comment on that—that that is a matter for the government to comment on.

Dr Raby—That is correct.

Senator COONEY—And whether or not—

Senator Ian Macdonald—The department gives advice to ministers.

Senator COONEY—That is what I am about to come to. You might want to answer this. Whether or not an opinion that the government expresses is in accordance with advice given by Foreign Affairs and Trade will never be known, because you are not able to say what advice you have given. We would be unable to say, for example, whether the action taken by

government in relation to the proposed visit by Mary Robinson is in accordance with the advice given by Foreign Affairs. That is correct, isn't it?

Dr Raby—That is correct.

Senator COONEY—Can I now go back to a matter that was raised by Ms Gorely, about the series of treaties on terrorism. Ms Gorely, you said that Australia was helping there by giving assistance to others to understand their obligations under the treaty. Is that right?

Ms Gorely—I had said that Australia is working with the United Nations committee that had been established to assist states to comply with their obligations under the UN Security Council resolution 1373 that was passed after September 11. A lot of this work on implementing the conventions is just really sort of getting under way now and there are a number of bodies that are looking at how they can assist their members to do that, and Australia is playing an active part.

Senator COONEY—When you are saying you are helping other countries to understand their obligations under the regime set up by the treaties, are you talking about only those countries who have signed and ratified those conventions or treaties—or whatever they are?

Ms Gorely—Conventions or treaties; it means the same.

Senator COONEY—When you are talking about helping those nations, are you talking about helping only those who have signed and ratified those treaties or are you also talking about other nations who may not have signed it but that Australia feels ought to be compliant with the matters set out in those treaties and conventions? Can you tell us what the position is when you talk about 'helping' them?

Ms Gorely—The UN and the Security Council have passed a resolution urging all states to sign on to those conventions. So when we talk about what can be done to assist states it includes the first step of actually getting them to become parties.

Senator COONEY—I understand that. What I am putting to you is: does Australia's assistance to other states in helping and advising apply only to those who acknowledge the treaties either by signature or by accession later on, or does Australia's help go to other nations that the Security Council and Australia think ought to be bound by the obligations of the treaties which they have nevertheless not signed, ratified or otherwise acceded to?

Ms Gorely—Australia is not providing any direct assistance at this stage to particular countries. It is just operating through various organisations. But, in that context, it would include those who have not already signed on to the treaties.

Senator COONEY—The reason that I asked that is that I thought you said before that Australia was assisting other nations to understand their obligations. I am trying to get from you what you meant by that and whether what you meant by that is it that Australia, as a nation, saw that every other country had those obligations whether or not they had signed, ratified or acceded to these conventions and treaties.

Ms Gorely—When I say we are assisting other nations it is really that we are taking an active role in various international bodies that now have terrorism high on their agenda and want to look at ways that they can assist their members. Australia is working, for instance, within the ASEAN Regional Forum, the Commonwealth and various other bodies to do that.

Senator COONEY—What did you mean, though, by the phrase to 'understand their obligations'?

Ms Gorely—What I mean is to understand how to implement their obligations—for instance, drafting model legislation, looking at enforcement, and various mechanisms about how they can put into effect the obligations that they have taken on.

Senator COONEY—To get back to the original point, that would seem to me to be helping only those nations that have signed and ratified the conventions and not any other nation outside that specific group.

Ms Gorely—It is not necessarily the case. Some states may be reluctant to take on the obligations in the first place if they feel that they cannot meet their obligations and that there is a valuable role to be played in assisting—

Senator COONEY—That is what I wanted to get from you. What you are saying is that, when Australia is helping these other states, they help them with their obligations even though they might not see themselves as having those obligations.

Ms Gorely—That is correct.

Senator FORSHAW—Could I now move to another issue—the Statute for an International Criminal Court. Minister Downer announced in December 1999 that we would ratify that statute. I believe there was a report, wasn't there, of the Joint Standing Committee on Foreign Affairs, Defence and Trade recommending that, but there were some dissenting members of the committee from the government? What is the current position?

Ms Gorely—The Statute for an International Criminal Court was referred to the Joint Standing Committee on Treaties in October 2000. The Joint Standing Committee on Treaties conducted an inquiry into the statute but did not hand down its report prior to the calling of the election and the dissolution of the parliament. So the situation we are in at the moment is that the Joint Standing Committee on Treaties report is still pending.

Senator FORSHAW—What impacts arise if ratification is delayed further?

Ms Gorely—Australia can ratify at any time once our domestic processes have been completed. There is a possibility that the statute may enter into force prior to Australian ratification, and the consequences of that would be that we would only be able to participate in the first meeting of states' parties as an observer.

Senator FORSHAW—So if the statute were to enter into force—and that comes about if the 160 countries are ratified—we would then not be able to, for instance, nominate judges for the court. Is that correct?

Ms Gorely—That is correct.

Senator FORSHAW—Is that something that we would be desirous of doing?

Ms Gorely—I do not think a decision has been taken on that issue as yet by the government.

Senator FORSHAW—Thank you.

Senator COONEY—There are a lot of people in Australia very anxious that Australia ratify the International Criminal Court. Do you know how many nations have ratified it already? And what is the critical number—69 isn't it?

Ms Gorely—Fifty-two nations have ratified already. The critical number is 60.

Senator FORSHAW—So there are eight to go. I have a further question. You referred to the fact that the treaties committee has not yet handed down its report. But, in terms of the

processes within the department and the government, are there any other hold-ups there besides just the fact that the treaties committee has not handed down its report?

Ms Gorely—Similarly, as we discussed with the terrorism conventions, we would not usually take on binding treaty obligations until the necessary domestic arrangements are in place. That includes legislation, and legislation is necessary for the ICC statute. That was tabled with the Joint Standing Committee on Treaties in August last year and has not yet been introduced to the parliament. That would have to be passed before we could ratify it as well.

Senator FORSHAW—Thank you.

Senator HOGG—What are our current intentions on the ratification of the Kyoto protocol? Where are we at?

Mr Langman—The government is still looking at the outcome of the last negotiating round, COP7, at the end of the last year, on the rules to implement the Kyoto protocol. When that assessment is finished, the government will be moving to consider our future strategy for addressing climate change.

Senator HOGG—When is that assessment likely to be finished? Is there some sort of time frame in which it must be completed?

Mr Langman—I would anticipate that the work will be done in the relatively near future, Senator.

Senator HOGG—The minister, in his press release of 15 February this year, stated:

The Government remains of the view that to be effective, action to address climate change needs to include all major emitters, including the United States and developing countries.

In view of that, what action are we taking, in particular with the United States, to assess where they stand, what their views are and where they are going?

Mr Langman—The same press release indicated that the environment minister, Dr Kemp, will be visiting the United States in the near future to discuss with the administration the announcement that President Bush made last week of new measures. So we will be engaging with the United States to understand its approach better.

Senator HOGG—I will now move on to issues related to the Bali conference on people smuggling. This conference is to be held shortly. Do the department and the government have a view as to what they expect the outcomes of this conference to be?

Dr Raby—Yes, Senator. The conference will be held next week and we expect something of the order of 34 ministers, including our own ministers, to participate. That suggests there is very strong political interest in the conference, and one of the primary objectives of the conference which will be served by the gathering of so many ministers will be to substantially raise the political profile of this issue in the region. Flowing from that we would expect a number of things: greater government attention to the issue, greater debate in the region and action to do something about the problem.

At the next level, we propose to establish a couple of ad hoc coordinating groups, or working groups, to follow up the work of the conference. One of those would be directed very specifically at concrete forms of outcome. For example, in the legislative area, many countries in the region have not yet criminalised people smuggling; some may need technical assistance or support in doing so. We envisage a fairly vigorous program of police exchange and cooperation, intelligence sharing and other forms of cooperation. In the immigration area,

there would be activities around visa issuing, visa fraud, document fraud, checking and so on. So we envisage not only a very big political lift to the focus of this issue in the region—and from that, as I said, a number of things will flow—but also a very specific and concrete program of work and activity to follow up.

Senator HOGG—Which, if any, key source and transit countries indicated that they will not attend the conference at the ministerial level?

Dr Raby—We invited 38 countries. As of today, three of the source countries, Turkey, Syria and Iraq, have indicated that they will not be present at ministerial level. Syria and Turkey will be represented by their ambassadors in Jakarta. We have a firm commitment from the Minister for Justice of Afghanistan, which is a very significant participant. We are still hopeful of ministerial level participation from Pakistan and India.

Senator HOGG—So those two countries have not indicated that they will be represented at that level, but they are attending?

Dr Raby—They are attending at senior officials level, but we are just waiting for final confirmation of whether there will be ministerial level participation. I should have included Iran in that group. Then moving to the transit group of countries—loosely defined, if you like, but basically the countries of South-East Asia and including China—ministers from all of those countries are coming. That is full minister level or senior vice-ministerial level. So from China we have a vice-minister of foreign affairs, but from South-East Asia we have ministers. Most are foreign ministers; a small number are justice or interior ministers.

Senator HOGG—Are you able to give me a very simple listing of what countries have accepted and at what level they will be represented, whether it is the ministerial level or some other level?

Dr Raby—We can provide that in the course of this session.

Senator HOGG—I would appreciate that. I think that will short-circuit some of the questions that I wanted to ask. Does Foreign Affairs have a ranking of the most important 10 source and 10 transit countries—in other words, those that you target specifically?

Dr Raby—What we have tried to do with this conference is something quite unique: to invite countries from the source right through to destination. Essentially, if you think of the flow as a pipeline, then we have all elements of the pipeline represented. It is not possible, I think, to really prioritise it. I guess you can with source to some extent, in that Afghanistan is an obvious major source country, as is Pakistan to some extent—for us the next level, of lesser order. As to transit countries, that is rather a movable feast. It depends really on which particular routes are taken. But by picking up all of South East Asia and China we have embraced all the transit countries that are relevant to this.

Senator COONEY—Are you able to tell us whether one of the items on the agenda for this conference you are having with all these people in the pipeline is to help refugees, to hinder refugees or to do a bit of both?

Dr Raby—Senator, it is to address all aspects of the problem in a comprehensive way. That is another unique aspect.

Senator COONEY—So it is seen as a problem. But for whom is it a problem—the refugees, a problem for those who are receiving them? I just want to get an idea of the flavour that this conference might come together with.

Dr Raby—It is not specifically about refugees. The title of the conference is ‘People Smuggling, Trafficking in Persons and Related Transnational Crime’.

Senator COONEY—Do you say that my question about refugees has not got much relevance, given that context?

Dr Raby—No, it is not a question of relevance.

Senator COONEY—The only reason I ask you is that I asked about refugees and you said it was not specifically about refugees. I took it from that answer that you are really saying that my concern about refugees is pretty irrelevant.

Dr Raby—No, I am not saying that, Senator.

Senator COONEY—Why did you introduce these others, I wonder.

Dr Raby—To give you the context in which the refugee issues would be discussed in the conference. There are four themes that the ministerial dialogue will be structured around. The first is a question of source: why do people move? There are a variety of reasons, of which legitimate refugee issues are a subset. The second theme for discussion will be: what do you do about people as they are moving? That will include the transit issues, including the criminality issues of those people that, for a profit, organise this movement. The third theme is what to do about people when they reach their destination, whichever destination that is. That raises questions of return and resettlement. The fourth theme picks up the whole area of the associated and related transnational crime. That is quite significant, because essentially what you are dealing with is criminal behaviour—not by the people that necessarily put themselves in the hands of the criminals but as an organised criminal activity which extends beyond moving people into areas such as document fraud, money laundering, both of which are tools of trade of the people smugglers, and associated areas, including drugs and guns.

Senator COONEY—Dr Raby, I wonder why, when I ask a question as to whether this conference is going to help or hinder refugees, I get an answer in which the terms ‘criminality’ and ‘criminals’ are used more than once. I wonder why, when I am really asking about whether or not the topic of the helping or the hindering of refugees will be on the agenda, that elicits an answer where criminality and criminals and what have you are referred to.

Dr Raby—It is because the conference is not principally about refugees.

Senator COONEY—So it is specifically about criminality and criminals?

Dr Raby—Yes. The conference title is ‘People Smuggling, Trafficking in Persons—

Senator COONEY—You have just told me. That is all right. When I asked if it was about criminals and criminality you said yes, it was. But it is not about refugees?

Dr Raby—No. But refugees are an element of the discussions, because some of the refugees put themselves into the hands of the criminals in order to move, and in those cases there are legitimate concerns about the application of the 1951 convention and about legitimate protection, in the case of refugees. There is also a concern in the agenda about human rights of individuals, whether they are refugees or not. There are victims to this crime as well as perpetrators, and in a comprehensive way the conference will hope to address all those aspects of this problem.

Senator COONEY—I will have to give up. I am trying to think—taking into account all my inadequacies—how I can ask more simply whether or not an agenda on the item of this

conference will be how we can help or hinder refugees. But I am sorry, I cannot put it any other way than that. I am obviously not getting through to you, so I will abandon the question.

Dr Raby—Senator, there is, as I said, no specific item on refugees—help, hinder or otherwise.

Senator COONEY—That is what I wanted to get from you. There is nothing on the agenda about refugees, whether they can be helped or hindered?

Dr Raby—Refugees will be picked up under, in particular, issues of why people move and under the third agenda item, which is return and resettlement.

Senator COONEY—I will not persist but I just had an idea—it is obviously the wrong idea—that there would be an agenda. You would turn up to this conference, come along and sit down here as we are doing now, and there would be an agenda. That agenda would include criminality, this, this and this. I was just wondering whether, looking at those items, you would say, ‘Oh, here is an item which says “Helping or hindering refugees”.’ I gather from what you have said that there is not such an item on the agenda.

Dr Raby—No. I went through the four agenda items.

Senator COONEY—That is right, but there is nothing more? This conference is not about helping or hindering refugees?

Dr Raby—It is not primarily about that.

Senator COONEY—Or at all.

Dr Raby—Those refugee issues will be addressed under agenda items 1 and 3.

Senator COONEY—But we are going along; there are these people coming from all around the world on this pipeline, with people where they started off and people who are going to pull them through and all this stuff. We are going to talk about people coming down this pipeline from go to whoa who claim to be asylum seekers or refugees—that is what a lot of them claim to be; you would have to agree with that—and this conference is going to go ahead without any specific item which asks: how can we, any these nations along this pipeline, help or hinder refugees? There is no item on the agenda that specifically addresses that point?

Dr Raby—There is no specific item with that heading.

Senator COONEY—Thanks very much.

Senator HOGG—Could I just come back to the working groups that you referred to. I think there are going to be four different groups. Is that correct?

Dr Raby—Two, Senator, at this stage. It has to be agreed to by ministers. This is Indonesia and Australia’s—

Senator HOGG—I am talking about the proposal here. Is there also a proposal as to who will get a guernsey on the various committees, how often they will meet, who will host the committees and so on?

Dr Raby—We are using the term ‘ad hoc coordinating group’. What we envisage are very loose structures. At this stage there is no formal agenda agreed and there is no proposal for numbers of meetings. There are a couple of ideas on which countries may lead to coordinate one or other of the two groups. I would rather not mention those names here though because—

Senator HOGG—I am sorry. I was not asking you to do that.

Dr Raby—It is subject to negotiation.

Senator HOGG—Yes.

Dr Raby—There will be a meeting on the afternoon of 28 February, the second day of the conference. That meeting will be of senior officials from all the participating countries, including observers and other interested agencies, such as UNHCR or IOM, and that afternoon will plan the work for the working groups. Currently the thinking of Indonesia and Australia, which we are still discussing with participants, is that under the, if you like, umbrella of the coordinating group we would hope functional areas and functional agencies would become quite involved in these activities. So there would be a police group, if you like, an immigration group and a legal group. They would feed into the overall coordinator. But it is something that is very voluntary; it is very ad hoc. There is no intention to create permanent institutional arrangements in the region as a result of the discussions next week and most countries are approaching it with a very open mind and very interested, but we all need to see how this new form of cooperation will evolve and develop.

Senator HOGG—Given that the cyclone and monsoon season has slowed down any movement of boats in that northern part of Australia, and given that this conference is being held shortly and we are moving away from that season, what sort of impact is this conference likely to have on stemming the tide of the movement of people through that area in the future?

Dr Raby—We do not expect it to have an immediate impact straight after the conference. But, to the extent the conference encourages governments in the region to take this issue higher on the political agenda and seek to address and respond to the activities of the criminals more effectively and, as the working groups start to improve regional cooperation around this issue, we are hopeful that it will make a contribution eventually to better management of the problem.

Senator HOGG—Thanks very much for that. I do have a few more questions on 1.1.7. I am under a fairly strict time frame so I will put those questions on notice.

[12.23 p.m.]

CHAIR—We will move to 1.1.8, Security, nuclear, disarmament and non-proliferation.

Senator HOGG—My first question relates to the US withdrawal from the 1972 antiballistic missile treaty between the US and Russia. What has been, and will be, the impact on the negotiating climate for non-proliferation, arms control and disarmament issues of the US recent decision to withdraw from the ABM treaty?

Mr Paterson—We are not inclined to think the US decision to withdraw from the ABM treaty will have major effects on the strategic landscape, firstly, because that strategic landscape has changed. The ABM treaty was negotiated in 1972 bilaterally between the United States and the then Soviet Union as a means of regulating their strategic competition in the circumstances of the Cold War. The strategic landscape of course has changed dramatically since that point. The Soviet Union no longer exists. Even in the period when the Soviet Union did exist, there were a series of negotiations to start I treaty and to start II treaty between the United States and the Soviet Union to lower the size of their nuclear arsenals.

In the post Cold War situation, the United States has been in close negotiations with Russia on significant reductions in the nuclear arsenals of both countries. That is happening in the Russian case largely because their stockpile is degrading and neither the United States nor

Russia see themselves as adversaries any longer. So we are now in the situation where there are cooperative discussions under way significantly to lower arsenals, and in those circumstances abandonment of the ABM treaty is not going to be strategically destabilising.

Senator HOGG—All right. Will it have any effect on our objective to obtain the commencement of negotiations on the Fissile Material Cut-off Treaty?

Mr Paterson—I think, in fairness, probably not a lot. The effort to get negotiations under way on a fissile material cut-off treaty is being undertaken in the conference on disarmament in Geneva where there is a deadlock that now extends for about three years on attempts to reach an agreed work program. There are several key countries in that context who are unwilling to embark on discussions about, let alone negotiation of, a fissile material cut-off treaty unless the United States, for its part, is prepared to enter into negotiations, for instance, on the uses of outer space.

We are actively working to try and circumvent some of that by encouraging some discussions on the margins of the conference on disarmament in Geneva—but outside the conference framework itself—to promote momentum in favour of negotiation of such a treaty.

Senator HOGG—I will get onto another issue now—the biological weapons convention, the proposed verification protocol. What are the current prospects for any progress being achieved on this issue in the next 12 months?

Mr Paterson—Senator, your question indicates that you are well aware of what happened at the end of last year when the United States withdrew its support for negotiations for such a protocol and then we had an unfortunate end to the biological weapons review conference.

The conference itself, however, will resume. It has not ended. It has been postponed and it will resume its session at the end of this year in December. We are working with like-minded countries to try and keep the issue of effective compliance to the forefront. We are in discussion with a number of countries, including the United States, on how, in the current circumstances, we carry this forward.

The United States action should not be misread as a lack of concern about full implementation of the biological weapons convention. Instead, it reflects concern that the compliance protocol had a number of fundamental flaws in it which, in their view—a view, incidentally, we did not fully share—would have undermined the value of such a protocol and allowed some countries, if they wished, to circumvent it.

Senator HOGG—As we are approaching 12.30, Mr Chair, I am going to cease my questioning. I indicate to you that there are a range of questions that I will now put on notice covering the rest of the areas, given the desire to move on to the Pacific solution issue and the other issues surrounding that.

I will put questions on notice in regard to output 1.2, output 3.1 and output 4.2. Unless those officers, Dr Thomas, are required for the issue of the Pacific solution and the ‘kids overboard’ issue, I will not be pursuing any questions further with the people on those issues this afternoon. I do understand that Senator Harradine has some issues for AusAID when they come. I thank the officers for appearing before the committee this morning.

CHAIR—Thank you, Senator Hogg, for that advice. I thank you, Minister Macdonald, for being before us this morning. We will now adjourn for lunch.

Proceedings suspended from 12.31 p.m. to 1.37 p.m.

CHAIR—We welcome Senator Hill, the Minister for Defence, to the table, and formally advise him that we have finished all the portfolio outputs for Foreign Affairs and Trade—with the exception of AusAID, which will follow—and we have returned now to the portfolio overview.

Senator FAULKNER—One or two of my questions, Minister, might be properly directed not only to the department but also to AusAID. I do not know if it is possible to bring officers to the table at the same time. I am not entirely sure about which questions are more properly directed either way. I thought it might save some time if I said that at the beginning. If it is possible to do that, I can seek your guidance, Minister, on this. You will be able to help me if I transgress into the AusAID area.

Senator Hill—We are the servants of the committee.

CHAIR—Thank you, Senator Hill. We have got the AusAID officials here.

Senator FAULKNER—We are breaking new ground. Thank you, Mr Chairman. I thank the minister and the officers. Dr Thomas, could you inform the committee on whether it is the view of the department that, in an election year in Papua New Guinea, the presence of asylum seekers there is likely to be an election issue?

Dr Thomas—I will call on Mr Fletcher, who handles our South Pacific area, to answer that question.

Mr Fletcher—It is my understanding that the presence of asylum seekers in PNG at the moment is not a subject of political debate or controversy in PNG.

Senator FAULKNER—Thanks, Mr Fletcher. I asked that question because there did appear to be at least some domestic opposition to the Pacific solution, including the dismissal of the foreign minister. This is something that has been reported in the Australian press, as you would be aware. You would not share the views contained in those articles I have read, particularly in relation to the dismissal of PNG's foreign minister?

Mr Fletcher—Senator, I am sorry: when I said political controversy, I meant within the government of PNG. The removal of the foreign minister was in response to actions which he took and I think the Prime Minister disagreed with those and he was replaced. But certainly there is a level of public debate about the issue within PNG.

Senator FAULKNER—That is what I thought. Thanks for that clarification, Mr Fletcher. Again, I read in the newspaper—which tends to be the main source of information for oppositions, I quickly add—about the \$1 million trust fund. I think you are aware of the trust fund.

Mr Fletcher—Yes.

Senator FAULKNER—I was not sure from which department's budget vote the trust fund was sourced. I just wondered if you could help me with that, please.

Mr Fletcher—I am sorry, I cannot answer that question. I think that is one for AusAID.

Mr Dillon—My understanding is that the trust fund was funded from the Immigration portfolio.

Senator FAULKNER—I see. Okay. I hope you are able to help me here: I had heard the general terminology used about the trust fund that it was 'continuously supplemented'. Is that right? In other words, are you aware from an AusAID perspective of whether the \$1 million trust fund is being continually replenished?

Mr Dillon—No. I think this is a matter that should be directed to the Immigration portfolio.

Senator FAULKNER—Thanks for that help. I am just asking because I thought you may have that information available. I also raised very briefly in the Department of the Prime Minister and Cabinet estimates a question about an article I saw in the *Sydney Morning Herald* last year entitled ‘\$20 million for PNG as Howard pushes boat people deal’. I do not know if the department is aware of this or not. This was an announcement about helping to rebuild PNG’s defence force. I wondered if the Department of Foreign Affairs and Trade would be able to provide any more detail on this issue than I received at the Prime Minister and Cabinet estimates—any of the background, if there are any strings attached to this particular deal and, if so, what they might be.

Mr Hunt—There is no real link between the two. The question of assistance to the PNGDF has been going on in discussions between the two governments for about 18 months, and more frequently over the last 12 months. So the announcement of assistance to the PNGDF is unrelated to the question of asylum seekers.

Senator FAULKNER—It is not related?

Mr Hunt—No.

Senator FAULKNER—I did not actually ask that. That is helpful, but I just wondered if there were any strings attached to that arrangement at all.

Mr Hunt—To the provision of assistance to the PNGDF?

Senator FAULKNER—Yes.

Mr Hunt—If I step back one: the PNG government decided that it would want to produce a plan of action to set out how it would reform the PNGDF and how it would reduce its numbers. We suggested that ought to be completed before we undertook to provide assistance to the whole program. So the condition was that the plan of action be developed by PNG, and then we would provide assistance.

Senator FAULKNER—Thank you very much for that. I wondered whether the department had seen the correction to evidence that Mr Moore-Wilton tendered during the estimates for the Department of the Prime Minister and Cabinet on Monday. This is a letter that includes a significant number of corrections to his evidence, dated 20 February 2002. First of all, Dr Thomas, are you aware of that evidence and the corrections to the evidence?

Dr Thomas—Generally speaking, yes.

Senator FAULKNER—Thank you.

Dr Thomas—I think you will find that it is mostly AusAID that would be able to comment on that.

Senator FAULKNER—Yes, this is the point. I was not entirely sure whether these were best directed to the department or to AusAID.

Dr Thomas—This is to do with the reprioritisation of funding to PNG?

Senator FAULKNER—Yes. I will direct my questions to AusAID, then. This relates to what I believe is effectively a diversion of aid funds. Can AusAID provide the committee with an indication of which projects’ funds had been diverted and what status those projects had?

Mr Dillon—I feel slightly uncomfortable, because the officers that were going to assist in answering these questions were told to be here at 2 p.m. and they are not quite here yet.

Senator FAULKNER—I see.

Mr Dillon—I know some of the information, but—

Senator FAULKNER—No, that is fine. I am happy to return to that in a short while. Would that go to issues in relation to Nauru as well?

Mr Dillon—Ms O’Keeffe is here. Mr Tapp is not quite here, but I think Ms O’Keeffe is saying she is prepared to answer questions.

Senator FAULKNER—I am not entirely sure whether that means the answer to my question is that you can answer questions on Nauru or not. As the new shadow minister representing the shadow minister for foreign affairs in the Senate, I can assure you that I do not have enough knowledge of the officer’s function to be able to make that assessment. So you just have to bear with me until I learn the intimate workings of your department and agency—unless Mr Crean decides that someone else can do the job, and we will all be incredibly relieved. I will leave that for a while. I will come back to it when the officers are here. I think these questions then are best directed to the department, and we will come back to that.

I understand there has been an internal departmental task force—I do not know its name—dealing with asylum seekers related issues. I am sorry about the generality of my language. Once I know the correct title of the task force I will use it, but I think we both know what we are talking about. I am just wondering whether you could give me the name of the task force.

Dr Thomas—There has been a people smuggling task force. Dr Raby, who is head of our International Organisations and Legal Division, chaired that task force in our department.

Senator FAULKNER—The internal DFAT task force has the same name as the IDC, does it?

Dr Raby—No, not exactly. The task force that DFAT established on Wednesday, 29 August was called the *Tampa* task force.

Senator FAULKNER—I see. So the *Tampa* task force was established on 29 August. That is entirely internal to DFAT?

Dr Raby—No. It was an interagency group set up to coordinate information. It is not an IDC in a formal sense, in that it did not have a decision making role.

Senator FAULKNER—So you are using the terminology ‘interagency group’ carefully?

Dr Raby—Yes.

Senator FAULKNER—Apart from the People Smuggling Task Force, which has, if you like, the characteristics of an IDC and about which there has been considerable publicity recently—people are aware of it—and the *Tampa* interagency task force, are there any other internal DFAT task forces or reviews working on people smuggling or asylum seeker or related issues?

Dr Raby—In addition to the *Tampa* task force, there was in August the establishment of groups such as the Nauru group, which was to deal with the logistic aspects of the establishment in Nauru. But that, after some time of operation, became a broader logistics group which then was located in PM&C.

Senator FAULKNER—What is its current name?

Dr Raby—It no longer exists, I think. No, I am informed that it does.

Senator FAULKNER—I did receive an outline of the PM&C bodies on Monday, thank you.

Dr Raby—If I could just clarify my previous comment: once the *Tampa* exercise was behind us, over time the *Tampa* task force evolved into a single DFAT group in my division, simply called a people smuggling task force. But that is essentially within my division and it was a stand-alone exercise which now has been, essentially, folded into the People Smuggling, Refugees and Transnational Crime Section.

Senator FAULKNER—So at some point there were two people-smuggling task forces—an internal DFAT one and the IDC?

Dr Raby—Yes. The internal DFAT one was simply to coordinate the production of situation reports within DFAT.

Senator FAULKNER—Is the *Tampa* task force interagency group supported in the Department of Foreign Affairs and Trade?

Dr Raby—It was established in the department's crisis centre. The establishment of these sorts of task forces is quite a common thing we do when we have major consular cases.

Senator FAULKNER—What was the membership of that in the period from 29 August onwards?

Dr Raby—Forgive me if I miss one or two. It was chaired by DFAT. We have got the list now. I will read that, or do you want me to hand it over?

Senator FAULKNER—If you could table it, that would save time, if the chair is happy with that.

CHAIR—Yes, I am happy with that.

Senator FAULKNER—Thank you. Who was the DFAT chair of that?

Dr Raby—I was.

Senator FAULKNER—So you chaired it?

Dr Raby—Yes.

Senator FAULKNER—Who were the other agencies involved in that outside DFAT?

Dr Raby—They are listed in this document.

Senator FAULKNER—What was the role of the *Tampa* task force?

Dr Raby—As I said, the task force was a coordinating body to coordinate essentially information flows in one place. It was not a decision making body. We would report to what was then colloquially known as the high level IDC of PM&C, which is what you referred to as the PM&C People Smuggling Task Force.

Senator FAULKNER—Sure.

Dr Raby—And that partly reflects the fact that DFAT is responsible for the government's civilian communications and, as I said, it is a normal practice when there are, for example, major consular cases or crises that we establish a task force in DFAT's crisis centre. It is a

place where international communications can quickly be pooled and it is an effective environment for people to work in and share information when events are happening quickly.

Senator FAULKNER—You mention information flows, so what would be the sources of information for this task force?

Dr Raby—Both internal and external. The internal sources of information were reports from all the attached agencies or the agencies who were involved as the issue affected their specific portfolio responsibilities. Internationally they were the relevant international communications that either came into the department or were sent out.

Senator FAULKNER—Thank you for the document you have tabled. It indicates that PM&C, Defence, Immigration, A-G's, AFP, Customs, Coastwatch, APS—'protective services' I assume that means in this sense—ASIO, the department of transport and AMSA attend this regularly and AQIS, Health, EMA and ONA attend less regularly. Could you just indicate briefly for me who the PM&C, Defence and Immigration representatives were on the *Tampa* task force?

Dr Raby—I might have to take some advice on that. I should say, Senator, if it is relevant, that I had only recently returned from overseas so I was meeting many of these people for the first time. We did keep attendance lists, which we can find for you. From PM&C it was regularly Katrina Edwards, who is the FAS, and Jenny Bryant, who is an assistant secretary.

Senator FAULKNER—Yes, those names ring a bell.

Dr Raby—I would need to get some advice on Defence. From Immigration there was Philippa Godwin and Jenny Bedlington; they are both first assistant secretaries.

Senator FAULKNER—Okay. Dr Raby, could you take on notice the membership from the other agencies?

Dr Raby—Yes.

Senator FAULKNER—I think it is properly directed to DFAT given that this is a task force operating in your area. Thanks for that information; if you could provide an accurate list of the representation, that would help. Did the *Tampa* task force have direct contact with defence operations?

Dr Raby—We had a number of defence officers on the task force. We had a defence officer located in the crisis centre as a liaison officer for the duration of the operating hours of the crisis centre and we were in receipt of defence intelligence summary reports.

Senator FAULKNER—I see.

Dr Raby—I will just check to see if there was anything else, if I may. No, that is pretty much it, Senator.

Senator FAULKNER—Would you describe this contact as with Defence or did you have separate contact with the Navy? Was it done at a service level or was it done at an ADF or portfolio level?

Dr Raby—It was done at ADF level. Again I would have to take advice exactly which part of the chain of command communicated with us but it was, as I understood it, just a normal defence communication process.

Senator FAULKNER—All I am trying to do is to establish what that is.

Dr Raby—I am happy to get that on notice for you, if I may. I am advised it was through strategic command.

Senator FAULKNER—So you have contact with Defence through strategic command. Was that conducted through the Defence representative on the Tampa task force?

Dr Raby—Yes.

Senator FAULKNER—What was the line of reporting for the Tampa task force? Who did the task force report to?

Dr Raby—The representatives of the task force reported back to their departments and to their relevant senior officers in their departments. I reported directly to the secretary of the Department of Foreign Affairs and Trade. Others had their own reporting lines and presumably in many cases there were a number of steps up the line because this was not generally a senior level group.

Senator FAULKNER—A what level group?

Dr Raby—It was not a senior level group, so nearly everyone in the task force would have a senior officer that they would report back to.

Senator FAULKNER—So you did not report, for example, to ministers?

Dr Raby—Not directly.

Senator FAULKNER—Not directly.

Dr Raby—I should just clarify that point. We produced a daily and, indeed in the early stages, several times a day situation reports and those situation reports were the main form of report from the task force to other areas of government including ministers.

Senator FAULKNER—How are those situation reports identified? Were they identified by number?

Dr Raby—Yes, and date.

Senator FAULKNER—How many situation reports did the *Tampa* task force produce?

Dr Raby—One hundred and twenty four over the life of both the *Tampa* task force and the evolved DFAT-only people-smuggling task force that I mentioned earlier on.

Senator FAULKNER—You do not mind, I am sure, if I just use the terminology *Tampa* task force. I appreciate the evolution that you have described. Between what dates were these 124 situation reports sent through?

Dr Raby—Between 29 August and 13 February.

Senator FAULKNER—Is the evolved task force still in existence?

Dr Raby—No, it ceased operations on 13 February. As I said, Senator, the work has now just been absorbed in the normal section in my division: the people smuggling, refugees and transnational crimes section.

Senator FAULKNER—It hit the wall about a week ago?

Dr Raby—I would not quite say 'hit the wall'. It has been winding down significantly since throughout December. It went into something of abeyance over the Christmas period and met—it did not meet; it was just part of the section effectively at that stage—but the situation reports came out less and less frequently over the last four to six weeks.

Senator FAULKNER—So how many of these 124 situation reports were produced and forwarded during the five-week period of the last federal election campaign?

Dr Raby—I would have to get someone to just look at the numbers but I could give them to you fairly soon.

Senator FAULKNER—Thank you. That would be helpful. These reports were forwarded to direct departmental or agency superiors?

Dr Raby—Yes, and—

Senator FAULKNER—And only departmental and agency superiors, I think you said.

Dr Raby—No, ministers' offices as well.

Senator FAULKNER—I thought I asked you whether they had—

Dr Raby—And I think I answered 'to all areas of government', or relevant areas of the government.

Senator FAULKNER—So they went to ministers' offices. Could you identify, for the benefit of the committee, please, Dr Raby, which ministers' offices were lucky enough to receive these reports.

Dr Raby—It is a very long distribution list, as you would appreciate, Senator.

Senator FAULKNER—Do you mean it is better to tell me which ministers were not on the list?

Dr Raby—Well, pretty much.

Senator FAULKNER—Was Senator Hill there? That gives me a good idea of—

Dr Raby—As the minister for the environment, I do not think so.

Senator Hill—I might have had a view if I were consulted.

Senator HOGG—Left out again.

Senator FAULKNER—Could you just indicate the ministers, please? It was obviously not all the cabinet ministers. The whole document would be helpful.

Dr Raby—The office of the Prime Minister, the Deputy Prime Minister, the Treasurer, the Attorney-General, the Minister for Immigration, Multicultural and Indigenous Affairs, the Minister for Justice and Customs, the Minister for Foreign Affairs, of course, the Minister for Defence—

Senator Hill—And 20,000 officials.

Dr Raby—and 20,000 officials, as the minister says. And Finance as well, I have just been advised.

Senator FAULKNER—What was the relationship, if any, between the *Tampa* task force in the Department of Foreign Affairs and Trade and the people-smuggling IDC?

Dr Raby—I certainly was one link, as the representative of the Department of Foreign Affairs and Trade on the IDC, and a number of the other individuals—PM&C and DIMIA, or DIMA as it was then, and occasionally, I think, in the case of Defence and also Transport—occasionally participated on the PM&C IDC.

Senator FAULKNER—Did the reports of this task force deal at any stage with the SIEV4 incident? You know what I mean by the SIEV4 incident?

Dr Raby—The report on 8 October—that is, situation report No. 59—had one sentence on that matter.

Senator FAULKNER—Apart from that one sentence, did any of your other reports deal with the SIEV4 incident, or the aftermath of it, or matters related to it?

Dr Raby—It may well. I will just have to check that. What I should say with this is that our reports in the case of operational matters involving the arrival of any boats drew on Defence intelligence summaries—they are daily intelligence summaries.

Senator FAULKNER—Are you saying to me that these reports had a security classification?

Dr Raby—Our reports?

Senator FAULKNER—The reports of the *Tampa* task force.

Dr Raby—Yes. They are classified as secret.

Senator FAULKNER—But they went, to use Senator Hill's words, to 20,000 people?

Dr Raby—With clearances.

Senator FAULKNER—How many people did they go to? I am sure it was not 20,000. I am sure that Senator Hill was pulling my leg when he said that; it is just his sense of humour.

Dr Raby—I can have someone count the distribution list if you wish.

Senator FAULKNER—It is substantial, is it?

Dr Raby—Yes.

Senator FAULKNER—But it had the classification of 'secret'?

Dr Raby—Secret, yes.

Senator FAULKNER—So let us go back to this. Situation report No. 59 has one sentence on kids overboard. Did any other reports canvass this issue and, if so, what are the dates of the reports, please?

Dr Raby—Some of the subsequent ones may have touched on what was happening with SIEV4. I will ask my colleagues to check on reports 60, 61 and 62. Can I qualify my previous comment?

Senator FAULKNER—By all means.

Dr Raby—When I said there was one sentence, one sentence dealt with people going overboard from SIEV4 but there was another factual statement on the arrival of SIEV4 and its interception by *Adelaide*, and so on.

Senator FAULKNER—So you are saying that one sentence deals with people going overboard and other sentences deal with broader issues—the interception and so forth of SIEV4?

Dr Raby—The interception, yes. There is a sentence just on the numbers of people on board SIEV4 and its location. Those sorts of operational facts were also common to these reports. Report 60 of 9 October contains some other reference to SIEV4, which simply deals with the exact location, or the estimated location I should say, of where it sank. Numbers again—the transferring of people to the *Adelaide* and some circumstances surrounding the sinking, such as the likelihood of sabotage.

Senator Hill—It looks like 40-odd.

Senator FAULKNER—You mentioned, in regard to sit rep 59, people overboard. That's fine, but by the use of the word 'people' did you mean children overboard?

Dr Raby—No. The Defence report that we drew on for this referred to 13 unauthorised arrivals jumping overboard and being recovered.

Senator FAULKNER—In the DFAT task force, was there any reporting of children being thrown overboard in regard to the *Tampa* task force? I have heard what you have said about the 'secret' classification. I do not want to go into this in great detail, but I think the general thrust of this is in the public interest. Perhaps I can just ask my question in that form—whether any of the situation reports went to the issue of children being thrown overboard.

Dr Raby—No, there is no reference to children being thrown overboard in the reports.

Senator FAULKNER—No reference to children being thrown overboard in any way? Either that they were thrown overboard or they were not thrown overboard—or there was no accuracy about reports about them being thrown overboard?

Dr Raby—No. The only relevant points that we drew on—as I said, the Defence intelligence summary—were that 13 unauthorised arrivals jumped overboard, that satellite navigation instruments and compass were thrown overboard, that the steering and engine were sabotaged and that there were threats to commit suicide.

Senator FAULKNER—With the benefit of hindsight, would you say there appears to be no reason to suggest that the matters contained within sit rep 59 about events surrounding the SIEV4 required any correction? Or, with the benefit of hindsight, do they appear a reasonable and accurate report from your current knowledge of the situation?

Dr Raby—Yes.

Senator FAULKNER—It sounds like it. And this report goes to the Prime Minister's office?

Dr Raby—Yes.

Senator FAULKNER—It goes to the Minister for Defence's office?

Dr Raby—Yes.

Senator FAULKNER—Does it go to the Minister for Immigration's office?

Dr Raby—Yes. This is 59. Senator, I should add another slight qualification to the reports. The reports had attached to the back of them—again as part of the information collation and sharing exercise—a daily media summary. So just in case there is any inaccuracy, the media summaries, which were taken directly from the Australian newspapers—we also had an international media summary—refer to all topical reports of the day. But my comments to you so far have been based, if you like, on the internal information.

Senator FAULKNER—I have heard the evidence that you have provided. I heard also about the date of situation report 59. To be absolutely clear you might indicate on what date that was provided to ministers' offices.

Dr Raby—That was provided at 0900 hours on Monday, 8 October.

Senator FAULKNER—In the period 7, 8, 9 and 10 October 2001, how many times did the *Tampa* task force meet?

Dr Raby—I would have to check that. I doubt whether it did meet in October or during those days. What happened was that throughout September there was a winding down of the interagency aspects. As, for example, I mentioned earlier, the operational activities for Nauru or PNG shifted to PM&C in a formal operational group. After September 11, with the necessity for the department to establish a crisis centre to deal with September 11, we moved out of the crisis centre and I think I would be right in saying that the *Tampa* task force really did not meet throughout October.

Senator FAULKNER—Yes, but this is a full-blown DFAT crisis centre or incident/crisis centre, I assume, so it has what level of staffing resources?

Dr Raby—I was going to say that we continued largely as a DFAT stand-alone operation with a Defence officer maintaining the liaison between us and defence communications. What I am saying is that in October it is by this stage essentially an internal DFAT operation, with officers seconded from various parts of the department, and its main function by that stage was to produce the daily situation reports.

Senator FAULKNER—Yes, but there are 16 agencies involved on the list that you have handed to me.

Dr Raby—That was when it was first set up as a *Tampa* task force. As I said—

Senator FAULKNER—How many agencies were involved by 7 October?

Dr Raby—By 7 October it was, as far as I can recall, an internal DFAT operation, with one Defence officer to maintain contact with defence communications.

Senator FAULKNER—So how well resourced is it in terms of staffing?

Dr Raby—It varies, but four to six officers on rotation, on secondment, from different parts of the department. I do not think there was anyone full time at that stage; it was largely serviced by my division on a staff rotation basis.

Senator FAULKNER—But at least we know this, Dr Raby: your division and the *Tampa* task force never passed on false information that children were thrown overboard from SIEV4.

Dr Raby—All I have is the report, Senator, and I have indicated to you what the report has said on the relevant days—

Senator FAULKNER—I heard that. I appreciate that. But I asked a slightly different question. This committee can be assured that the *Tampa* task force and your section of the Department of Foreign Affairs and Trade did not pass on to any other agency, to ministers or ministers' offices, incorrect claims that children were thrown overboard from SIEV4?

Dr Raby—I cannot comment on the correctness or otherwise of those claims. What I can say is that we did not refer to children in any of our reports.

Senator FAULKNER—No. But you have also indicated to the committee that, with the benefit of hindsight, you are comfortable with the reporting from the *Tampa* task force—

Dr Raby—Yes.

Senator FAULKNER—that was passed to, apparently, a significant number of people, including the Prime Minister's office, the immigration minister's office and then the defence minister's office.

Senator Hill—As I understand it—

Senator FAULKNER—Here we go.

Senator Hill—the official is saying that he cannot advise beyond the content of situation report No. 59.

Dr Raby—Exactly.

Senator Hill—I think that you asking him if he can be sure that no-one within the task force communicated something to any other person is an impossible question to answer.

Senator FAULKNER—What was the total cost for DFAT of the resourcing of the *Tampa* task force?

Dr Raby—There is no separate calculation. It was absorbed entirely by the department. There was a considerable amount of overtime in the first couple of weeks following *Tampa*, but the costs were largely overtime costs for DFAT staff and, I guess, for any other agencies that had staff working overtime in the first couple of weeks. When the *Tampa* issue first began we worked on a 24-hour shift, which is normal, again, for the crisis centre. We just wound that back as operational requirements dictated.

Dr Thomas—Based on our experience of similar crisis centre arrangements in the past, we would not be looking at more than about \$20,000 in additional costs above normal salary costs.

Senator FAULKNER—So it is mainly salary costs?

Dr Thomas—Yes. Staff are simply rostered on a round-the-clock basis, and there is a bit of overtime for more junior staff.

Senator FAULKNER—Fair enough. Dr Thomas, has the department done a complete and thorough check of all its records to establish whether it either received or conveyed information that might have given rise to reasonable doubt about the ‘children overboard’ claims? What about checking the photos that were claimed to represent children in the water who had been thrown overboard?

Dr Thomas—It is my understanding, Senator, that any information we received in relation to this issue generally was all filtered through our internal departmental task force that Dr Raby has described to you. Other parts of the department were not working on it.

Senator FAULKNER—Therefore I can direct my questions towards Dr Raby?

Dr Thomas—So whatever was produced in his report is the information that we had.

Senator FAULKNER—What I am asking, which we have not established yet, was whether the department, and in this case it is Dr Raby’s section, has done a thorough check of all records about the nature of information received and conveyed—if any was conveyed and if any was received—on the ‘children overboard’ incident.

Dr Raby—We have certainly been through all the situation reports, and there is no reference to that in our situation reports.

Senator FAULKNER—Yes, you have told me that before. But I am not asking you about your situation reports; I am asking you a question that goes beyond your situation reports. I am asking whether the department, in light of the public notoriety of this issue, has done a check about information that was received or conveyed on this issue.

Dr Raby—There has been no formal process that I am aware of to review records and holdings. All the information we would have received on the issue which would be

communicated to us by Defence through the intelligence summary was, as I said, processed and reflected in the situation reports and the selection of material reflected the key issues of the day. As the departmental representative on the PM&C People Smuggling Task Force, the high level IDC, I would have been the main conduit of information to the department.

Senator FAULKNER—You said there has been no formal process. Has there been an informal checking in the department? I am surprised there has not been any checking, given the circumstances and public nature of concerns about this issue. I am surprised about that, Dr Thomas. I hope you can understand why I would be. I just want to be clear about this.

Dr Raby—Can I say, Senator, that the checking for us really involves going through the situation reports and reviewing the material that the situation reports were based on.

Senator FAULKNER—Who decided that the situation reports should be checked?

Dr Raby—I did as a normal process. We wanted to see what we had said.

Senator FAULKNER—Why did you do that, Dr Raby?

Dr Raby—For the reasons that you are suggesting; there was the issue of it being a current topical issue.

Senator FAULKNER—And that is a proper professional decision and approach.

Senator Hill—To be well informed for estimates.

Senator FAULKNER—It is a proper and professional approach which I think you would expect, Senator Hill, and so would I, and I am pleased to see that work was undertaken. Now I am asking whether the work went any more broadly than the situation reports?

Dr Thomas—Beyond the situation reports which Mr Raby has already talked about, Senator, and press clippings, there really are no other sources for us to check in relation to this matter. We are not aware of any other reporting or information we received.

Dr Raby—We have no independent source of information. As I have said a number of times, for operational matters—that is, involving interception of ships, reports on ships or whatever—we drew on the defence intelligence summary.

Senator FAULKNER—What was the involvement, if any, of public affairs in the Department of Foreign Affairs and Trade in the *Tampa* task force?

Dr Raby—Public affairs would prepare for us a daily media summary of international media which was appended to the situation report.

Senator FAULKNER—Which is, I assume, standard operating procedure; is it?

Dr Raby—Pretty much so.

Senator FAULKNER—Who decided to establish the *Tampa* task force?

Dr Raby—The decision was at the request of the secretary for the Department of the Prime Minister and Cabinet.

Senator FAULKNER—Dr Thomas, how was Mr Moore-Wilton's request to establish the *Tampa* task force advised to DFAT?

Dr Thomas—I was not there at the time; you will have to ask Dr Raby.

Dr Raby—I can answer that; he made the request to me. I was on the telephone to one of his officers and, when he heard it was a DFAT officer, he asked to speak to me and said that it was a good idea to look at putting in place DFAT's normal crisis centre arrangements for

managing information flows and coordinating activity in a fast-moving situation. I communicated that directly to our secretary—the Secretary of the Department of Foreign Affairs and Trade. I think there may have been some conversation subsequent to that between our secretary and the Secretary of the Department of the Prime Minister and Cabinet.

Senator FAULKNER—So Mr Moore-Wilton's approach to you was on the telephone?

Dr Raby—Yes.

Senator FAULKNER—What about the membership of the task force, given that there are 16 Commonwealth departments and agencies on the task force? Was this tick-tacking between the secretary of DFAT and the secretary of PM&C?

Dr Raby—No, as far as I can recall, it was largely left up to me to operationalise the request. Many of these agencies are normal participants in any DFAT crisis centre, and we just went about operationalising it and consulting others as they indicated they had an interest. Anyone was free to join the task force if they were an agency with a direct interest in the issue.

Senator FAULKNER—Anyway, the task force was Mr Moore-Wilton's idea?

Dr Raby—Yes—the crisis centre arrangement. They had to activate the crisis centre.

Senator FAULKNER—Would this normally get ministerial approval or would it just be organised at the departmental level?

Dr Thomas—It depends. Generally the department springs into action and sets these things up.

Senator FAULKNER—The department did not spring into action here, did it? Mr Moore-Wilton sprung into action.

Dr Thomas—Yes, but it varies according to the circumstance and the crisis.

Senator FAULKNER—The department did not spring into action. Mr Moore-Wilton sprung into action and told you what to do. So you cannot—with respect, Dr Thomas—say that to me.

Dr Thomas—It depends how the situation would have evolved, and at a certain point we probably would have set up a task force anyway. We usually do.

Senator FAULKNER—Did the department pick up any intelligence or any vibes that the original reports about kids being thrown overboard and the photos allegedly of those kids thrown overboard in the water were not quite accurate?

Dr Raby—As I said earlier, the department had no independent source of information or advice on this. The advice came through me as the departmental representative on the PM&C IDC.

Senator FAULKNER—We will get to that. Did the department pick anything up? You did not pick up anything—or you did?

Dr Raby—I did not convey any information to the department.

Senator FAULKNER—No, you did not convey it; did you pick anything up?

Dr Raby—No.

Senator FAULKNER—Nothing?

Dr Raby—No.

Senator FAULKNER—So when did you become aware that these concerns existed, Dr Raby? There are two issues. Let me clarify it because I do not want to be unfair here. There are two concerns here: firstly, that reports of children being thrown overboard were inaccurate; secondly, that the photographs of children in the water were not photographs of children who had been thrown overboard. I appreciate there are two separate matters here. So when did you become aware that there were concerns about the accuracy of those claims?

Dr Raby—I was aware of general media questions—an inquiry—obviously. But at no time during my time on the high level IDC was I aware that there was a problem with the evidence.

Senator FAULKNER—Mr Doyle was the department's representative at the task force—this is the people smuggling IDC—on 7 October. You were not around at that point?

Dr Raby—No, it was a long weekend and I was away from Canberra.

Senator FAULKNER—Fair enough. Do you know whether Mr Doyle went to both meetings of the IDC on the 7th?

Dr Raby—Yes, he did.

Senator FAULKNER—Is Mr Doyle with us?

Dr Raby—Yes, he is here.

Senator FAULKNER—Mr Doyle, perhaps you can assist us. For the record it might be useful if we just explained when Dr Raby attends the IDC and Mr Doyle attends the IDC, because I gather from what you have said that you share those responsibilities at least for some of the time. Can we just get that clear?

Dr Raby—It was obviously a fatal weekend but it was a one-off. I was away for the long weekend.

Senator FAULKNER—Lucky trip?

Dr Raby—If it wasn't me, it would have been my assistant secretary, Mr Smith, who would normally attend the IDC in my absence. He was overseas on official business at the time, so Mr Doyle participated, but only on that one day.

Senator FAULKNER—Thank you for that. Mr Doyle, you attended the IDC in the morning and in the evening.

Mr Doyle—That is correct, Senator.

Senator FAULKNER—Thank you. So, Dr Raby, you became aware of concerns about the inaccuracy of these issues, not as a result of anything you heard at the task force or your professional work, but as a result of media speculation.

Dr Raby—That is correct.

Senator FAULKNER—Mr Doyle, are you able to assist us with who at the IDC meeting on the morning of 7 October 2001 reported that children had been thrown overboard?

Mr Doyle—I have provided evidence to Ms Bryant for her inquiry.

Senator FAULKNER—I did notice that appended to her report.

Mr Doyle—That accurately reflects my recollections of the events. The news was introduced to the meeting by the Defence representative. I know there are conflicting views of who introduced the news, but my recollection is that it was the Defence representative.

Senator Hill—Was this the morning meeting?

Mr Doyle—That is right.

Senator FAULKNER—Are you able to indicate to us the nature of the discussion around that issue, or your recollections of the discussion around that issue at the time?

Mr Doyle—My recollection is that the news came through. It was then conveyed immediately to the meeting. It was passed by Mr Farmer, the Secretary of the Department of Immigration and Multicultural and Indigenous Affairs to either Mr Ruddock or one of Mr Ruddock's advisers. Soon after that the matter was made public. It was not discussed in any great detail at the meeting.

Senator FAULKNER—But you say that this information was provided—and I think you have indicated this to Ms Bryant—by Group Captain Walker.

Mr Doyle—Yes, that is my recollection.

Senator FAULKNER—Going back a step, given that you do have that recollection, can you recall at all how that information was provided to Group Captain Walker?

Mr Doyle—It was phoned through to him on his mobile phone in the meeting room.

Senator FAULKNER—What is your recollection of the Defence representative's reference to the lack of evidence about this at the second task force meeting on the evening of Sunday, 7 October?

Mr Doyle—I do not recall it being discussed at all.

Senator FAULKNER—I appreciate that these are the only task force meetings that you attend; the two that take place on 7 October, morning and evening.

Mr Doyle—I may have attended one or two before or after that, but it is very irregular for me to do that.

Senator FAULKNER—You may have? But you would recall that, wouldn't you?

Mr Doyle—I may have deputised in the same sort of situation if Dr Raby or Mr Smith were not available.

Senator FAULKNER—If you have such strong recollections that this phone call came to Group Captain Walker on the morning of Sunday, 7 October, but you cannot recollect whether you actually went to any other meetings, I am afraid that—

Senator Hill—This was quite dramatic news.

Mr Doyle—This was a memorable meeting.

Senator FAULKNER—Oh, so you know the reason, do you, Senator Hill?

Senator Hill—I am suggesting that the news of children overboard was quite dramatic, and that might be a distinction.

Senator FAULKNER—Well, I am not suggesting anything; you can suggest that. I am asking why the officer—it is a perfectly reasonable question; I hope you would agree—can recall so clearly that this phone call came in to the Defence representative. Even though this is conflicting evidence with many others, he recalls that the phone call came in to Group Captain Walker on the morning of 7 October. Mr Doyle says it was not discussed in the evening, but then cannot recall whether he has been to any other meetings of the task force.

Mr Doyle—The reason is that I went back carefully through my notes, looking for this particular day because this was the critical day. I have not gone back through my notebooks for the whole period since the *Tampa*.

Senator FAULKNER—Do you take exhaustive notes of the meetings that you attend?

Mr Doyle—Not exhaustive, but I take notes of the issues that I think are relevant to the department and on which I want to brief my superiors.

Senator FAULKNER—But you cannot tell me if you attended any other meetings of the task force?

Mr Doyle—I certainly could, but not right at the moment. I can certainly check my notes and let you know that.

Senator JACINTA COLLINS—You do not recall if this was your first meeting of the task force?

Mr Doyle—It merged a bit. As Dr Raby has earlier mentioned, the relationship between the People Smuggling Task Force and the *Tampa* crisis centre task force were a bit fluid in the early days.

Senator JACINTA COLLINS—Can you tell me about what time you understand this phone call to have been called through to the group captain?

Mr Doyle—I didn't take a note of that, but my recollection is that it was towards the end of the meeting.

Senator FAULKNER—I assume, because of Ms Bryant's report, you did check your notebook about—

Mr Doyle—Yes, I did.

Senator FAULKNER—Because you were requested to provide evidence to Ms Bryant that you—

Mr Doyle—I was.

Senator FAULKNER—checked your notes, or notebook, if you like, of the meetings on that particular day?

Mr Doyle—That is right.

Senator JACINTA COLLINS—Ms Halton has indicated that she was similarly aware of this report. Did she not raise this issue at the meeting prior to this mobile phone call received by the group captain?

Mr Doyle—Sorry. I did not catch the question.

Senator JACINTA COLLINS—Ms Halton has indicated in the reports that she was similarly aware of the report on the morning of 7 October. Did she not indicate anything about this incident prior to the phone call to the group captain?

Mr Doyle—Not to my knowledge. I am aware that there are different views about who introduced the news, but my recollection is, as I mentioned earlier, that it was the Defence representative.

Senator JACINTA COLLINS—Could Ms Halton have introduced it earlier in the meeting and you were not aware of it?

Mr Doyle—It is possible.

Senator JACINTA COLLINS—Thank you.

Senator FAULKNER—Dr Thomas, on this question of doubts about the children overboard incident, when did members of the executive of DFAT become aware of these doubts?

Dr Thomas—I cannot help you too much on that, Senator. I am afraid I was overseas for a month between September and October, and I was not here during these events. I did not attend any of the executive meetings at that stage.

Senator FAULKNER—Is there someone who can help us with that?

Dr Thomas—By ‘executive’ I assume you mean the weekly meeting we have with the secretary and the four deputies.

Senator FAULKNER—I am talking about the senior—

Dr Thomas—Yes, the senior executive.

Senator FAULKNER—The senior executives. I may be using the incorrect terminology.

Dr Thomas—Ms Millar, who sits in as the Assistant Secretary, Executive Branch, may have been present at those meetings, but she says she has no recollection of that issue being raised.

Dr Raby—If I could perhaps add a bit there: I was, as you would know, the departmental representative on the PM&C task force IDC. So it is most unlikely that the senior executive would have discussed matters such as this without seeking some input from me or my being there for discussion. It often happens that on particular subjects the relevant division head is included in that senior executive discussion, and I did not participate in any such discussion throughout this period.

Senator FAULKNER—On or around 7 November, I think we now know that the two DFAT sit reports 59 and 60 are passed from Ms Bryant to Mr Jordana, in the Prime Minister’s office. You may be aware of evidence to that effect. I assume they are the reports—

Dr Raby—The situation reports?

Senator FAULKNER—Yes, 59 and 60.

Dr Raby—I may have not been clear before. I apologise. These were communicated directly to the ministers’ offices, including the office of the Prime Minister, with the exception of a couple of ministers who were not on secure faxes, so they were delivered differently to them.

Senator FAULKNER—Yes, but this is at the time they are published, effectively, isn’t it? So it is the same day that they are being—

Senator Hill—I think he is talking about a month later.

Senator FAULKNER—I am talking about a month later.

Dr Raby—Sorry, which reports? I thought you were referring to reports 59 and 60.

Senator FAULKNER—I am: reports 59 and 60, plus a Defence Headquarters Operation Gaberdine/Operation Relax report passed via Ms Bryant to Mr Jordana in the Prime Minister’s office. I am just asking whether are you aware of that evidence, that was all. It was extracted at Monday’s—

Dr Raby—Yes, I am.

Senator FAULKNER—I wondered whether the department had received requests from Ms Bryant, or anyone else, for copies of either of those two sit reps after the time they had been broadcast to the list that you provided to the committee. They are produced around 7 and 8 October, they are published at that time and they are sent to a list of recipients. After that time, up to 7 November, were there any other requests for those two sit reps?

Dr Raby—I cannot answer that. It could have come to one or a number of people in the relevant section who were responsible for the physical production of the reports. But these would be held online for those who were on the secure communication system. They would just have them on their system unless they had deleted them.

Senator FAULKNER—They are just basically available to the 20 people, or whatever it is, who have access to them?

Dr Raby—I am just advised that PM&C got their copies by secure fax, not electronically. But, yes, presumably they would be just on file.

Senator FAULKNER—All right, but when did they get their copies by secure fax?

Dr Raby—On the day the reports were produced.

Senator FAULKNER—My question goes to whether there were any requests for these reports after that time.

Dr Raby—I understand that, and I am saying that I cannot answer that. We could check with a number of the officers if there had been another request. What I was trying to suggest is that the probability is that they would have been on file in the relevant agencies.

Senator FAULKNER—Yes, but, given they have the security classification secret, I thought someone would have a note if there had been a request or not for them.

Dr Raby—They were not individually numbered accountable documents. They are not accountable documents in the sense of them having an individual number that you then record a recipient against. We had a set distribution list with everyone with clearances and they went directly to the individuals who had the clearances. If someone on our distribution list had not filed the copy or lost the copy and came back to us with a request for an additional copy, that would just have been provided on that basis.

Senator FAULKNER—Would you try and establish that for me, please? I appreciate that you do not have the information at your fingertips today but if you could assist me and let me know I would appreciate it. Are you aware of whether the emails containing photographs of people in the water or relating to people in the water from SIEV4 or the sinking of SIEV4 ever did the rounds of the Department of Foreign Affairs and Trade?

Dr Raby—To the very best of my knowledge it never came to DFAT, either as emails or hard copy or whatever.

Senator FAULKNER—I think it is unlikely they came, from what we know, as hard copy. More likely they came as—

Dr Raby—Email or whatever form.

Senator FAULKNER—Would you be able to provide for us a breakdown of the dates of the 124 task force reports and the dates they were sent to recipients? I do not expect you would have this at your fingertips here; if you do, please provide it.

Dr Raby—We can provide that.

Senator FAULKNER—I would appreciate that. Can I just be clear on one thing in relation to the IDC, Ms Halton's People Smuggling Task Force? Were you, Dr Raby and Mr Doyle, the only two DFAT representatives that sat on that task force?

Dr Raby—As I said earlier, Mr Smith, my deputy assistant secretary, would deputise for me on that task force. I would sit most times. I regularly did not sit on Monday afternoons. That was when we had our divisional meeting and Mr Smith would usually deputise for me on that. On 7 October, as we know, Mr Doyle was there and Mr Doyle will check his diary to see if there may have been another time. Occasionally, I think, Mr Smith attended as well as I; I think both of us may have been there for some. At the majority of the meetings I was there, Senator.

Senator FAULKNER—What was the reporting mechanism—

Dr Raby—Sorry, no, I have to correct myself. The first assistant secretary of the South-East Asia Division came to a couple of those meetings, as did the first assistant secretary of the Pacific Division. They accompanied me to those meetings, but not as DFAT representatives. They came with me.

Senator FAULKNER—Was there a reporting mechanism from the DFAT representatives at the task force? I assume that, like Mr Doyle, you take notes and so forth, but was there any formal reporting mechanism back to the department?

Dr Raby—No, there was not. If there were issues that I judged of interest to the senior executive, they would be passed on to the relevant deputy secretary, who is Mr Ritchie. Most of the issues affecting DFAT were, again, of an operational nature. I would communicate tasking that we had received to the relevant areas that have responsibility for implementing that tasking. I would, on an as needs basis, ring Mr Mike Smith, who was at the time the head of Mr Downer's office, and give him an oral briefing on the main issues if there was something that the minister may need to know about.

Senator FAULKNER—But there were not many written briefs or formal ministerial briefs?

Dr Raby—Not from this. We saw our role as somewhat peripheral, other than with respect to certain aspects of communicating with other countries.

Senator FAULKNER—I suppose it would be fairly common for the Department of Foreign Affairs and Trade to have contact with Mr Jordana in the Prime Minister's office. That would be fairly standard, wouldn't it, Dr Thomas, as he is the international adviser there?

Dr Thomas—Yes, from time to time.

Senator FAULKNER—You would be trying to ensure you had contact with the Prime Minister's office on a regular basis or an irregular basis—that is fair enough. You would have very regular contact with Minister Downer's office, I assume.

Dr Thomas—Yes, of course.

Senator FAULKNER—Did the department communicate the outcomes of the 7 October meeting to the Minister for Foreign Affairs?

Dr Raby—I was just checking my recollection. Mr Doyle confirms my view that he briefed me on the phone. We then talked about it when I came back to Canberra. I cannot recall if I spoke to Mr Smith in Mr Downer's office at that time—I may well have; as I said, I

was in fairly regular contact with him. But with respect to SIEV4, from the perspective of our interest in the issue, our interest centred entirely on what we were going to advise the Indonesian government about our management of SIEV4. That, for us, was the single issue of policy importance and action. That is where our responsibility was focused.

Senator FAULKNER—You have stressed on a number of occasions that your role is peripheral in this—is that fair, Mr Thomas?

Dr Thomas—Yes, it is.

Senator JACINTA COLLINS—There is a first time for everything.

Senator FAULKNER—There is a first time for everything, yes. Beyond Ms Bryant's role in the conduct of her report for the People Smuggling Task Force into the matters relating to the 'children overboard' incident, was it common for Ms Bryant, Ms Edwards and others in that division of PM&C to have ongoing contact with your division, Dr Raby?

Dr Raby—No, our contact normally is with the International Division of the Department of the Prime Minister and Cabinet. My contact with them was through, initially, the *Tampa* exercise and sitting on the PM&C IDC.

Senator FAULKNER—Were you contacted by anyone from the Prime Minister's office, your minister's office or from the Department of the Prime Minister and Cabinet to assist in providing information for the Prime Minister's Press Club speech on 8 November 2001?

Dr Raby—No.

Senator FAULKNER—If such a contact had been made it probably would have been made with you, would it not, or your division?

Senator Hill—How could he answer that: if a contact from the Prime Minister's office was made, it would probably be made with your division?

Senator FAULKNER—Let me define the question, Minister, in relation to the matters that we are discussing—

Senator Hill—You can ask him whether it was within his knowledge, not within the knowledge of the Prime Minister's office.

Senator FAULKNER—Yes, but Dr Raby is speaking on behalf of his division.

Senator Hill—He has already said he is not aware of any contact.

Senator FAULKNER—To him.

Senator Hill—Yes.

Senator FAULKNER—My question goes to his division.

Senator Hill—Have you checked with anyone else in the division?

Dr Raby—I have not checked, although the key colleagues are on my left; you can ask them. I would be most surprised if such a contact was made and I was not advised of it, as I was the key link between DFAT and PM&C on this issue. The colleagues are here; they can answer you.

Mr R. Smith—I have no knowledge of any such contact.

Senator FAULKNER—Thank you very much.

Senator JACINTA COLLINS—Dr Raby, when did the media speculation about the accuracy of information regarding this incident, to the best of your recollection, first come to your attention.

Dr Raby—I really do not know.

Senator Hill—You are asking him when the media speculation came to his attention?

Senator JACINTA COLLINS—Yes, when does he recall he first noted that there was media speculation about the incident?

Dr Raby—I do not know. All I can say is that I read a good range of domestic newspapers daily and watch the same sort of current affairs programs that most of us watch and the ABC News. I would have picked it up through that process.

Senator JACINTA COLLINS—The reason I ask is that there has been speculation probably from around the time the incident was reported in the media. Some officers have indicated that they did not note such speculation until around 7 or 8 November. I am asking if you recall noting such speculation any earlier than that?

Dr Raby—I do not know.

Senator JACINTA COLLINS—Did you act in any way to clarify, even if only in your own mind, that speculation?

Dr Raby—I was clear in my own mind, from sitting on the PM&C IDC, that there was evidence to support the claims.

Senator JACINTA COLLINS—What evidence did you believe there to be?

Dr Raby—I had heard discussion of photographs. At some stage, I heard discussion of a video, and that seemed to be the beginning and the end of it for me.

Senator JACINTA COLLINS—Mr Doyle, when you attended the meetings on 7 October did you retain for your personal record a copy of the report from those meetings?

Mr Doyle—I did not receive a copy of the report.

Senator JACINTA COLLINS—Do you recall being party to a meeting where all attendees signed off on a report that children had been thrown overboard?

Mr Doyle—No, I did not do that.

Senator JACINTA COLLINS—You did not do that?

Mr Doyle—No.

Senator JACINTA COLLINS—Just so we can be very clear here: you did not participate in a discussion in a meeting where it was understood you had signed off on a report that children had been thrown overboard?

Mr Doyle—I participated in the meeting, but I did not see the report.

Senator JACINTA COLLINS—Are you suggesting that such a report was not agreed whilst you were attending that meeting?

Mr Doyle—My understanding would be that the report was prepared after the meeting, drawing together the conclusions and outcomes from the meeting.

Senator JACINTA COLLINS—What were those conclusions and outcomes, then?

Mr Doyle—To do with the SIEV4?

Senator JACINTA COLLINS—I think you should apprise us of how you understand it, having attended that meeting.

Senator Hill—In relation to the report, or what he concluded from his two meetings in the course of that day?

Senator JACINTA COLLINS—I would like to know from Mr Doyle what his understanding is of what matters were agreed during the meeting.

Senator Hill—Were matters agreed, as such, between you?

Mr Doyle—The issue of SIEV4 came up in the morning meeting and I do not recall any report being produced after that meeting. I suspect that it was produced after the evening meeting. By that time the SIEV4 incident had been made public by ministers during the day. I am not sure how that would have been reflected in the report, as it had already been taken beyond the IDC by ministers.

Senator JACINTA COLLINS—But, Mr Doyle, one of the items that the reports refer to as a means of corroboration, in a loose sense, is that these meetings occurred and a report was produced from these meetings and signed off by officers from a number of departments, indicating that children had been thrown overboard. What you put to me a moment ago is quite serious. You are suggesting you attended that meeting and you have no knowledge of such signing off.

Senator Hill—You cannot tell him it is serious. If you think it is serious, you can say it is serious, but you have asked him if he was the party to signing off on a statement—

Senator JACINTA COLLINS—And he said no.

Senator Hill—and he said no.

Senator JACINTA COLLINS—Which is quite contrary to evidence that has been produced in these reports.

Senator Hill—But this is not where you are supposed to be entering into a debate. You are supposed to be asking him questions.

Senator JACINTA COLLINS—Mr Doyle, did you attend the meetings for the whole period?

Mr Doyle—Yes.

Senator JACINTA COLLINS—So you were at the morning and evening meetings, for the full periods of those meetings?

Mr Doyle—Yes.

Senator JACINTA COLLINS—Correct me if I am wrong. I understand you said a moment ago you never received a copy of a report as to the outcome of those meetings?

Mr Doyle—That is correct.

Senator JACINTA COLLINS—Dr Raby, did you receive such a report?

Senator Hill—There was a report on the ‘outcome’ of those meetings. He had never received a report following that meeting.

Senator JACINTA COLLINS—Dr Raby, did you receive such a report?

Dr Raby—I did not receive a report.

Senator JACINTA COLLINS—How did these meetings usually report their outcomes?

Dr Raby—They, as far as I know, involved a communication—in either written or oral form; I think it probably changed from time to time—from the chair of the committee to her relevant superiors.

Senator JACINTA COLLINS—So there was usually no confirmation of what had been covered in these meetings that was returned to the other participants?

Dr Raby—Not if you are saying a document was produced and we were asked to look at it and agree with it as formal minutes or something.

Senator JACINTA COLLINS—Yes.

Dr Raby—The answer is no, from my point of view.

Senator JACINTA COLLINS—So how could it ever be characterised that various officers attending from various departments signed off on a matter?

Senator Hill—You cannot ask him that question. You can ask him whether he signed off, not how it could be characterised. He has not even seen it.

Senator JACINTA COLLINS—I think he has answered the question, thank you, Minister.

Senator Hill—No, he has not. He has answered by saying he has not seen it.

Senator JACINTA COLLINS—It is impossible to sign off something you have not seen.

Senator Hill—He said he has not signed and he did not see it.

Senator JACINTA COLLINS—I have the answer I require, thank you, Minister. A further question I have is to Dr Raby. He has indicated his involvement in the establishment of the task force.

Dr Raby—Do you mean the *Tampa* task force?

Senator JACINTA COLLINS—Yes. Did you have any similar involvement in the establishment of the People Smuggling Task Force?

Dr Raby—No.

Senator JACINTA COLLINS—So you have no knowledge as to why it went to the social policy and immigration division as opposed to the international division?

Dr Raby—No.

Senator JACINTA COLLINS—Thank you.

Senator FAULKNER—You indicated that the sit reps, the situation reports, go to the office of the Minister for Foreign Affairs. Do you know whether the minister reads these things or not?

Senator Hill—Do you sit by him on a daily basis?

Senator FAULKNER—No, does the minister actually sign off a—

Senator Hill—Do you get a written acknowledgment from the minister?

Dr Raby—No receipts, no—

Senator FAULKNER—I am trying to draw a distinction between whether they go to the minister for his perusal or they are basically drop copies for the minister's office and dealt with at the office level.

Senator Hill—I think you have got to ask me how the minister deals with these reports.

Senator FAULKNER—I suspect the department is more likely to know than you would be.

Senator Hill—I will refer it to the minister.

Senator FAULKNER—Thank you, that will be helpful. I was wondering whether the department is aware in terms of the paper flow—and they probably would be—whether the sit reps are a ministerial level brief or a ministerial office level brief.

Senator Hill—Who is it addressed to?

Dr Raby—The sit reps are addressed to the chief of staff.

Senator FAULKNER—So a ministerial level brief would be addressed to the minister—that is the distinction. I am just trying to understand.

Senator Hill—I usually think of a brief as something that you acknowledge, actually. This just seems to be an information paper, a memo almost.

Senator FAULKNER—I appreciate that, Senator Hill. All I am asking is whether, as far as departmental process is concerned, these are produced for the benefit of the minister's office or they are ones that are usually received and acknowledged by the minister. I thought you might know that. Senator Hill is going to ask the minister, but I thought, given that these things would pass to and from the minister's office, the department might actually know.

Dr Raby—They are addressed to the chief of staff in the relevant offices. But in our case, DFAT, they were not in the form of a ministerial submission, which has a more formal structure and requires a minister's signature. Even if they are for information they require a minister's signature. These were updates and information on a daily basis with no requirement or formal structure that would have involved the minister signing that he had read or seen the document.

Senator FAULKNER—That is what I was asking, Dr Raby. They may or may not have come to the attention of the minister. But in the ordinary course of events they are not intended to go to the minister's eyes effectively, which is fair enough.

Dr Raby—You would hope that the minister would be interested in your work.

Senator Hill—You can assume that the minister is interested in your work and appreciates it!

Senator FAULKNER—On this issue I assume, because I read the minister's response to an answer to a question in the House of Representatives, that he probably had not received the reports.

Senator Hill—I think that is an internal matter relating to the minister's office. I do not know that this official can respond to that. What we have learnt from this official is that the reports get forwarded to the minister's chief of staff.

Senator FAULKNER—You might ask the minister, Senator Hill, how his answer in the House of Representatives applies to situation reports. His answer of yesterday was:

... my department had no particular information on that issue at all. The issue is not the responsibility of my department. In relation to advice provided to me on that issue, I have sought still further advice from my department on several occasions this week and they have confirmed to me that they gave me no advice on that matter, which is hardly surprising because it was not an issue for which I had ministerial responsibility.

I understand what the minister is saying there. Dr Thomas and Dr Raby have made the point, and I actually accepted that this department is peripheral to this issue. I accept that and most people would. But I am just trying to understand how these situation reports apply to that answer:

... my department had no particular information on that issue at all.

Senator Hill—I shall ask him to clarify that. It seems that this was at a time when the departmental task force was being absorbed within the interdepartmental task force, and I do not know whether that is part of the answer.

Senator FAULKNER—Because this is peripheral to the core business of the department, Dr Thomas, is there much happening now in relation to the people smuggling/asylum seeker issue internally in the department?

Dr Thomas—There is no longer a task force or a special separate group set up, but Dr Raby's division, as a matter of routine, has policy advising responsibility for those issues. One of the sections in his division is in contact with other relevant agencies on this sort of issue.

Senator FAULKNER—Yes, but it is routine only.

Dr Thomas—At the moment, yes, but could I say with the exception of helping to organise the people-smuggling conference, which is a major priority for this division at the moment.

Senator FAULKNER—It was Mr Moore-Wilton's decision to establish the *Tampa* task force, which subsequently evolved into another organisation with another name. Who made the decision to end it last week?

Dr Raby—That was made by the Secretary of Foreign Affairs and Trade. I should say that there has been a long winding down of its activities and other customers, if you like, for the situation report, as that was the basis for our work over the last couple of months. We have been consulting for months with the customers as to whether it was still relevant, whether we needed to do it and that sort of thing. As I said, it all became much less frequent and there was just a shared view that it had outlived its usefulness.

Senator FAULKNER—But that was a decision taken within DFAT. There was no advice sought or advice given from outside the department to finish the work of the task force.

Dr Raby—There had been consultations in the wind-down phase with the people-smuggling IDC in PM&C, advising them that this did not seem to be adding much value, seeking their views as customers as to whether this was a worthwhile exercise to continue, until the meeting you attended.

Mr R. Smith—The decision really was one that we took in recognition, as Dr Raby said, of the fact that the work of the task force had substantially been transferred, or picked up, if you like, by the IDC. The sit reps were still being produced by our task force, but again we made the judgment that most of the material in those was available elsewhere to the recipients. After consultation with the key agencies on the IDC, we decided to wind down the production of the sit reps.

Senator FAULKNER—You remain a member of the IDC, I assume, Dr Raby?

Dr Raby—Yes, although because of other commitments I have not attended a meeting this year. I have been travelling a lot, connected to the people-smuggling conference.

Senator FAULKNER—But the work of that IDC is still ongoing, isn't it?

Dr Raby—Yes.

Senator FAULKNER—But not with the same intensity.

Dr Raby—No, much less frequently.

Senator FAULKNER—It dropped off after the election really, didn't it?

Dr Raby—No, I think the key point is that we have not had any boats arrive since early December. Certainly much of the intensity of the activity of that group was driven by the need to respond in a coordinated interdepartmental way to boat arrivals.

Senator JACINTA COLLINS—Mr Doyle, I would like to go to the nature of the information you provided to Ms Bryant's inquiry. It is indicated here that evidence was provided by you by interview. This is perhaps a more general question which might need to go to Dr Raby as well. Was there any other evidence from DFAT provided to this investigation?

Mr Doyle—Not from me. I was interviewed, and then Ms Bryant gave me a copy of her record of the interview and asked me if I agreed that that was a true record. I suggested a couple of minor amendments and then signed that and returned it to her. She did not ask for and I did not provide any other evidence.

Senator JACINTA COLLINS—And for the department?

Dr Raby—The answer is no, as far as I am aware.

Senator JACINTA COLLINS—Mr Doyle, is your current position Director, Refugees, Immigration, Transnational Crime for DFAT?

Mr Doyle—It was at the time. There is now a new title but with much the same functions.

Senator JACINTA COLLINS—Were you aware of any of the reports that Ms Bryant refers to of the views of asylum seekers on SIEV4 regarding the incident?

Senator Hill—I am sorry; could you say that again?

Senator JACINTA COLLINS—Ms Bryant, in her report, reports on reports of the views of asylum seekers who were on SIEV4 regarding the incident. Are you aware of those reports?

Mr Doyle—I am aware of one report.

Senator JACINTA COLLINS—When were you first aware of that report?

Mr Doyle—I think the report was produced around 20 November.

Senator JACINTA COLLINS—This is Ms Bryant's report or the first report of the incident you are aware of?

Mr Doyle—The report that I am referring to talks about interviews conducted with people from SIEV4.

Senator JACINTA COLLINS—Conducted by whom?

Mr Doyle—Conducted by DIMIA officials.

Senator JACINTA COLLINS—Please tell us what you understand of that?

Mr Doyle—I do not recall it in any great detail. I understand that DIMIA officials travelled to the Manus Island processing facility and interviewed people from SIEV4 on a number of issues concerning their refugee claims, basically, but also touched on a number of issues. The department of immigration produced a quite lengthy report on this issue which, as I say from my recollection, was published around 20 November.

Senator JACINTA COLLINS—This was the first that DFAT would have been aware of such reports from these asylum seekers?

Mr Doyle—That was certainly the first one that I was aware of, yes.

Senator JACINTA COLLINS—Dr Raby, I also want to go to your participation in the People Smuggling Task Force and again refer to Ms Bryant's report where she indicates that Ms Halton had indicated on at least a couple of occasions the need for corroboration with Defence officials during the process related to this incident. Were these issues ever discussed during the task force meetings, to your knowledge?

Dr Raby—No, there were no agenda items or, as far as I am aware, explicit discussion, as a task force, of those issues.

Senator JACINTA COLLINS—So there was never a discussion during task force meetings of the need to corroborate the report that we have had reported to us and that the participants of the task force signed off on that children had been thrown overboard?

Senator Hill—Do you understand the question?

Dr Raby—No, I have to say that I am lost.

Senator Hill—I will try to help you, because it was asked the other day. There is some suggestion that there should have been more corroboration of facts before they were agreed or reported on.

Senator JACINTA COLLINS—No, Senator Hill, you are on a different question here.

Senator Hill—Sorry, I do not understand your question.

Senator JACINTA COLLINS—Ms Bryant's report indicates that Ms Halton sought corroboration from Defence after the fact of the task force reporting, following the 7 October meeting, that children had been thrown overboard. I am asking Dr Raby whether, from his participation in these meetings, he is aware of any discussions during task force meetings that such corroboration was sought.

Dr Raby—All I can recall, and this may be relevant, is that there were, if you like, side discussions between the chair and Defence on questions of, 'Where are the photos?' or 'When are they coming?' It was not talking about corroboration as such but working on the basis that the evidence was there and when would it be transmitted or conveyed or passed on to the relevant people.

Senator JACINTA COLLINS—So when would the task force participants actually get to see the evidence?

Dr Raby—No, it was not an issue put in front of the task force and we did not have any expectation that that evidence would be put on the table for us.

Senator Hill—It sounds like chatter in the margins.

Senator JACINTA COLLINS—We know from the report it was obviously an issue for the chair. I am asking whether it was an issue for the task force or a side issue for the task force, of which Dr Raby was aware.

Senator Hill—Apparently not.

Senator JACINTA COLLINS—Okay, thank you.

Senator FAULKNER—After that brief diversion, Mr Chairman, are those officials free to answer those questions that I was asking?

Senator Hill—Are we finished with these officials?

Senator FAULKNER—I think so, for the moment. This was just a diversion while we were waiting for the other officials.

Senator Hill—You are now on standby.

Senator FAULKNER—We canvassed these issues because the officials were not here.

Dr Thomas—Can I just clarify whether questions from now on will just be for AusAID or do you still need DFAT.

Senator FAULKNER—I think they are probably for both. What we are going to try and do—and the chairman was going to say this to you—is to see if we can conclude this within the next 30 or 40 minutes basically.

CHAIR—I had indicated, Minister, that we would break at half past three for smoko, but there is an indication that we may well finish by four. If we can do that, we will take a break at four and proceed with Defence after a smoko.

Senator FAULKNER—I am hopeful it will not take too much longer than that, Mr Chairman.

CHAIR—Thank you, Senator Faulkner.

[3.28 p.m.]

AusAID

Senator FAULKNER—I have drawn attention to the correction of the Secretary of the Department of the Prime Minister and Cabinet to some evidence given on Monday to the F&PA estimates committee. I just wondered if we could confirm that Mr Howard met with the Prime Minister of Papua New Guinea, Mr Morauta, during the Shanghai APEC meeting.

Mr Tapp—Yes, we understand that Mr Howard did meet with Mr Morauta in the margins of the APEC meeting.

Senator FAULKNER—Is it true that an agreement was reached about PNG detaining boat people with some discussion about the cost implications of such an agreement on top of Australia picking up the costs of holding and processing the detainees?

Mr Tapp—Senator, I cannot comment in relation to any discussion that there may have been in terms of boat people. The issue from the aid program was merely the issue of some questions of reprioritisation which were in the context of Papua New Guinea's macro-economic situation at the time. This was not a new issue; this was an issue which had been discussed on a number of occasions previously with senior officials and ministers from the government of Papua New Guinea.

Senator FAULKNER—Mr Moore-Wilton, in his letter of correction, says:

- I stated that I thought agreement on assistance by way of reprioritisation was made during bilateral officials' discussions. I confirm that at the meeting I chaired on 26 October 2001, agreement in principle was reached at official level on the nature of assistance—shortly after the Shanghai meeting rather than at the same time as I indicated;

Were AusAID officials at that meeting of bilateral officials?

Mr Davis—Yes, Senator, we were.

Senator FAULKNER—Who was AusAID represented by?

Mr Davis—By me and Mr Dillon, who is the assistant secretary for the PNG branch.

Senator FAULKNER—As I understand it—but please correct me if I am wrong—what happens is that there is a significant reprioritisation or diversion, whatever word is appropriate, of the AusAID budget to PNG.

Mr Davis—I do not know if I would categorise it as a significant one. There were some requests from Papua New Guinea for another look at the nature of some of our existing projects and where the priorities within those existing projects might be focused in the short term, particularly taking into account the economic situation that Papua New Guinea was at that stage facing.

Senator FAULKNER—I asked in the PM&C estimates on Monday if the figure was the \$34 million. Is that figure right?

Mr Davis—Yes. That is confirmed in the clarifications from the secretary of PM&C.

Senator FAULKNER—I do not know how we define significant, but is 10 per cent of the PNG aid budget?

Mr Davis—That is right.

Senator FAULKNER—Is that significant or not?

Mr Tapp—The sum involved is 10 per cent of the total value of the program. But, as I was indicating before, some of these issues were already being discussed with PNG officials and had been raised by ministers previously. It is quite normal for us, under the development cooperation agreement that we have with Papua New Guinea, to be able to respond to needs that occur within the country. I can quote some other examples if you wish. Quite clearly, from AusAID's perspective and within the context of the government, the requirement to be able to provide whatever assistance was possible to the Papua New Guinea government in dealing with the macro-economic problems it faced was a high priority. That is, in the context of our program with Papua New Guinea, a significant focus of the work that the aid program is seeking to undertake. At high-level consultations that we have annually with the government of Papua New Guinea, almost the first item on the agenda that we discuss is the macro-economic framework faced by the country at the time, and we look at the context of the aid program within that.

Senator FAULKNER—When was this request forthcoming from the PNG government?

Mr Tapp—This specific request—which, as I said, had followed a number of other requests which had been made to us in different fora and at different times—was originally raised, as the Secretary of the Department of the Prime Minister and Cabinet has indicated in the letter that he forwarded, at a meeting on 17 October, when the chief secretary of the department of the Prime Minister and cabinet in Papua New Guinea, Mr Igara, told the

Australian High Commissioner in Port Moresby that he would be forwarding a letter containing such a request.

Senator FAULKNER—So it was 17 October. This, of course, is during the Australian federal election campaign.

Mr Tapp—That is correct.

Senator FAULKNER—While the caretaker provisions applied?

Mr Tapp—Yes.

Senator FAULKNER—Mr Moore-Wilton, in his letter to the secretary of the F&PA legislation committee, says this:

- I stated that there was no outcome from the meeting between the Australian Prime Minister and the PNG Prime Minister in Shanghai. I should make it clear that it was agreed at that meeting that officials should have early discussions about the reprioritisation of aid;

That was an outcome of the meeting of the two prime ministers. How quickly did this issue develop?

Mr Davis—As I think has been indicated, the meeting then took place on 26 October.

Senator FAULKNER—When were the matters finalised?

Mr Tapp—Following those discussions on 26 October, a senior AusAID official went up to Papua New Guinea and met with PNG agencies in Port Moresby to discuss implementation issues. As a result of that, on 2 November the Australian High Commissioner in Port Moresby wrote to Mr Igara to confirm formally the broad terms of the arrangement. The overall implementation of this is obviously ongoing at the moment.

Senator FAULKNER—Yes, but the deal was finalised on 2 November.

Mr Tapp—The broad terms of the arrangement were communicated to Mr Igara on 2 November.

Senator FAULKNER—That is still during the caretaker period for the election campaign?

Mr Tapp—Yes.

Senator FAULKNER—Can you tell us now, given that that occurred on 2 November, from what projects were aid funds diverted to what different or new projects?

Mr Tapp—The main sectors that we were looking at within the context of the reprioritisation were the sectors of health, education, infrastructure and governance. We had significant ongoing programs in these sectors—they are indeed referred to in the treaty that we have with the government of Papua New Guinea. The specific details of how the overall reprioritisation will occur will, of course, be dependent upon the final outcome at the end of the financial year. As we are going through implementation, this can be affected by relative spending levels, and of project delays which may occur. As you could imagine, in a program of \$300 million that we have with Papua New Guinea, such reprioritisation is actually quite normal, as I have mentioned before. We can, if you wish, provide you with some more details on this, but it is still, in terms of the implementation of this agreement, a work in progress.

Senator FAULKNER—Yes, but can you tell me which projects?

Mr Tapp—We have made some initial indications of the projects and activities. Some of our early additional expenditure projections had to be adjusted in order to deal with the

reprioritisation. The reprioritisation is going to already existing activities. It is just a shift in the relative number of resources being put into each.

Senator FAULKNER—With respect, that is the most number of qualifications I have ever heard in any sentence ever uttered in the English language. What I am trying to focus on is just a bit of detail.

Mr Tapp—What I am saying is that we can provide you with information relating to our projected reallocation in terms of where some of those resources were coming from and the activities they were being allocated to. The only qualification I am trying to make is the fact that the final nature of that, in terms of the actual sums, will not be available until the end of the financial year. But we can certainly show you and we can provide to you—and I will take that on notice—what our projections are in relation to that and with the details of the activities concerned.

Senator FAULKNER—Can we be satisfied that the funds have not been diverted from projects that have already started?

Mr Tapp—Obviously there are some programs which are ongoing to which there may not be, at the end of the financial year, the same number of resources allocated.

Senator FAULKNER—What is the effect of that diversion?

Mr Tapp—Given the relative expenditure levels that we have on programs, it is quite normal that we would have some projects which would be spending less than we may initially have projected. We had discussions with the Papua New Guinea government authorities in relation to which projects and activities we should be reallocating certain resources to. It is the reallocation of resources from some activities to others. That occurred in discussions we had with the Papua New Guinean authorities—the various departments—in terms of implementing the reallocation.

Senator FAULKNER—I want to be assured as to how legitimate these are as aid projects. Can you assure the committee that they are legitimate?

Mr Tapp—Absolutely. All the activities to which the \$34 million is being applied are legitimate activities. They are ongoing sectoral activities that we have within our program in Papua New Guinea.

Senator FAULKNER—Who nominated those projects to divert from and to?

Mr Tapp—They were based upon discussions we had with the Papua New Guinean government.

Senator FAULKNER—But who nominated them? Did they nominate PNG?

Mr Tapp—I would say that it is the result of a joint discussion between Papua New Guinea and us. Because of the nature of the joint cooperation agreement we have with Papua New Guinea, it would be perfectly normal that we would be discussing and reaching a consensus between ourselves and the Papua New Guinea authorities in terms of any reallocation within the program. That occurred in this case, as it occurs in other cases when there are reallocations within the program.

Mr Davis—The sorts of things we are talking about in the health sector are the provision of pharmaceuticals; in the education sector, the provision of school materials—textbooks and the like—and in the infrastructure area, maintenance on key roads. So we are talking about

key types of aid activities which have long been a mainstream part of the Australian aid program.

Senator FAULKNER—Key roads—in whose opinion?

Mr Tapp—For example, we are looking at road maintenance issues concerning maintenance of the Highlands Highway. The Highlands Highway is the key communication corridor that exists within Papua New Guinea. That is clearly a priority. It has been a high priority for the aid program for many years and will continue to be so.

Senator FAULKNER—Was there already a commitment to these projects in the PNG budget?

Mr Davis—No, at the time we were in these discussions it was the lead-up to Papua New Guinea working through and finalising their next year's budget, and that was a significant part of the reason why they wanted to have the discussions at that time.

Senator FAULKNER—Is an effect of this that there is an Australian payment for items that might already have had some budgetary commitment to them in the PNG budget? Wouldn't that possibly free up budget money for other things?

Mr Davis—They were finding it particularly difficult in the preparation of that budget to adequately resource very basic health, education and infrastructure services.

Senator FAULKNER—Do we know where any of this freed up money may have been spent?

Mr Tapp—There are essentially two elements to the PNG budget. One of the elements is referred to as a development budget. This contains expenditures which are used for developmental purposes. The issue we were facing was that the PNG government were facing a slower than anticipated return from their privatisation program—a program the Australian government have been very supportive of. It was raised with us that PNG had faced difficulties in maintaining health, education and infrastructure spending. That is the basis upon which we responded. To be able to specifically state exactly what various elements of the \$34 million may have then been applied by the PNG government, we cannot answer that question. However, within the context of the PNG budget, there is a significant amount that they put into their development budget, which are for items associated with the long-term development of the country.

Senator FAULKNER—Can you indicate to the committee, as this arrangement was developed, whether the question of detainees was linked in any way in these discussions?

Mr Davis—I was present in the discussions on 26 October and it was not raised or linked in any shape or form.

Senator FAULKNER—So this is quite a regular thing, is it, these sorts of changes to the aid budget from PNG? You indicated this was not unusual. Can you give me a bit of a feel for how often this might have happened with PNG and other countries?

Mr Davis—One of the examples I gave before was the provision of pharmaceuticals. That has been something we have had requests for on a number of occasions and we have provided pharmaceuticals to Papua New Guinea in the past.

Senator FAULKNER—What priorities were lost in this reprioritisation or diversion? Can I just be clear on that? There may have been new priorities, sure. What were lost?

Mr Tapp—As I said, we can provide you with a list of the activities which have been identified as potentially having a lower allocation to them in order to meet the \$34 million reprioritisation. You raised the issue of what priorities were lost. As I mentioned before, under the development cooperation treaty that we have with Papua New Guinea, the sectors of health, education, infrastructure and governance are highlighted as the key sectors within which the Australian aid program is to be engaged in Papua New Guinea. Therefore, the priorities are very much the case that, as things change within the context of PNG within those sectors, we will always look at those issues and, with the Papua New Guinea government, assess the relative priorities that we are looking at. As I said, the list that we can provide you with of the indicative activities, which may have a lower allocation this year than had previously been thought, will give you an indication of the specific activities.

Senator FAULKNER—Look, is a reprioritisation of this sort of quantum—\$34 million—unusual?

Mr Davis—I have certainly been involved in similar reprioritisations of that level previously.

Senator FAULKNER—Could you give me some examples, Mr Davis?

Mr Davis—I would need to go back and check exactly when that happened. I could not do it now, but I could take that on notice.

Senator FAULKNER—Any experience in the last five to 10 years?

Mr Davis—One experience was that, until about three years ago, we provided significant budget support. I can recall one year when there was a request at the very beginning of the fiscal year for a bringing forward of that budget support to be provided at the beginning of the fiscal year rather than through, and we agreed to that. It was a similar sort of request to this one.

Senator FAULKNER—Was there any pressure to have this request considered before Australia's federal election?

Mr Davis—There was no reference at any stage to an election in the discussions that I was involved with.

Senator FAULKNER—Was there any pressure to have this request considered and agreed and implemented before the Australian federal election?

Mr Davis—No; and, as evidenced by what Mr Tapp has been saying, in a sense we are still going through that implementation process right now.

Senator FAULKNER—So this was an absolutely normal process, in your view, for considering competing priorities for aid funding?

Mr Davis—Yes.

Mr Tapp—Senator, I might provide a little more background to this. In meetings certainly that I attended and that some of my colleagues attended with senior officials and ministers in Papua New Guinea—we had been approached in relation to the Papua New Guinea government's development charter, which was contained in their budget for 2001—we were asked about some reprioritisation within that context. I had discussions with senior officials, departmental secretaries and a minister in Papua New Guinea, and it was raised at the ministerial forum held between Papua New Guinea ministers and Australian ministers here in Canberra in February 2001. When I was in Papua New Guinea on other occasions last year

the issue of the macro-economic difficulties that they were facing, the slow pace of privatisation and the reprioritisation question were raised with me by a departmental secretary and also by a minister from Papua New Guinea. These were issues that were discussed and raised and ones that we would be responding to. We responded to the issue around the development charter. Another example of a situation where some reprioritisation occurred would be in the Bougainville context. A commitment was made for a contribution of \$100 million to Bougainville as a peace dividend in 1997. That is a very significant reprioritisation within the program and one that the aid program was obviously immediately looking to implement. That reflected priorities for the Papua New Guinean government and the Australian government at the time.

Senator FAULKNER—How are these sorts of processes normally handled? Would Mr Moore-Wilton, as Secretary of the Department of the Prime Minister and Cabinet, normally chair a meeting of relevant officials?

Mr Davis—I do not know if you could actually characterise anything as a normal arrangement. The one part of the arrangement that would always be constant would be early contact between the Papua New Guinean government and our High Commission in Port Moresby. That was a key feature in this case, as on previous occasions. There would then be the need for discussions between officials of Australia and Papua New Guinea, as occurred on this occasion.

Senator FAULKNER—But I am just saying that Mr Moore-Wilton, as he has pointed out in his correction, chaired a meeting on 26 October 2001, a bilateral officials' discussion where agreement in principle was reached. That is standard operating procedure, is it?

Mr Tapp—I would think that, on the basis that, from the Papua New Guinea side, the Secretary of the Department of the Prime Minister and Cabinet department was involved in the discussions, yes, it would be appropriate for Mr Moore-Wilton to be chairing that discussion.

Senator FAULKNER—So it happens regularly, does it?

Mr Davis—The Secretary of Prime Minister and Cabinet has regular meetings with his counterpart, yes.

Senator FAULKNER—I am sure he does have regular meetings with his counterpart, but I am sure you also know, Mr Davis, that was not what I was asking. I was asking about the chairing of the officials' discussions in relation to the aid budget. I am just trying to establish: is that standard operating procedure? It may be.

Mr Davis—Senator, I said before that the approach would vary on some occasions. There would be the standard engagement of both the high commission and senior Papua New Guinea officials at a very early stage. In this particular case, following on from the Prime Minister's meeting with the Papua New Guinean Prime Minister in Shanghai, it was a logical flow-through that part of the process would involve the secretary of Prime Minister and Cabinet here.

Senator FAULKNER—I will ask again: is that the standard procedure?

Mr Davis—After a meeting of prime ministers, yes.

Senator FAULKNER—So it has happened before?

Mr Davis—There certainly have been such meetings before. I am reminded there was a case during the time of Prime Minister Skate when exactly the same process occurred, yes.

Senator FAULKNER—Has it ever happened before in an election campaign?

Mr Davis—I am not aware of that happening, no.

Senator FAULKNER—Did AusAID attend all the officials' discussions around this issue? In other words, was AusAID represented at the meeting that Mr Moore-Wilton had with his counterpart in PNG about this aid issue?

Mr Davis—Indeed, we were. That is the one on 26 October, and then the follow-up was done all within—

Senator FAULKNER—But is that the only meeting?

Mr Davis—Yes.

Senator FAULKNER—This original arrangement, as you know, takes place in the margins of APEC—or the Prime Minister of Australia has a meeting with the Prime Minister of PNG. Did you brief the Prime Minister on this question? I am not asking you for the substance of the brief; I am just asking if you briefed him, or your minister.

Mr Davis—Senator, I am advised we did provide a briefing as part of the briefing for the APEC meeting.

Senator FAULKNER—On this specific issue?

Mr Davis—I will get Mr Dillon to comment further.

Mr Dillon—Yes, Senator, we did provide a briefing for APEC. From memory, I do not recall that this particular issue was around at the time. I think we did have some inkling or suggestion that there could be a request and so, although I cannot go to the detail of the content of the brief—

Senator FAULKNER—I am not asking you to. You did not brief on the substance of a reprioritised aid package for PNG?

Mr Dillon—I suppose what I can say is that our briefing was not irrelevant to these issues in the broad, but it was not directed to the specifics of this—

Senator FAULKNER—I am glad that it was not irrelevant. But you did not brief on this issue. How did you get this inkling?

Mr Dillon—We keep our ears close to the ground.

Senator FAULKNER—Great. What did you pick up?

Mr Dillon—As Mr Davis has already indicated, there is a long history of PNG looking to, in a sense, squeeze something different or everything extra out of the aid program. Sometimes we are quite happy to go along with that; other times we have concerns or would prefer not to. It is a dynamic relationship with a range of structural tensions in it, so I think it was more caution on my part to inject a sense of realism into the briefing. But that is about as far as I can go, I think.

Mr Tapp—Obviously, the question of the economic difficulties being faced by Papua New Guinea were a very important element of any briefing that would be being provided.

Senator FAULKNER—So AusAID gets an inkling of this. I am just trying to find out where this inkling comes from. Does it come from—

Mr Davis—Part of that is, as Mr Tapp indicated earlier, that these sorts of issues had been raised with him on a number of occasions during the course of the year. I know they have

been raised also at the Papua New Guinea-Australia ministerial forum—concerns about the difficulty that the Papua New Guinea government was going to have in putting together their next year's budget.

Senator FAULKNER—So this is all informal. But when do you formally know, when does it become more than an inkling that this is on the agenda?

Mr Tapp—By 17 October, because that was the point at which chief secretary Mr Igara had mentioned to our high commissioner in Port Moresby that they would be sending a letter which would be requesting the reprioritisation.

Senator FAULKNER—To whom does the letter go?

Mr Tapp—The letter was actually not received.

Senator FAULKNER—Right.

Mr Tapp—However, the deputy high commissioner in Port Moresby was informed by a PNG senior official that Prime Minister Morauta would like Australia to reprioritise the program in order to accommodate the lower than expected proceeds from the privatisation process. At that point, it was clear that—

Senator FAULKNER—So no letter is received but there is a discussion. Is that right?

Mr Tapp—It would appear that there are two discussions.

Senator FAULKNER—Let us just be clear. Who is involved in these discussions and when did they take place?

Mr Tapp—As Mr Moore-Wilton has indicated in the written notes that he has provided, on 17 October the official involved was the Australian high commissioner and on 19 October it was the deputy high commissioner.

CHAIR—Senator Faulkner, can I interrupt you, please. How much longer do you expect it will be before you finish this?

Senator FAULKNER—Would you prefer to have a quarter of an hour break?

CHAIR—We might take a break.

Senator FAULKNER—I can say to Mr Thomas that we are not going to delay the department or AusAID for a long time this afternoon, so you are not in for a late night or anything like that. As far as the opposition is concerned, this will be over well and truly before the dinner break, and probably around no later than five o'clock I would estimate. But by all means have a break.

CHAIR—Thank you, Senator Faulkner.

Senator Hill—Are you still wanting the core departmental officers?

Senator FAULKNER—I want to briefly deal with this issue and some associated issues in relation to either PNG or Nauru. If, Minister, I can place my other questions on notice—

Senator Hill—So you want departmental people related to PNG and Nauru?

Senator FAULKNER—Yes.

Senator Hill—And the others can go?

Senator FAULKNER—Because this is my first experience of this department during estimates. I cannot be certain which officers have responsibility here. I am sure Dr Thomas can help us out.

Proceedings suspended from 4.05 p.m. to 4.27 p.m.

CHAIR—Before we continue with Senator Faulkner's questions, I want the minister and Dr Thomas to know that Senator Harradine has some questions for AusAID, which he will put on notice.

Senator FAULKNER—Just before the break, we were talking about this reprioritisation in the PNG aid budget. What happened to our witness? He has gone. I am interested in understanding, Mr Davis, what the urgency was in this, if indeed there was urgency. How long does it normally take to solve these issues?

Mr Davis—The urgency centred around the budget preparatory timetable that Papua New Guinea itself was entering. It was entering a critical period in the preparation of their next year's budget.

Senator FAULKNER—What was the urgency from Australia's perspective?

Mr Davis—To be responsive to the concern that the Papua New Guinea government had about being able to move forward to complete the preparations of their budget.

Senator FAULKNER—Were there other imperatives, Mr Davis?

Mr Davis—No.

Senator FAULKNER—None at all?

Mr Davis—No.

Senator FAULKNER—So is it usual, in a situation like this, for a request to come on 17 October; for a meeting to take place on 26 October, chaired by the Secretary to the Department of the Prime Minister and Cabinet; for an official to go to PNG on 30 October; and, for an agreement to be finalised on 2 November—two weeks—in the middle of an election campaign in Australia?

Mr Tapp—This followed discussions at the APEC meeting between the Prime Minister of Australia and the Prime Minister of Papua New Guinea. Officials were clearly following up immediately in relationship to that. That is really as much as one could say.

Senator FAULKNER—Are reprioritisations to the aid budget normally dealt with, from start to finish, in a two-week period?

Mr Tapp—I think I commented earlier on that the details of the reprioritisation and its implementation will not be completed until the end of June this year. That is quite a significant period.

Senator FAULKNER—From the request on 17 October to the broad agreement between Australia and PNG—and I think that is reasonable use of language—about the deal on 2 November is a period of 16 days. Is that the way the department normally deals with these issues?

Mr Tapp—All I can say is that, within the context of the preparation of the PNG budget—which I think was to be introduced into the PNG parliament at the beginning of December—it was necessary, if there was going to be some reprioritisation, for us to respond rapidly.

Senator FAULKNER—But this was not driven by AusAID at all, was it? This was driven by the Department of the Prime Minister and Cabinet.

Mr Davis—No, we were very heavily engaged in that whole process.

Senator FAULKNER—It was an afterthought, wasn't it, Mr Davis?

Mr Davis—To involve us?

Senator FAULKNER—Yes.

Mr Davis—No. The engagement of AusAID in working through what the components of such a reprioritisation might be was the central business that we were involved in.

Senator FAULKNER—This was driven by Mr Moore-Wilton, from the Department of the Prime Minister and Cabinet, wasn't it?

Mr Davis—I would say it was driven by the interests put to the Australian government by the Papua New Guinean government.

Senator FAULKNER—We never learn the full nature of the political arrangement—what the quid pro quo might be—and that is what I would like to know in relation to this diversion of aid money which took place, in the middle of our federal election campaign, in an incredibly short 16-day period. I would like to know the full details of the political purposes both in PNG and in Australia.

Senator Hill—How can you ask the official about the political purposes? You should ask him about the program.

Senator FAULKNER—Minister, this was driven by the Department of the Prime Minister and Cabinet—the international division of PM&C.

Senator Hill—That is what you want to assert.

Senator FAULKNER—It is about the mechanics of the deal. The money being paid over was the only role that AusAID had. That is the truth of it.

Senator Hill—You had a full day to question Mr Max Moore-Wilton on the thing. What you are really saying is that you are not getting anywhere, so now is the time for the spin. So are there any questions?

Senator FAULKNER—The question is: have we ever had such an arrangement, organised over such a short time frame—16 days from start to finish—in the middle of an election campaign when the caretaker provisions should apply for something like this, but have not applied in this particular instance, that happened to bring political advantages certainly to the Australian government and possibly at the PNG end as well?

Senator Hill—This is just an abuse. I am surprised it has taken so long to get to this point. Officials have to be asked questions within their knowledge.

Senator FAULKNER—Is that the answer to the question—that officials have to be asked questions within their knowledge?

Senator Hill—Of course they do. You have to ask them about the aid program.

Senator FAULKNER—What you are saying, of course, is that it is not within their knowledge; it is within the knowledge of PM&C and the International Division and some political fix that goes in.

Senator Hill—What you are doing is seeking to make a rather feeble political point.

Senator FAULKNER—I suspect we will not get any further on that issue at this stage. Let me ask a more general question, possibly to AusAID but perhaps better directed to you, Dr Thomas. What are the accepted methods of payment of Australian government assistance? I am not sure whether this is a DFAT issue or an AusAID issue, I am sorry.

Mr Davis—If you are referring to the Australian aid program, the vast majority is not money changing hands, it is the provision of Australian goods and services provided for specific activities in individual countries.

Senator FAULKNER—That is why I am asking the question. I thought the question might be better directed to Dr Thomas. In relation to the so-called Pacific solution, there have been financial payments—sums of money—to Nauru, as opposed to the point that the AusAID officers properly mentioned: the provision of aid. Hence my question is more generally about the methods of payment of Australian government assistance. I do not know who is best to answer that question. Could someone help me?

Ms O’Keeffe—The only cash payment that has been made to Nauru this financial year was approximately \$1 million for civil servant salaries. This was not in connection with the so-called Pacific solution; this was in connection with the rehabilitation trust fund. This comes out of a Court of Justice proceeding that Nauru undertook, the decision of which was made in 1993. As a result of that Court of Justice finding, Australia provides \$2.5 million each year, indexed to 1993, in response to development assistance activities that Nauru may identify. The payment of civil service salaries comes within the definition of development assistance activities according to the terms of the rehabilitation agreement that we have.

Senator FAULKNER—Thanks for that. So there is only one element of cash payment. In relation to Australian government assistance to Nauru—I do not want to use the word ‘aid’ here because I do accept the definitional point that was made by the officials at the table—could I ask you please to provide on notice a breakdown of Australian government assistance to Nauru? If you are able, please provide the method of payment—accepting Ms O’Keeffe’s helpful information—and the dates of that payment. I think it is best that I place that question on notice. But I can be assured, Dr Thomas, that the cash payment that Ms O’Keeffe has mentioned is the only one that has occurred in this financial year?

Dr Thomas—Yes. DFAT has made no monetary payments to Nauru. Most of the assistance, as I understand it, will be in the form of AusAID supplied or for arranged goods and services.

Senator FAULKNER—But DFAT would be aware of the totality of Australian government assistance to Nauru?

Dr Thomas—Yes. We can get the details, but primarily it would be AusAID money.

Senator FAULKNER—Primarily, yes. My question is: is another portfolio involved? In other words, DFAT would necessarily be aware of the entirety of Australian government assistance to Nauru. That is the question I am asking.

Dr Thomas—DIMIA, the immigration department, will have spent an amount of money in relation to Nauru. It is not necessarily in the form of assistance as such. It is to do with the costs of the processing there. But that is really a DIMIA issue. We do not necessarily have that detail.

Senator FAULKNER—That is what I am asking, I suppose. You are satisfied if I put this question in terms of Australian government assistance?

Dr Thomas—Yes.

Senator FAULKNER—Your portfolio has broad responsibility and those issues would be completely covered by your portfolio. What you are saying is there may be other payments from the department of immigration that would not necessarily be covered by the extent of that question. Is that correct?

Dr Thomas—Yes.

Senator FAULKNER—We can ask them on Friday. I will put other questions on notice.

CHAIR—Thank you, Senator Faulkner. I thank the minister, Dr Thomas, AusAID and the officers of the Department of Foreign Affairs and Trade. We shall see you all again in June.

Proceedings suspended from 4.41 p.m. to 4.47 p.m.

DEFENCE PORTFOLIO

In Attendance

Senator Hill, Minister for Defence.

Department of Defence

Portfolio overview and major corporate issues

Mr Mick Roche, Acting Secretary, Department of Defence

Admiral Chris Barrie, AC, Chief of the Defence Force

Lieutenant General Des Mueller, AO, Vice Chief of the Defence Force

Mr Greg Harper, Chief Finance Officer

Budget summary and financial statements

Mr Greg Harper, Chief Finance Officer

Mr Rick Martin, Assistant Secretary, Strategic Business Management

Improvement initiatives (Efficiencies, Commercial Support Program, management information systems)

Mr Greg Harper, Chief Finance Officer

Mr Rick Martin, Assistant Secretary, Strategic Business Management

Commodore Syd Lemon, Director General, Maritime Support

Capability development

Lieutenant General Des Mueller, AO, Vice Chief of the Defence Force

Major General David Hurley, DSC, Head, Capability Systems

Rear Admiral Peter Clarke, AO, RAN, Head, Knowledge Systems

Colonel Doug Stedman, Head, Reserve Policy

Capital budget: major capital equipment and major capital facilities projects

questions to Defence Materiel and Infrastructure

Major General Peter Haddad, AM, Commander, Joint Logistics

Rear Admiral Kevin Scarce, CSC, RAN, Head, Maritime Systems

Dr Ian Williams, Head, Land Systems

Air Vice Marshal Ray Conroy, AM, Head, Aerospace Systems

Air Commodore Jon Pike, AM, Director General, Aerospace Materiel Management

Mr David Learmonth, Head, Industry Division

Ms Shireane McKinnie, Head, Electronic Systems

Air Vice Marshal Norman Gray, AM, Head, Airborne Surveillance and Control

Ms Ann Thorpe, Executive Director, Finance-Materiel

Mr Shane Carmody, Deputy Secretary, Corporate Services

Mr Mike Scrafton, Head, Infrastructure

Mr Ross Bain, Assistant Secretary, Estate Management

Responses to questions on notice from 2001–02 budget estimates hearing.

Defence outputs

Output 1: Defence operations

Rear Admiral Chris Ritchie, AO, Commander, Australian Theatre

Mr Kevin Pippard, Director, Business Management, Headquarters Australian Theatre

Output 2: Navy capabilities

Vice Admiral David Shackleton, AO, RAN, Chief of Navy

Captain Bruce Haines, Acting Director General, Navy Business Management

Rear Admiral Kevin Scarce, CSC, RAN, Head, Maritime Systems, Defence Materiel Organisation

Commodore Mike Deeks, RAN, Commander, Australian Submarine Force Element Group

Output 3: Army capabilities

Lieutenant General Peter Cosgrove, AC, MC, Chief of Army

Major General Peter Leahy, AM, Deputy Chief of Army

Mr Lance Williamson, Director General, Corporate Management Planning Army

Dr Ian Williams, Head, Land Systems

Output 4: Air Force capabilities

Air Marshal Angus Houston, AM, Chief of Air Force

Mr George Veitch, Assistant Secretary, Resources Planning Air Force

Air Vice Marshal Ray Conroy, AM, Head, Aerospace Systems

Output 5: Strategic policy

Dr Richard Brabin–Smith, AO, Deputy Secretary, Strategy

Air Vice Marshal Alan Titheridge, AO, Head, Strategic Command

Mr Pat Carroll, Acting First Assistant Secretary, Strategic and International Policy

Output 6: Intelligence

Mr Frank Lewincamp, Acting Deputy Secretary, Director Intelligence

Mr Ron Bonighton, Director, Defence Signals Directorate

Ms Margot McCarthy, Head, Defence Security Authority

Public Affairs

Brigadier Gary Bornholt, Military Adviser, Public Affairs and Corporate Communication

Ms Jenny McKenry, Head, Public Affairs and Corporate Communication

David Spouse, Acting Director General, Communication and Public Affairs

Major General Roger Powell, Commander, Training Command, Australian Army

Corporate Services

Mr Shane Carmody, Deputy Secretary, Corporate Services

Mr Patrick Hannan, Head, Information Systems Division

Mr Mike Scrafton, Head, Infrastructure

Commodore Michael Smith, AM, Director General, Defence Legal Office

People

Defence Personnel

Rear Admiral Russ Shalders, CSC, RAN Head, Personnel Executive

Mr Brendan Sargeant, Deputy Head, Defence Personnel Executive

Air Commodore Roxley McLennan, Director General, Career Management Policy

Captain Tim Maddern, RAN Acting Director General, Defence Health Service

Ms Bronwen Grey, Director, Defence Equity Organisation

Group Captain Robert Cooper, Director, Workforce Planning and Establishments

Colonel Mark Bornholt, AM, Director, Defence Force Recruiting Organisation

Mr Jason Brown, Director, General Safety Compensation and People Development

CHAIR—I declare open this meeting of the Senate Foreign Affairs Defence and Trade Legislation Committee and I welcome back Senator Hill, the Minister for Defence. I welcome Admiral Barrie, Mr Mick Roche and other officers of your department and serving personnel. Today's hearing will be suspended between 6.30 and 7.30 for dinner. The committee will consider particulars of the proposed expenditure for the Department of Defence, Defence Housing Authority and the Department of Veterans' Affairs, in that order. The Department of Veterans' Affairs will be on Friday morning.

The committee has before it the particulars of proposed expenditure for the service of the year ending 30 June 2002, documents A and B, and the portfolio additional estimates statement for the Department of Defence. The committee will first consider the portfolio overview and major corporate issues. We will then move on to outputs, business processes and people. When written questions on notice are received, the chair will state for the record the name of the senator who submitted the questions. The questions will be forwarded to the department for an answer. The committee has resolved that the deadline for the provision of answers to questions taken on notice at these hearings is Wednesday, 27 March 2002.

I remind colleagues that the Senate Finance and Public Administration Legislation Committee is continuing to monitor the format and the contents of the portfolio budget statements. So if you have any comments you wish to make about these documents, please place them on the public record during these estimates hearings or direct them to that particular committee.

Witnesses are reminded that the evidence given to the committee is protected by parliamentary privilege. I also remind witnesses that giving false or misleading evidence to the committee may constitute a contempt of the Senate. The Senate has resolved that there are no areas in connection with the expenditure of public funds where any person has a discretion to withhold details or explanations from the parliament or its committees unless the parliament has expressly provided otherwise. An officer of a department of the Commonwealth shall not be asked to give opinions on matters of policy. However, you may be asked to explain government policy, describe how it differs from alternative policies and provide information on the process by which a particular policy was selected. An officer shall be given reasonable opportunity to refer questions asked to another officer, to superior officers or to the minister. Minister, do you or any officer wish to make an opening statement?

Senator Hill—No.

CHAIR—We will proceed to questions on the portfolio overview.

Senator FAULKNER—I would like to ask a general question very similar to the first one I asked in the Department of the Prime Minister and Cabinet and goes to the question of the

backing-up of the email records in and out of Defence. It is probably best directed to you, I suspect, Mr Roche. I am not sure, but I am sure you will quickly correct me if you are not the right person to deal with it.

Mr Roche—I think you need an expert on this one.

Senator FAULKNER—Right. Perhaps Mr Hannan can help. Mr Hannan, I am interested in understanding what the practices are, both in the Department of Defence and also in the ADF in relation to the backing-up of email traffic in the first instance. Perhaps you could just inform the committee what the situation is.

Mr Hannan—Emails are backed up daily, weekly and monthly. The tapes are reused: once seven days have expired, the daily ones are backed up; similarly, once four weeks have expired, the weekly ones are; and the monthly ones are retained for 12 months. That applies to both the restricted and the secret systems.

Senator FAULKNER—Thanks very much for that. It sounds in the broad to be a generally similar approach to that the Department of Prime Minister and Cabinet takes. That is helpful. You could just confirm for us that that is for both incoming and outgoing email traffic.

Mr Hannan—All email traffic, with the exception of emails that are received and deleted on the same day: they will not be in the back-up. But anything that is in the in-box or the sent box will be backed up.

Senator FAULKNER—I see. Thanks for that. Because these tapes are kept for 12 months, how does reusing that material work? Give or take a week or so, do you basically reuse perhaps a week's email record after 12 months? Is that how it works?

Mr Hannan—No, there are three different sets of tapes. So for the daily ones, at the end of the week there is a differential back-up done for the week, and then the entire month's work is kept at the end of that four-week period. So everything in that month is then kept for 12 months.

Senator FAULKNER—So it would be like a rolling—

Mr Hannan—It is a rolling program.

Senator FAULKNER—A rolling program, yes. So you would drop a month off after you had 13 months, effectively.

Mr Hannan—Yes.

Senator FAULKNER—I understand. Thanks for that. What about telephonic records, please, Mr Hannan?

Mr Hannan—Where they are available, the telephone records are kept for three years. Not all PABXs are equipped with telephone information management systems and appropriate recording devices, although those in Canberra are. For all outgoing calls, the records of call activity are the extension number called, and time and duration of the call. For incoming calls, they do not include the calling party. Calls between PABXs are also recorded. Calls within PABXs—that is, within Russell complex, for example—are not recorded.

Senator FAULKNER—Just for the benefit of the committee, on this issue, Mr Hannan, can you just define 'recorded' for us?

Mr Hannan—That is the detail of the transaction for the purposes of, for example, confirmation of billing. As I said, it is the extension number, the time and the duration.

Senator FAULKNER—So it is number, call time and call duration?

Mr Hannan—And called extension from internal to outside.

Senator FAULKNER—What is the case for home telephones for senior departmental or ADF personnel?

Mr Hannan—There are some semi-official phones. The majority of those phones are paid for by individuals and a reimbursement sought. There are records for those the department pays for directly. If I recall—and I do not pay too much attention to these matters—for the majority of senior people, star rank and SES, we cashed out the semi-official phone entitlement, if you like, as part of salary packaging. So it tends to be senior officers we are dealing with on these matters.

Senator FAULKNER—So these records might be available for basically a limited number of senior officers?

Mr Hannan—A limited number, but the majority of those are getting reimbursement, so it is proof of payment and we do not obviously, therefore, get the call records.

Senator FAULKNER—We probably should cover the other type of phones—mobile phones—while we are at it.

Mr Hannan—Official mobile phone accounts, including call records, are maintained.

Senator FAULKNER—What period are they maintained for?

Mr Hannan—I think it is for a three-year period. I think it is part of the accounting record.

Senator FAULKNER—That is very helpful and I appreciate that information, Mr Hannan. I do want to go onto another issue. I am not sure whether this is in your bailiwick or someone else's, but no doubt you will help me. I wondered if it either is the situation or was the situation that phone calls in and out of Defence command centres are recorded? I am using 'recorded' here in the sense of what would happen in police departments and with emergency services and so forth.

Mr Hannan—Senator, I am sorry; I do not know the answer to that.

Senator FAULKNER—I will have to direct that elsewhere, to someone who might assist me.

Senator Hill—Do we have anyone who knows the answer to that? We might have to get you an answer on that.

Senator FAULKNER—Minister, someone may be able to help me. What I would like to know is whether phone calls both into and out of Defence command centres and operational areas are recorded, as happens with a lot of emergency services? Depending on the nature of the answer I might follow that up. I am not sure whether this is a matter for you, Admiral Barrie, or for Mr Roche, but do you think it would be possible for that to be chased up over the break?

Mr Roche—Inquiries are being made, Senator.

Senator FAULKNER—I appreciate that; thank you very much. I might come back to that at—

Senator Hill—I suspect the answer is: it depends.

Senator FAULKNER—If that is the answer, let me flag that we might just explore ‘when it depends’. You might be able to give us some information on that a little later on. Admiral Barrie, if I can, perhaps I will direct a question to you in relation to the children overboard issue. Briefly, there is a lot of concern here—certainly on the part of opposition senators, and I believe it is far more widespread—that, during this fiasco, the public was misled. The issue—and listen, Senator Hill, because you may even agree—

Senator Hill—Is this is an opening statement, Senator?

Senator FAULKNER—No, just one sentence and then I will move to a question. The issue is that, throughout the election campaign, it did not appear that anyone who knew the true facts was willing or able to set the public record straight. Having said that—and I think it is only fair to put it in that context—

Senator Hill—That is very coloured. You start with a prejudice and then get around to asking some questions. Why is it necessary to colour it like that? That is totally out of order.

Senator FAULKNER—Having said that, I might say to Admiral Barrie that it is clear from the two reports that the Prime Minister has tabled that it was the Department of Defence and the ADF that made the most strenuous efforts to set the record straight. I want to ask you, Admiral Barrie: do you believe that those efforts failed?

Adm. Barrie—I would like to answer that question in the context of the circumstances of October and November, because I think it is an important set of contexts in which to place the answer that I am about to give. The first thing to really say is that the month of October 2001, which I am sure everyone will remember, had as the priority of issues: firstly, Australia’s response to the events of 11 September; secondly, the collapse of the Ansett airline; and, thirdly, some unrest in the inner archipelago and other areas. So I am placing that in context to say that this was a period in which the Australian Defence Force, which I command, was exceedingly busy. We were, as everybody knows, involved in operations off Northern Australia which resulted in the issues that are of interest.

For my own part, there is a range of communications and other discussions—and I will go through those in a minute—but I ought to say that, by and large, my recollections are of a general nature. I did not spend the entire time in the country. I did go to Washington, I did go to Hawaii, I did go to FPDA and I did go to East Timor. There is, in the reports in front of the parliament, a chronology assembled by General Powell as to events—I do not propose to go over those—and, of course, that chronology is an assessment of what took place, when and so on and so forth. Finally, as part of that context, I ought to say that I have the utmost admiration for the young people of the Australian Defence Force who were doing the job off Northern Australia. It is tough work. It takes a lot of courage. They can do the job and, in fact, I think they have done it remarkably well. I am very proud of their efforts. In a way, I just wanted to use this opportunity to say how much I am impressed by what they are able to do, and that is in conjunction with the commitments in East Timor and Afghanistan—all of that. So it was a very busy period.

I was the Chief of the Defence Force effectively for the period from 4 October through to 25 October, when I began to travel to East Timor, FPDA and to the Chiefs of Defence Conference in Hawaii. In that period the incident about children overboard arose, from my recollection, on 6 October. That was a Sunday morning. My recollection is that the Commander Australian Theatre called me reasonably early in the morning to say that HMAS

Adelaide had intercepted a boat and that there had been a report that people were being thrown over the side.

Senator Hill—It was Sunday; I think you said Saturday.

Adm. Barrie—I meant Sunday. If I said Saturday, I am mistaken. But I think the date is right—that is, the 6th.

Senator Hill—The 7th.

Adm. Barrie—Yes, the 7th. I was not surprised by the report, simply because this is the nature of this sort of work and it is the nature of the responses these people engage in. There is quite a long history of defence forces being involved in these operations, and that is certainly typical. However, for these events it was a new turn. We had not seen it before, although I think we were well aware that a considerable level of briefing was occurring at the ports of departure on how to try and counter our efforts to stop this activity. I immediately rang the Minister for Defence, because I thought it was an important turn of events. Moreover, I was concerned that we might end up with all of these people in the water in the next few hours, and that would be a very serious issue. As events unfolded on that particular day, things quietened down once *Adelaide* was able to establish its boarding parties on board, and it is my recollection that I had no further need to communicate with Commander Australian Theatre on the Sunday.

On the Monday, efforts were now being made to prepare this particular vessel to be made seaworthy to be returned to the place from which it came. But the boarding party from *Adelaide* experienced a substantial amount of difficulty making any progress. On the Monday evening, as part of the process of trying to return this vessel, it foundered, and we ended up with all of these people in the water plus a few of our own. We transitioned from an operation in support of government policy to what I would call a safety of life at sea operation, where the commanding officer's priority very clearly is the saving of all the lives of the people that were threatened.

It is normal standard operating procedure to take photographs and videos of boarding operations as part of due process. It comes out of a long experience of having some evidentiary material if there are further proceedings. There have been occasions in the past when boarding operations have not proceeded according to Hoyle and it has been necessary to have a subsequent investigation. On this occasion, although I did not know it until General Powell had completed his report, hundreds of photographs were collected. It does seem to me that there was a great deal of confusion about which were official photographs, which were private photographs and which were photographs pertaining to particular situations over that period of time. Nonetheless, those photographs themselves are a visual record of some of the things that occurred.

In the context of photographs and the judgment about people being thrown or put over the side, the photographs themselves do not constitute the entire evidentiary material. They certainly support witness statements, perceptions formed by the commanding officer and those sorts of things. It is my view that the commanding officer's initial report which was reported to me on the Sunday in the subsequent events while I was CDF ought to stand—that is, he reported that people were thrown over the side. Although there was discussion and doubt about some of the evidentiary material, it was my judgment that the commanding officer ought to be supported and his judgment ought to stand.

After that time there was a great deal of confusion about the handling of photographic material. I had a number of conversations with the minister about the handling of photographic material. Without the benefit of having seen any of the photographs, let me recount that particular aspect. On about the Wednesday—it may have been Tuesday—I was telephoned by Minister Reith and I was asked if there would be any problem if these photographs that he had in his hand were to be released into the public domain. My response was along the lines that I could see no reason why those photographs could not be released provided there were no operational security implications. The boat had foundered the previous night. All the people had been rescued. I could see no prospect that there would be the need for those photographs to be kept away. I arranged for the head of Strategic Command to make that call, to telephone the minister in due course and give him the clearance to use those photographs that he had in whichever way he wanted.

In the subsequent media reporting there were concerns raised about the connections as to which photographs attached to which particular part of the incidents on Sunday and Monday. I do not recall the television proceedings precisely or any of the other media reporting, except to say that there was clearly a connection made between this particular set of photographs and the events of Sunday morning when I reported, and others had reported, to Minister Reith that people had been put over the side.

The following day there was a discussion—certainly a phone call—between the minister and me, and I think between others and the minister's office, about that particular issue. On my side of it, the issue was, firstly, one of the confusion and, secondly, the difficulty of a discussion about what he was holding in his hand and what I have not got holding in my hand because I have not seen the particular material that he has got. We came to an agreement that in future, if we were talking about this sort of material, we ought to make sure that we have both got copies of the same material so we are talking about the same thing.

Finally, in respect of the children overboard or the people overboard report, I did have discussions with the Commander Australian Theatre, with the Chief of Navy, and I think with the Maritime Commander—although I cannot be sure—which pointed to the fact that none of the photographic material proved that fact that I had talked to the minister about on the Sunday. But I have to say I was never persuaded myself that there was compelling evidence that the initial report of the commanding officer was wrong. It was my view that the photographs were simply part of evidentiary material. The really important aspects of this are witness statements and perceptions, and that initial report, so far as I was concerned, ought to stand. I never sought to recant that advice which I originally gave to the minister.

It is my understanding that, during a period of absence overseas, the acting CDF at the time had a discussion with the minister about the accuracy of that advice. The acting CDF at the time was Air Marshal Houston, and I think it would be better if he were to convey the contents of that discussion.

Senator FAULKNER—Thank you, Admiral Barrie. Can I say that the committee appreciates your putting those matters on the record. I will perhaps go to the acting CDF in a moment because you have raised that issue and it might be useful to have that on the table for the benefit of committee members. However, before we move to that, I think it is clear from the reports that Defence and the ADF do make the most strenuous efforts of the relevant agencies to correct the record. My question to you was: do you think those efforts failed? Would you agree that those efforts failed?

Admiral Barrie—For my own part, I cannot. I have asked myself: should I have made a lot more effort in discussing with others those doubts that have been expressed to me? To be candid about it, my job is to be the principal military adviser to the government. I had in my mind the events that were unfolding with *Adelaide* and, frankly, only *Adelaide* was there at the time. It was my persistent view, until November, that there was no compelling evidence to show that the CO *Adelaide*'s call was wrong. My view—and it goes to the heart of this—is that my people had those discussions with me but I was not persuaded that there was compelling evidence that the CO of *Adelaide* was wrong. Evidentiary material or photographs, which are simply part of that, do not tell the whole story.

Senator FAULKNER—I do not want to get bogged down on this. I ask you this question in a sense more broadly than just your personal experience in this matter, but as the CDF.

Admiral Barrie—If the advice I have given to the government is wrong, it is my duty to correct that advice. There is no question of that.

Senator Hill—Perhaps Senator Faulkner could clarify what aspect he is referring to, because he has put the question in very broad and somewhat imprecise terms.

Senator FAULKNER—I was asking the CDF, Minister, whether he felt that Defence attempted—and I think serious and strenuous attempts were made—to set the record straight. That is why I wanted to put my own comments in context.

Senator Hill—In relation to the photographs?

Senator FAULKNER—In relation to the whole fiasco, as I describe the matter. There are two problems here, Minister. You asked me to define it and I will.

Senator Hill—That is because you try to blend it together because that suits your purposes.

Senator FAULKNER—Look, Minister, I do not want to get bogged down on this. There are two key issues here. Point one is the fact that the reports of children being thrown overboard were incorrect. Point two is that the photographs of children in the water were not actually photographs of kids who had been thrown overboard. That is what my question referred to.

Senator Hill—That is a conclusion. What has been found is that there is no evidence to support that they were thrown overboard, other than the statements made by the relevant military officers at the time.

Senator FAULKNER—I do not think it is worth while getting bogged down on this because my very general opening question to CDF went to him as CDF. I thought there might be something he would care to add.

Admiral Barrie—I can add a bit more detail, Mr Chairman. First of all, after the confusion about photographs, at the end of that week I rang COMAST and said something along the lines—

Senator Hill—Please identify who that was.

Admiral Barrie—Commander Australian Theatre. I said, something along the lines of, 'While this is fresh in everybody's minds—all the witnesses, anyone involved in this stuff—statements ought to be collected; all the evidentiary material ought to be collated. It ought to be put in one place, just in case there are any further proceedings.' It seemed to me to be a natural precaution, given the sort of confusion that had happened in the middle of that week. On the second part of that, it was quite clear to me, having come back from the chiefs of

defence conference, that we really did have a situation of more confusion about who said what, when and where. That, frankly, is why I commissioned the report by General Powell. I wanted to try to get to the bottom of what really happened, and whether there were things that we ought to undertake to make sure that does not happen again.

Senator FAULKNER—Thank you, Admiral Barrie. You mentioned earlier that you were in Australia from 4 to 25 October. Could I ask you, for the rest of the relevant period—I am defining relevant period here until 10 November—to indicate who was acting CDF from 25 October to 10 November?

Adm. Barrie—We ought to give you a more formal answer on this because my recollection will be a little flawed. In the period that I was in East Timor, that is 25-26 October, I retained the command responsibility. In the period 29 October through 2 November, I think the Vice Chief of the Defence Force was the acting chief. In the period 6 to 10 November, the duty passed from the Chief of the Army to the Chief of the Air Force. So one was Acting CDF for two days and the other was Acting CDF for another two days.

Senator FAULKNER—The reason I ask is because of the comment you made at the end of your first answer in relation to Air Marshal Houston. I was trying to establish when Air Marshal Houston was Acting CDF.

Adm. Barrie—I can confirm that on 7 November Air Marshal Houston was the Acting Chief of the Defence Force.

Senator FAULKNER—Mr Chairman, just following through the information that Admiral Barrie has provided for the benefit of the committee, could I ask Air Marshal Houston one or two follow-up question? I think they flow from CDF's evidence.

CHAIR—Air Marshal Houston.

Senator FAULKNER—I just wanted to follow up the matter raised by Admiral Barrie in answer to my first question. Admiral Barrie has indicated to us that you were Acting CDF on 7 November.

Air Marshal Houston—That is correct. I was Acting CDF on 6 and 7 November.

Senator FAULKNER—Air Marshal, did you have contact with Minister Reith or Minister Reith's office on either 6 or 7 November, in relation to the children overboard issue—either its veracity, or the veracity of the photographs?

Air Marshal Houston—Yes, I did. I spoke to Minister Reith on the 7th.

Senator FAULKNER—You spoke to Minister Reith on the 7th. Did you speak to him in person or on the telephone?

Air Marshal Houston—I spoke to him on the telephone around the middle of the day. I spoke to him on the 7th in the middle of the day.

Senator FAULKNER—Thank you. By telephone?

Air Marshal Houston—By telephone. I believe he was in Adelaide at the time.

Senator FAULKNER—Did you provide then Minister Reith with advice on the children overboard issue?

Air Marshal Houston—Yes, I did.

Senator FAULKNER—Would you be able to share with the committee the nature of the advice you provided to the minister?

Air Marshal Houston—On the morning of 7 November there was an article in the *Australian* that basically cast a lot of doubt about the photographs and raised some questions about the events of 7 and 8 October. As a consequence of that, I first of all got in touch with the head of Strategic Command, Air Vice Marshal Titheridge. We had a brief discussion about the article and talked through some of the events. I cannot recall in detail what we talked about, but the phone call probably lasted about five or 10 minutes. We also talked about the Navy video that had, I think, been raised in that article in the *Australian*. From my notes, I recorded that the video was grainy, it was very hard to see what was happening and basically it was inconclusive. We talked about that.

After that I went down to CDF's office and I engaged with his chief of staff, Group Captain Greg Evans, and also Brigadier Gary Bornholt. Gary Bornholt was the public affairs officer in question. We then had a discussion about the article. It became clear from that discussion that there was considerable confusion about the events of those two days in October. I then went back up to my office and had a further, fairly extended discussion with Brigadier Bornholt.

During that discussion he presented me with a cable, or a message, which had come from the *Adelaide*—I think it was on about 10 October—that had a chronology of all the events of the boarding operation on the 7th. In going through that, it became clear to me that, essentially, this may not have been something that Minister Reith had been made aware of. Having gone through the transcript—and it was a blow by blow of what actually happened on the day—

Senator FAULKNER—This was a cable, did you say?

Air Marshal Houston—It was a military message. It was a chronology of each event as it happened. This was the sort of thing it said: 'five suspected unlawful citizens'—they were referred to as SUNCs—'jumped in the water at such and such a time.' There was a complete description of the boarding operation. From that it became clear—as it appeared to me—that, yes, people had jumped into the water, but there was no evidence there to suggest that women and children had jumped in the water. There was one reference, however, to a child being held over the side. I think in the actual message reference was made to that, in terms of the child being dressed in a life jacket and then being put in a position on the side.

I then had a chat to the brigadier about the photograph which had appeared in the *Australian* that morning. He told me that that photograph did not relate to the events of 7 October. In fact, that photograph related to the events of 8 October. There was obviously a considerable amount of confusion. I understood from my discussion with Air Vice Marshal Titheridge that Minister Reith was very anxious to talk to me to get my advice on this matter. So I phoned him and we had a chat. I started off by telling him that I felt that it was a very confused situation, but from this evidence that I had seen it appeared to me that there had been a boarding operation on the 7th, people had jumped into the water, there had been an incident with a child being held over the side, but fundamentally there was nothing to suggest that women and children had been thrown into the water.

I then went on, as I can recall it, to describe the fact that on the second day there was a rescue operation when the vessel sank and that the photograph, from what I had just been advised, related to the events of 8 October. After I had given him this run down of what happened there was silence for quite a while. It seemed to me that he was stunned and surprised. Essentially, he then said, 'Well, I think we'll have to look at releasing the video.'

I omitted to say earlier on that I also explained to him that the video was inconclusive in proving whether any women or children were thrown into the water due to its poor quality. I would be quick to add, however, that I did not see the video. I was going on advice that had been provided to me by Air Vice Marshal Titheridge and Brigadier Bornholt. As everybody would know, a short time later the video was released to the public that evening—it may well have been the next morning.

Senator FAULKNER—In order to be clear, what was the approximate time of the recent phone conversation that you have just related to the committee?

Air Marshal Houston—It was about the middle of the day.

Senator FAULKNER—I want to be very careful in this question because of the nature of the evidence that you have just given. Is it correct to say that you have informed this committee that you informed the then Minister for Defence that the photos of the children in the water did not relate to children having been thrown overboard and that there was no evidence from the military message that was available to you that there was any truth to the suggestion that children had been thrown overboard from SIEV4?

Senator Hill—You should separate those two questions.

Senator FAULKNER—I am happy to.

Senator Hill—I think at the same time you should advise the committee of what you said to Mr Reith in relation to the previous recordings of the task force commander that there were children thrown overboard.

Senator FAULKNER—Wait a minute, I am happy to recast my question so that it does not go to both the substantive issues and, of course, Air Marshal Houston can respond as he sees fit.

Senator Hill—Bear in mind, we are now a month on from the events in question.

Senator FAULKNER—Minister, these dates are indelibly printed on my mind as I am sure they are for all the witnesses at the table.

Senator Hill—I am not sure that that is so because you have a habit of blurring the 7th of one month with the 7th of the next month—

Senator FAULKNER—I have never done that.

Senator Hill—to try to imply a state of mind on the first occasion.

Senator FAULKNER—Let us not beat around the bush on this. I am happy to separate the two issues, if it assists.

Senator Hill—There are three issues, actually. The first issue is the events on the 7th; the second issue is the photos that now clearly refer to the 8th; the third issue is what happened a month later.

Senator FAULKNER—With respect, Air Marshal Houston has just informed the committee that he informed your then ministerial colleague the Minister for Defence, Mr Reith, fundamentally, that there was no truth to either of the two allegations: one, that the photos related to kids who had been thrown overboard; and, two, that—

Senator Hill—Then he would have explained how the military record was wrong at the earlier stages.

Senator FAULKNER—It is up to the witness to provide these answers.

Senator Hill—The committee should be fully informed, not just informed of the pieces that suit your objectives.

Senator FAULKNER—Minister, others can ask questions. My objective is to establish what occurred in relation to Air Marshal Houston's phone call with former Minister Reith—

Senator Hill—We know what your objective is.

Senator FAULKNER—who we now know was told that there was no truth to these matters. We can move on to what Mr Reith did as a result and make the political points at a later stage. I am actually trying not to do that. Let us get it clear.

Senator Hill—It is unusual for you to put that to me.

Senator FAULKNER—I am afraid you will not be able to bat this out until 11 o'clock tonight. We ought to just get on with it and deal with the substantive issues.

CHAIR—I suggest you separate the questions, Senator Faulkner.

Senator FAULKNER—I am happy to do that. It is reasonable to do that for the benefit of the committee. Air Marshal, I think it is correct to say that you have informed the committee that you told Mr Reith, around the middle of the day on 7 November 2001, that the military messages that you had sighted—

Senator Hill—Why are words being put into the mouth of the witness? He can be asked the question as to what he said.

CHAIR—Please ask the question, Senator Faulkner.

Senator FAULKNER—The military messages that you had sighted and read—

Senator Hill—They used to call it 'leading the witness'.

Senator FAULKNER—indicated that there was no evidence at all that children had been thrown overboard.

Air Marshal Houston—The military message, I believe, had not been seen by anybody in the chain of command in Canberra before I saw it. So essentially this was something that no other CDF—acting CDF or the permanent CDF—had seen previously.

Senator Hill—Which military message?

Senator FAULKNER—Minister, come on!

Air Marshal Houston—It was a message on 10 October from the *Adelaide*. It was addressed to the maritime commander, I believe. There were no Canberra addressees on the message. This is something that was provided to me by Brigadier Bornholt on the day in question.

Senator FAULKNER—I heard that, and I accept that, Air Marshal. I understand that. But the point is that you tell the Minister for Defence at the middle of the day on 7 November that the situation—which maybe others have not been aware of but you, as the acting CDF, are now aware of—is that there is no truth to suggestions that children were thrown overboard. Mr Reith, the minister, is informed.

Senator Hill—Hang on, he has not—

Air Marshal Houston—No, I did not—

Senator Hill—See, you are putting his words into his mouth. He did not say that at all. He said there is no evidence.

Air Marshal Houston—I did not say that at all.

Senator Hill—If we look at the 400 photos, we might find all sorts of evidence.

Air Marshal Houston—What I said was that on going through the message there did not appear to be any evidence of women and children being thrown into the water on that day—although there was one child who was held over the side.

Senator FAULKNER—Thank you. And you add to that a statement about the photographs of children in the water, and you give some context to those photographs.

Air Marshal Houston—Yes. After describing the events of the second day, when the vessel sank and the *Adelaide* mounted a rescue operation, I indicated that the photograph that was in media circulation at the time related to the events of 8 October—in other words, to the rescue operation and not to the interception that occurred the previous day.

Senator FAULKNER—So we now know that Mr Reith, the Minister for Defence—

Senator Hill—Is this a question?

Senator FAULKNER—Yes.

Senator Hill—What is the question? That is not a question.

Senator FAULKNER—We now know that the Minister for Defence was informed of those matters—

Senator Hill—Are you claiming ‘we now know’ is a question?

Senator FAULKNER—Please allow me to conclude.

Senator Hill—No, you want to give your speech.

Senator FAULKNER—So we now know that the Minister for Defence was informed of those matters at midday—

Senator Hill—We have speeches, do we, Mr Chair, at this time?

CHAIR—Senator Faulkner, please, do not make statements. Just ask your questions.

Senator FAULKNER—One is entitled to phrase a question in the way I am, and I have always phrased questions before this committee and intend to continue to do so.

Senator Hill—What is the question?

Senator FAULKNER—Given that circumstance, I was going to ask the Air Marshal—if you had not rudely interrupted me—whether he, in his submission or statement to General Powell, indicated the nature of that phone call to Minister Reith.

Air Marshal Houston—I did not make a statement to General Powell. He did not interview me.

Senator FAULKNER—In relation to General Powell’s report, with respect to the only direct contact that General Powell had with anyone involved in this, he had contact with Brigadier Bornholt. Is the brigadier with us today?

Senator Hill—Yes.

CHAIR—He is.

Senator FAULKNER—Could I ask, in relation to this matter—

Senator Hill—Do you want to ask questions of him?

Senator FAULKNER—If I could just ask if the brigadier included in his interview—

Senator Hill—Have we finished with the air marshal?

Senator FAULKNER—I think it is correct to say that Brigadier Bornholt was interviewed by General Powell. We will come back to the air marshal in a moment. Let us check with the brigadier.

Brigadier, given the evidence that we have heard from the air marshal, did you provide the details of that evidence which involved you—that engagement with the air marshal to General Powell, in your interview with him—in the preparation of his report?

Brig. Bornholt—Yes, I did.

Senator FAULKNER—Thank you. Minister, it is true, is it not, that Mr Howard has indicated that, on the night of 7 November, he contacted Mr Reith about these matters?

Senator Hill—I cannot recall whether he said it was on the night of the 7th. He has made a statement that he had spoken to Mr Reith. I thought he said on 7 November.

Senator FAULKNER—Do you care to comment on the fact that it is the evidence that the air marshal has given, which has been substantiated by Brigadier Bornholt, that that information was passed to Minister Reith? Would you care to comment on the nature of the contact between the Prime Minister and Minister Reith on the evening of the 7th?

Senator Hill—The Prime Minister has reported publicly on his contact with Mr Reith. I have got nothing to add to what he said. I think also, as a matter of interest, according to most interpretations of the rules of natural justice, it would be fair play to hear Mr Reith's side of this version as well. What we are hearing afresh here today, because it does not appear in the report—

Senator FAULKNER—That is because the air marshal was not interviewed by General Powell.

Senator Hill—If it does not appear in the report of Mr Powell, but reference is apparently made to it by Brigadier Bornholt, and if these claims are made here today, it would be interesting to hear the other side of the story.

Senator FAULKNER—The point I was making on Monday at some length about Ms Bryant's report—and some weaknesses were contained within that report—was that it is very difficult for the matter to appear in the report if General Powell does not interview the air marshal.

Senator Hill—But General Powell did interview Brigadier Bornholt, and apparently the air vice marshal did not offer his experiences to General Powell.

Senator FAULKNER—But he was not interviewed.

Senator HILL—It is a two-way street. But having said that, one wonders why it was not covered and one suspects that it was because it was at the end of the process, a month after the events that General Powell was principally investigating.

Senator FAULKNER—When do you, Admiral Barrie, become aware of the nature of Air Marshal Houston's evidence that we have just received? You did mention it in an earlier answer to a question that I asked. When did you become aware of that information?

Adm. Barrie—The substance of that information I became aware of yesterday.

Senator FAULKNER—Did you take any action as a result of when you became aware of it?

Adm. Barrie—Yesterday?

Senator FAULKNER—Yesterday or today. I realise it is only a short period of time, but I thought you might have informed either the minister or government.

Adm. Barrie—Of course I informed government, or the minister, but that is all.

Senator Hill—And that was during the course of this morning. I have sought to put this to Mr Reith but have been unable to contact him this afternoon. It is a pity that some more notice was not given of it, so that fair play could be preserved and Mr Reith's side of the story would go on the record at the same time.

Senator FAULKNER—Could I ask you, Admiral Barrie, when you informed Senator Hill about this matter.

Adm. Barrie—This morning.

Senator FAULKNER—Senator Hill, I assume you have informed the Prime Minister about it.

Senator Hill—I informed the Prime Minister about it—and, as I said, I tried to contact Mr Reith but have not been able to make contact with him this afternoon.

Senator FAULKNER—Did you believe, given that this information had been provided by CDF, that you had any obligation to make this public?

Senator Hill—There was a public inquiry of the parliament taking place today. My principal concern was to see that the party that is adversely affected by it was given a fair chance to respond, and that has not been possible.

Senator FAULKNER—Could you be a little more precise with us as to when you informed the Prime Minister?

Senator Hill—No. I have informed the Prime Minister. I do not think I need to say any more than that.

Senator FAULKNER—With respect, Minister, given the nature of the Prime Minister's public comments over the last three days in relation to this matter and the contact with then Minister Reith and the importance which he has placed on that contact in terms of attempting to defend his position in the public arena, I do think it matters. And I do think it matters and is proper, in the circumstances, given what has been said to parliament in both houses, that these matters be placed on the parliamentary record, certainly, as soon as possible.

Senator Hill—Admiral Barrie briefed me this morning. I knew that this evidence would be given this afternoon publicly; that was pretty obvious to me, what was occurring. The Prime Minister and I shared the view that fair play, natural justice, would be that it should be first put to Mr Reith. That is what I have been seeking to do, unsuccessfully, this afternoon.

Senator FAULKNER—What do you mean by saying it is pretty obvious to you what was occurring?

Senator Hill—I was briefed on this matter this morning and there was going to be a public hearing at which these witnesses were going to be called on these issues this afternoon. And I note that it did not take you long to get to the point.

Senator FAULKNER—Why would it, given that Admiral Barrie has raised it in answer to my first question. What does that mean? I am sorry, is there an insinuation there? I can assure you Admiral Barrie has not spoken to me, if that is what you are insinuating—

Senator Hill—You can take it how you like.

Senator FAULKNER—not since I was a minister in the Defence portfolio, anyway.

Senator Hill—I am not insinuating. I do not believe—

Senator FAULKNER—I hope you are not, because it is not fair to him and it is not fair to me.

Senator Hill—I do not worry so much about you, but I do not believe that a military officer would do such a thing.

Senator FAULKNER—Thank you. So you are not insinuating anything?

Senator Hill—I do not believe any Australian military officer would.

Senator FAULKNER—So you are not insinuating anything; that is good. Admiral Barrie, given the nature of the information that you heard from Air Marshal Houston, have you taken the time to actually check closely the military messages that Air Marshal Houston refers to?

Adm. Barrie—I read a body of material from *Adelaide*, in transcripts and other things. I cannot be 100 per cent certain that it is the same material, because we have not actually compared notes precisely on what was read that day.

Senator FAULKNER—I wondered if you had taken the opportunity, given what he said. You are aware of the seriousness, I am sure.

Adm. Barrie—Yes.

Senator FAULKNER—You are?

Adm. Barrie—Yes.

Senator FAULKNER—I appreciate that. Given the seriousness of what was said to you yesterday, I wondered if you had taken the opportunity to refresh your memory on the primary evidence that Air Marshal Houston depended on.

Adm. Barrie—I read quite a lot of that material. The reports are qualified, in this sense: to go back to my initial point about the commanding officer's perceptions on the day, the commanding officer's report, as I recall it, is, 'I will attest to the fact that this occurred, but I do have some doubt about my perception.' He then goes on to make a range of other observations about the operations themselves. But at no point was I able to establish that the commanding officer said, to go back to my evidence, 'I was wrong.'

Senator FAULKNER—Brigadier, could I ask you about the nature of your evidence to General Powell's inquiry?

Brig. Bornholt—I provided about a three-page written submission that outlined my involvement in this issue. In that, I referred to this particular message—when I became aware of it and what I did with it. That included the fact that I had briefed Air Marshal Houston, as the Acting CDF, on 7 November, using that cable, and pointed out to him the issues that that cable raised. Then I sat with him when he made the phone call to Mr Reith.

Senator FAULKNER—Can you corroborate the evidence that Air Marshal Houston has provided to this Senate estimates committee this evening?

Brig. Bornholt—Yes, I can. The phone call was made on a speaker phone, with only the two of us in the room.

Senator FAULKNER—You can corroborate that evidence in its entirety?

Brig. Bornholt—Yes, I can.

Senator FAULKNER—I wonder if, Minister, I could ask General Powell a question, please.

Senator HILL—Certainly.

Senator FAULKNER—General, it might be useful, given the nature of the evidence we have received, if you just indicated to the committee why Air Marshal Houston was not interviewed or did not provide a submission for your report.

Major Gen. Powell—I am the inquiries officer for the Chief of the Defence Force into the routine inquiry into Operation Relex. In responding to your question, let me quote from the statement that was provided to me by Brigadier Gary Bornholt. This is just an extract of the relevant part. He says:

It was quite clear that no women or children—

Senator Hill—Mr Chair, I am not sure what is being read out, but if it is new and it is adverse to Mr Reith then it should be put to Mr Reith before—

Senator FAULKNER—With respect, I think—

Senator Hill—There is a pretty unsavoury job being done on Mr Reith here as it is, and perhaps the committee ought to think about what it is doing.

Senator FAULKNER—I find that an extraordinary comment for you to make.

Senator Hill—I would expect you to say that, but there are others on the committee who ought to think about this as well.

Senator FAULKNER—These questions are properly directed to witnesses who are properly answering them in the way they see fit, regardless of the slur. I do not care what you say about me, but I am sure that some of the witnesses at the table believe it was a slur to suggest that I had been informed of this beforehand by them. Really, that is a slur on them. Minister, each and every witness is entitled to answer questions properly put to them without, frankly, that sort of interference from you.

Senator Hill—I say to you, Mr Chair—

Senator FAULKNER—It is a serious question—I do not describe it as a very friendly question; I would not have thought it was the sort of question that would be described as a ‘full toss’—as to why General Powell did not interview Air Marshal Houston. It is a proper question and because it is a serious question asked in a serious way we are entitled to hear the witness answer it the way he sees fit.

Senator Hill—Mr Chairman, it is a long established practice of the Senate that, when adverse claims are going to be made against an individual through this public process—

Senator FAULKNER—What do you mean by ‘going to be made’?

Senator Hill—that individual be advised of the content of those claims before they are put in the public arena in this form.

CHAIR—I would agree with you, Minister.

Senator Hill—That practice has been breached twice already today. Now it is going to occur on a third occasion. None of the statements was released publicly, as I understand, for good reasons.

Senator FAULKNER—Perhaps they should have been. We might be a lot better off.

Senator Hill—One of the reasons is the one I am putting to you now, the other relates to the parties who made the statements. But if this statement has within it content that is adverse to Mr Reith, then it should be put to him first.

CHAIR—In view of the highly contentious nature of this issue, the fact that new information is being provided, and that there will be further opportunity for this matter to be investigated in the select committee, I think Mr Reith should be informed about it and given the opportunity to respond in the public arena.

Senator CHRIS EVANS—Mr Chair, are you suggesting that we are not allowed to canvass leading information that may be new, in the Senate estimates? The minister assumes—I do not know on what basis—that it is adverse to a former minister.

Senator Hill—I do not know what he is going to say.

Senator CHRIS EVANS—Then on what basis can we rule out the evidence? Because you think it might be adverse to somebody who is a former minister? To suggest that the Senate estimates is not allowed to canvass material because it might be new—

Senator Hill—This has nothing to do with Senate estimates, has it? That is just a joke.

Senator FAULKNER—It has to do with holding the government accountable.

Senator Hill—No, it is not. It is a political job. You know that, I know that.

Senator FAULKNER—Let us get on with it. Frankly, Minister, it does you no credit to stop—

Senator Hill—It is a total abuse of estimates; we all know that, now.

Senator FAULKNER—the witnesses answering the questions. They are properly put and they should be properly answered in the way the witnesses see fit.

Senator Hill—I have made my point, Mr Chair.

CHAIR—Odgers makes it perfectly clear. It says:

Evidence which reflects adversely on another person, including a person who is not a witness, must be made known to that person and reasonable opportunity to respond given.

Clearly that is the position that the committee would take notice of. It is probably best if the question is asked, keeping it relevant.

Senator FAULKNER—It is a relevant question and it was a pretty simple one. I asked Major General Powell why he did not interview Air Marshal Houston for his report.

CHAIR—Before Major General Powell answers, perhaps I might ask him this: will it reflect adversely on Mr Reith?

Senator FAULKNER—Excuse me!

CHAIR—I should say: ‘adversely on somebody who is not here’.

Senator FAULKNER—I presume that was a Freudian slip, but I raise a point of order: you hear the evidence and you then judge whether it is adverse or not. Let us get on with it.

Senator Hill—If you approach it that way, you do the damage first and then you worry about the principle after. That sounds typical of Senator Faulkner.

Senator FAULKNER—You think you can judge whether the evidence is adverse before we have even heard it? Even you do not believe that. Don't be silly.

Senator CHRIS EVANS—These questions go to a report made by Major General Powell which was released by the Prime Minister a few days ago. This is a public document. Major General Powell is the author. It is within the Defence portfolio. It is perfectly appropriate for the Senate estimates committee to be asking questions about it. The only question I heard Senator Faulkner ask is why he did not interview one of the relevant officers. It seems to be a perfectly appropriate question.

Senator Hill—This is a preliminary hearing for the Senate select committee.

Senator CHRIS EVANS—As to whom his answer reflects upon, I do not think it is fair to ask him—or us—to judge in advance, quite frankly.

Senator Hill—Put it into the public arena first.

Senator FAULKNER—You know, Senator Hill, that the attempt to obfuscate here is a load of old codswallop. It is baseless. You know that, we all know that. If you have any doubts at all, Senator Hill, go and get a ruling from the clerk and we will look at it.

Senator Hill—Read Odgers yourself.

Senator FAULKNER—I have.

Senator Hill—And you have decided, despite the wise counsel of Odgers, that you ought to drag someone through the mud.

Senator FAULKNER—Sadly, you and I, Senator Hill, are probably two of the very few people who have been bored witless by reading Odgers. I know it back-to-front.

Senator FERGUSON—Mr Chair, you have quoted from Odgers and you have sought advice. A question has been put to Major General Powell as to whether the comments he is going to make are going to adversely affect somebody who is not here. We should let Major General Powell judge whether it is going to be adverse comment and then decide whether he should be able to continue.

Senator CHRIS EVANS—You cannot put that onus on the witness. The witness can only respond to the questions he or she is asked. They are not required to run a filter through who might, in passing, be detrimentally affected in somebody else's judgment.

Senator Hill—There are other ways of doing it. Sometimes such matters are taken in camera and then the decision is taken.

Senator JACINTA COLLINS—Not in estimates.

Senator Hill—This is not estimates, this is a political stunt.

Senator BARTLETT—If I might make a comment from the upper echelons in response to what seems to be coming close to a ruling. I am reasonably aware of this section of Odgers, and precedents, as part of my role in the Senate. You obviously inform people if they have been named adversely, but you do not prevent people from giving evidence on the possibility that they might actually happen to name someone adversely. You would never be able to open your mouth if that were the case.

Senator FAULKNER—Of course. He knows that.

Senator Hill—An old Dem is coming to rescue the Labor Party. They will need more than the Dems.

Senator BARTLETT—The minister would be well aware that that is the case. Otherwise you cannot ask people anything, on the possibility they will say something adverse. Nobody knows what Major General Powell is going to say. How can you stop him from answering a question just on the off-chance he might say something adverse? He might be going to call Senator Faulkner an idiot, for all we know. We cannot stop him doing that.

Senator FAULKNER—If I had feelings, that would really hurt.

CHAIR—Thank you, Senator Bartlett. Before I make a ruling, I have the option to ask Major General Powell whether the comments he is going to make reflect adversely on Mr Reith. He can answer that. If he does not wish to, then I can suggest that we adjourn and have a private meeting to sort this out.

Senator FAULKNER—Come on! My question ought to be answered now. Let us not muck around.

Senator Hill—This is Senator Faulkner's usual practice of walking over the top of people.

Senator FAULKNER—Senator Hill, I have asked why Major General Powell did not interview Air Marshal Houston. It is a pretty simple question. Let us just get on with it.

CHAIR—Does your answer reflect badly or adversely on—

Senator FAULKNER—You cannot do that! You know you cannot do that.

Senator JACINTA COLLINS—You cannot do that!

CHAIR—I am putting the question to Major General Powell, not to you, Senator Faulkner.

Major Gen. Powell—Mr Chair, I do not believe what I am about to say will reflect adversely on—

CHAIR—Thank you, Major General Powell.

Senator Hill—Oh!

Senator JACINTA COLLINS—You started this.

Senator FERGUSON—You did not give him a chance to answer.

Senator FAULKNER—Normally you would hear what the evidence is before you would pass judgment on it—call us old-fashioned. But let us get on with it.

CHAIR—Perhaps you might answer Senator Faulkner's question, Major General Powell.

Major Gen. Powell—Before I start, I think it is important just to reflect on the fact that my brief from Admiral Barrie, Chief of the Defence Force, was to look at the uncertainty surrounding these events. Clearly, in very general terms, I found that there was significant misunderstanding as a result of the evidence that was presented to me. It was a balance between the requirement for timeliness versus accuracy and the reporting chains. That accuracy at times clearly was not as it perhaps should have been, with the benefit of hindsight, when you look at the speed with which information was passed. With regard to the question that Senator Faulkner has asked me, Brigadier Bornholt, in his statement, just to take the particular line in his statement that is of importance here, says:

... I was requested to brief CAF on my knowledge of the issue. I then sat through a telecon between CAF and MINDEF to assist in clarification.

I did not see that as a key issue. I refer to my report, which is on the public record. Sentence two, under the section on page 7 of 10, paragraph 24K, which is CDF to Minister for Defence, says:

Those statements further suggest that the CDF may have informed the Minister of the doubtful nature of those allegations. In that discussion it appears that it was agreed that in the future it would be necessary to ensure that there was clarity about material under discussion. Further, it appears that the Minister may have advised the CDF that the issue would not be further pursued.

That is very much in line with CDF's evidence. In answering Senator Faulkner's question, I would contend that, based on what Brigadier Bornholt said in his statement, there was no need to pursue the issue any further.

Senator FAULKNER—Could someone inform me whether Group Captain Evans is with us tonight? He does not appear to be on the list.

Senator Hill—We have invited everyone whom we thought you might possibly want to give evidence. Maybe we are slipping.

Senator FAULKNER—As you would appreciate from listening to Air Marshal Houston, he was, like Brigadier Bornholt, involved in the events of 7 November. He is not on the witness list.

CHAIR—They are having a look.

Senator FAULKNER—The problem here is I do not know whether he—

Adm. Barrie—I do not think he was here earlier, but he might be here now.

Senator FAULKNER—That is the problem. I do not know whether he would necessarily have heard—we will wait—

Senator Hill—I suppose, sooner or later, we will get back to what government was told on 7 October—a month before.

Senator FAULKNER—I think we have basically established one thing today at least, Minister.

Senator Hill—Is that now conceded?

Senator FAULKNER—That is what the government was told on 7 November.

CHAIR—Is he out there?

Senator FAULKNER—General Powell, you did not interview Group Captain Evans?

Major Gen. Powell—No, I did not.

Senator Hill—We are seeking him, but we have not been able to locate him.

Senator FAULKNER—Could I ask Brigadier Bornholt a question in the meantime?

Major Gen. Powell—Am I further required?

Senator FAULKNER—Possibly—sorry.

Senator Hill—We have got a recalled witness.

Senator FAULKNER—I was just going to ask you, Brigadier, whether you believed the phone conversation was significant.

Senator Hill—Significant? In what context?

Senator FAULKNER—I think that was the word that General Powell used. I am just using Major General Powell's terminology. I did not jot it down but I think he said that.

Senator Hill—Why is it for Brigadier Bornhalt to say whether he—

Senator FAULKNER—The issue is whether there was a need for Major General Powell to pursue the matter. I am just going to ask Brigadier Bornhalt for his view and the value of his attendance.

Senator Hill—It was not even his phone call.

Senator FAULKNER—Yes, but Major General Powell did hear from the brigadier. He did not hear from the air marshal. You have got to keep up with the play.

Senator Hill—Apart from the fact that this is irrelevant to the estimates, isn't the purpose of the committee to establish facts, not to take opinions?

CHAIR—Absolutely. You are not allowed to seek opinions. Perhaps you might reframe the question.

Senator FAULKNER—We will establish fact as soon as Group Captain Evans walks through the door. We are trying to do this in a logical way, Minister.

Senator Hill—Why don't we ask a few questions on the estimates in the meantime?

CHAIR—Are you going to ask the question again, Senator Faulkner?

Senator FAULKNER—I have just been told that Group Captain Evans is not here. He may be here later, so I think it is best if we deal with it later. I am happy to move on and come back to save a bit of time. I think that would be in everyone's interests.

CHAIR—Good.

Senator FAULKNER—Admiral Barrie, I would like to go back to this question of the importance of correcting the record in this situation. I asked you before whether you felt the efforts that Defence had made had failed. I think we have heard you three times on that. Are you satisfied that Defence has adequately investigated these failures—or what I have described publicly as sloppiness? I stand by that. I think that is still a fair comment, although I have always accepted that Defence moved quickly to try to correct the record. Given the nature of Major General Powell's report and his recommendations about further inquiries and actions, I would like to know whether you will be recommending, or insisting, that those recommendations are agreed upon.

Adm. Barrie—No, I am not satisfied that we have got to the bottom of the whole effort and what might need to be done to improve our performance. It is a matter of fact that after every military operation we go through a 'lessons learned' period and we try to learn from our mistakes so that we do not repeat them. I think this is a classic example of where there is still a fair bit of effort required to get to the bottom of the management of the processes which give advice to government and the various aspects of that and to try to build a better systemic way of managing that. I have a couple of private views on that. In the public affairs arena there is more that we can do to make sure that we have thorough accountability and a system for managing media material during a military operation—which I think has been exposed by this effort.

Secondly, I think General Powell makes the observation that there is more that you can do, but you really should wait to see what other report is going to draw into question as well. Putting that together, it might give us a focus about more effort we can do. It is worth noting that

we have already commissioned another investigation into what was the public affairs plan for Operation Relex, was that public affairs plan adhered to and, if not, what were the deficiencies and why did they occur. That comes out of General Powell's report. It is just one of the instances, but I think there are more.

Senator FAULKNER—Do you agree with the key finding of General Powell, 17(i) on page 4 of 10 of his report, which says:

By 11 October 2001 Defence had concluded that at no time had a child been thrown from SIEV4, yet it would appear from my assessment of the facts that, while the information may have been communicated verbally to the Minister's office, this advice was not formally communicated by way of Ministerial submission.

Do you accept the finding that Defence had concluded by 11 October 2001 that at no time had a child been thrown from SIEV4?

Adm. Barrie—No, I do not. I go back to my opening statement. As the CDF, I am the principal military adviser to the government. It is my view that, if you talk about Defence with a capital 'd', I am it. I have never accepted that finding, for the reasons I have outlined—that is, going to the operational circumstance, and putting aside that photographic evidence did not show that circumstance but recalling that there was a very positive report made on 7 October, I did not accept that finding at the time.

Senator FAULKNER—Are there any other of General Powell's key findings that you do not accept?

Senator Hill—You have got to—

Senator FAULKNER—I have just asked about one.

Senator Hill—In terms of the report, General Powell's findings are highly qualified. It acknowledges that much of the primary source information was unavailable to him.

Senator FAULKNER—I read the report thoroughly a number of times. I know the language it contains. Nevertheless, that key finding is not accepted by CDF. I am asking him now whether any of the other key findings are not accepted by CDF.

Adm. Barrie—That is the major key finding that I do not accept. I do regard the absence of Air Marshal Houston's material in here as important. I am also aware that none of this evidence was taken via the mechanism of the board of inquiry. So witnesses were not particularly subject to the provisions of the DFDA, and General Powell has made the observation in here that, if you want to get to further detail on these issues, you may have to go to a more formal inquiry. I have not yet decided whether or not that is required, and I am very conscious of the fact that there is a Senate inquiry about to sit.

Senator FAULKNER—What you are saying is that, in relation to a more formal inquiry under the defence inquiry regulations, your approach at CDF at this stage is to await the outcome or the report of the Senate inquiry or, at least, to await the outcome of the Senate select committee. Is that what you are saying?

Adm. Barrie—No, I do not think that is going to be my approach. As I have tried to say, it was only yesterday that I got to hear more information about these matters. It is my view that I need to provide advice to the minister about things we can do right now to improve our performance.

Senator Hill—It is certainly not the case that you will get objective advice from the Senate inquiry. It is designed with a particular political purpose.

Senator FAULKNER—It was CDF who qualified his statement about an inquiry under the Defence inquiry regulations, because of other inquiries that are taking place—there may be other inquiries taking place; I am certainly well aware of the Senate select committee.

Adm. Barrie—There may be evidence that emerges in terms of the Senate inquiry, although I would be surprised if out of that process I needed to have a separate inquiry. The rules of evidence and the obligations on witnesses are more or less the same. If it was my judgment that there were issues the Senate had not followed through on, and I needed to get to that fact, then I might have to consider that. In respect of a systemic approach that we need to adopt in Defence, particularly to manage the public affairs handling of material and those sorts of issues, I am not going to wait for a Senate inquiry to tell me by May what we might do. I think it is my obligation to provide some advice to the minister about what we can do that is better.

Senator FAULKNER—So you see that as an urgent matter for you, as CDF?

Adm. Barrie—Yes, I do.

Senator FAULKNER—Have you put this in train internally in Defence?

Adm. Barrie—I have started the process.

Senator FAULKNER—When do you think it would be likely that advice might go to the minister on that range of issues?

Adm. Barrie—Because we are in quite significant operational circumstances right now, it would be my objective to try and get that advice to the minister in the next two or three weeks.

Senator FAULKNER—Would it be possible to ask the Chief of Navy a question, Senator Hill?

Senator Hill—Of course. We are here to serve.

Senator CHRIS EVANS—However grumpily.

Senator Hill—No, we are also here to try and see fair plays.

Senator FAULKNER—To try and serve?

Senator Hill—It is pretty difficult with you.

Senator FAULKNER—Why is that?

Senator Hill—I do not think you believe in fair plays.

Senator FAULKNER—Vice Admiral Shackleton, I want to ask you a number of questions. We may not be able to progress this very far before the dinner break, but we will do our best. You gave a doorstep interview on 8 November, at about 4.30 p.m. local time, which dealt in part with this issue of children overboard. I would just like to quote from that—and I have the benefit of AAP and press reports, so it is the best I can do:

“Our advice was that there were people being threatened to be thrown in the water and I don’t know what happened to the message after that,” Vice Admiral Shackleton told reporters at HMAS Stirling.

I think that is an accurate report of your words.

Vice Adm. Shackleton—That is correct, but the time was Eastern Standard Time; it was earlier in Western Australia.

Senator FAULKNER—Later that evening, at about 8 p.m.—I am not sure whether that is Perth time—

Vice Adm. Shackleton—Sydney time, I think.

Senator FAULKNER—you issued a further statement that, in part, said:

I confirm the minister was advised Defence believed children had been thrown overboard

I think that is accurate, is it not?

Vice Adm. Shackleton—That is correct.

Senator FAULKNER—Could you inform the committee why you made the decision to issue a further statement on the evening of 8 November.

Vice Adm. Shackleton—I was in Western Australia to farewell the ships which were departing for Operation Slipper. I had been on board the HMAS *Adelaide* that day to view the videotape which had been authorised for release by Minister Reith. I spoke with the media that afternoon at about 12.30 p.m. or one o'clock, and I made the remarks that you read out.

Subsequent to that, I had a telephone conversation with Mr Hendy, who is the minister's chief of staff; and in that conversation he related to me that the story had broken in the eastern states that I had contradicted the minister. It was never my intention to contradict the minister, and I checked what it was that I had said.

In that statement I had made a technically incorrect statement because Defence had advised the minister that children had been thrown over the side. Defence had done that. I thought it was my proper responsibility then to issue a clarifying statement which corrected the mistake that I had made, and that is what I did.

Senator FAULKNER—We now know that this occurs on 8 November, and on 7 November Air Marshal Houston, Brigadier Bornholt and Group Captain Evans had been engaged in a process that leads the acting CDF to advise the minister's office on these events. You were contacted by Mr Hendy from Minister Reith's office. You didn't have any contact with the Prime Minister's office?

Vice Adm. Shackleton—None at all.

Senator FAULKNER—And that was the only contact you had on this matter?

Vice Adm. Shackleton—Correct.

Senator FAULKNER—Did Mr Hendy request you put out a clarifying statement?

Vice Adm. Shackleton—He and I discussed it and he made a suggestion that I ought to re-view what I had said and that, if what I had said did in fact contradict the minister, then it would be appropriate for me to make some release. I might say I made my own decision on that and I released that second statement of my own volition. I did not feel pressured.

Senator FAULKNER—We now know, Admiral, the context of the call from Mr Hendy to you. We probably ought to establish this: did Mr Hendy indicate to you that he was ringing you on behalf of the minister?

Vice Adm. Shackleton—No. In fact, I called him. He had called my office in Canberra, and I was in Western Australia and so I called him. He did not say he was ringing on behalf of the minister.

Senator FAULKNER—You called him after a message had been left for you?

Vice Adm. Shackleton—Yes.

Senator FAULKNER—So you did call him, but it would also be accurate or possibly a little more accurate to say you returned his call.

Vice Adm. Shackleton—Yes, trying to establish contact.

Senator FAULKNER—Sure. You were not in your office at Canberra. Fair enough. When you returned Mr Hendy's call, Mr Hendy was merely expressing a personal view?

Vice Adm. Shackleton—It would be fair to say that he was concerned that what I had said did contradict the minister and that, if it went uncorrected, that would clearly lead to more questions and matters that the minister would have to deal with. For my part I felt that, if I had made a statement which contradicted the minister, I had a responsibility to correct it. After I viewed the material that had been portrayed by AAP and the news stations in the east, it was clear that my statement was having that effect, and so I thought a revised or a second statement was appropriate.

Senator FAULKNER—So, after Mr Hendy's call, I think you said you then acted to review the press coverage at the time.

Senator Hill—He looked at an AAP statement.

Vice Adm. Shackleton—That is correct. I called my office and then I was put in contact with the Public Affairs and Corporate Communications group, Brigadier Bornholt's organisation and Ms McKenry's organisation, who had access to what was being released into the media at the time and so I got a very clear read-out of what was being said.

Senator FAULKNER—And you would be aware of the sensitivity of this, of course, because it was, as you would appreciate, in the dying days of the last election campaign.

Vice Adm. Shackleton—It was obvious to me—

Senator Hill—What is being implied by that?

Senator FAULKNER—Well, it was.

Senator Hill—Is it appropriate to be asking a military officer—

Senator FAULKNER—What I was about to ask—

Senator Hill—whether he understands the sensitivity of political campaigns?

Senator FAULKNER—What I am about to ask is whether Mr Hendy actually passed on what Air Marshal Houston had said the day before. We might get to that.

CHAIR—Order, Senator Faulkner! It is going to be a long night, and it being half past six we will adjourn for an hour.

Proceedings suspended from 6.30 p.m. to 7.34 p.m.

CHAIR—The committee is reconvened. The committee has resolved that a number of people will not be needed this evening—those involved in output 6—Intelligence. We will see you tomorrow.

Senator BRANDIS—Vice Admiral Shackleton, when events of the kind involving the alleged 'children overboard' incident on SIEV4 occur, they occur in an operational context with a lot of confusion, don't they?

Vice Adm. Shackleton—Absolutely.

Senator BRANDIS—Would it be correct to say that the operational imperative of dealing with the situation as it unfolds rapidly is the principal imperative of officers, and reporting up the chain is a secondary imperative, at least at the time the incident is taking place?

Vice Adm. Shackleton—In this particular instance, the commanding officer would have been highly concerned about the conduct of the operation and the safety of his ship and people. It was dangerous and difficult, and anything that interrupted his concentration on this particular kind of issue would have been secondary to his thinking at the time.

Senator BRANDIS—That is the order of priorities that you, as his superior officer, would have expected of him, is it not?

Vice Adm. Shackleton—I would certainly have expected him to keep his operational commander informed in a timely and accurate way, but I would not have expected that to interfere with his principal responsibilities.

Senator BRANDIS—When the situation of urgency immediately at hand had been dealt with to his satisfaction—when the lives of those whose lives were at risk were saved, and the safety of his personnel was assured—then, but not before, would the obligations to report the incident up the chain accrue?

Vice Adm. Shackleton—In this instance I would have expected him to be making short, sharp, accurate—as he saw them—reports, and when time permitted sending a fuller, more detailed report.

Senator BRANDIS—Ms Bryant uses the expression ‘fog of war’ phenomenon. Are you familiar with that expression?

Vice Adm. Shackleton—Only too well.

Senator BRANDIS—What does that mean to you? How would you express that phenomenon in your own words? As a military officer, can you explain the way you would expect those military officers handling the situation, including the commanding officer on site, to deal with the ‘fog of war’ phenomenon?

Vice Adm. Shackleton—It is related to the reality that everything is real but it is not real. You are trying to pull threads and strands from many miscellaneous and sometimes disconnected information flows. You are trying to build a puzzle from many disconnected pieces. Sometimes the pieces fit accurately, sometimes they do not. It is fair to say that, often as not, you are dealing with millions of shades of grey and it is only as events start to get to a point of culmination that they start to form up into a real pattern, and then sometimes it disintegrates again as the events change. This is constantly moving and going up and down all the time. The commanding officer has to make hypotheses, judgments and calls based on what he sees at the time. It is never absolutely right; it is never absolutely wrong.

Senator BRANDIS—Indeed, a responsible commanding officer not only could not but should not make a comprehensive report until after the ‘fog of war’ has dispersed or the melee is over so that he can be aware of the entirety of the incident rather than merely glimpsing isolated and spasmodic aspects of it.

Vice Adm. Shackleton—A very important part of the ability of officers, ultimately, such as the CDF, to make decisions is that those who are at the tactical coalface understand what they have said and either correct it instantaneously or as close to that time as they can, or confirm it in subsequent messages as the picture starts to build. Although the commanding officer is himself connected to this problem that he is dealing with, it is important that he understands,

in part, the relationship of his problem to the much bigger problem. Having said that, his principal focus is on his command and his people.

Senator BRANDIS—Thank you. To your knowledge, was the incident concerning the SIEV4 the only incident at or about this time in which there was a suggestion that children had been thrown overboard, or were there more incidents than that at about this time—that is, in or about October of last year?

Vice Adm. Shackleton—I would have to check with others who are more closely connected to the operational sequence of events. This was the only one to my knowledge at that time, but that is not to say that there were not others. This one received more attention, probably because of its sheer scale—there were over 220-odd people. It was a fairly major success in that nobody died and all those people recovered and were transported safely to shore. They were working very hard in difficult circumstances.

Senator BRANDIS—Are you aware of an incident occurring on 24 October last year involving another vessel nominated by the designation SIEV7?

Vice Adm. Shackleton—Yes, I am.

Senator BRANDIS—Can you tell us about that, please?

Vice Adm. Shackleton—SIEV7 was a vessel that had entered Australian waters and was at anchor in the lagoon on Ashmore Reef. In company with it was a Customs vessel, *Roebuck Bay*, and a Navy patrol boat, *Bendigo*. During the incident, as it were, about 15 people from the vessel jumped into the water, and one woman amongst several women held a young child over the side by its wrists, and the child was dropped into the water. The child was recovered by one of the people in the water who swam to the child and raised it from the water. They were subsequently brought out of the water back onto the boat.

Senator BRANDIS—The events that were thought to have occurred in relation to the SIEV4 on 7 October were not unique events. Much the same thing happened in relation to another SIEV a fortnight later?

Vice Adm. Shackleton—In terms of the modus operandi of gaining attention by creating activity which required very careful attention, both cases were the same. As was alleged for SIEV4 and as occurred in SIEV7 children were thrown over the side.

Senator BRANDIS—We have two incidents that we know of in this bracket of time—October 2001: what is believed, in the confusion of events, to have occurred in relation to SIEV4 on 7 October and what you have now told us actually occurred in relation to SIEV7 on 24 October.

Vice Adm. Shackleton—That is correct.

Senator BRANDIS—Were there any other events like these around this time?

Vice Adm. Shackleton—Not to my knowledge, but that is not to say that is correct. We should ask other people.

Senator BRANDIS—Is there, to your knowledge, a belief among the Navy that events of this kind, which have been authenticated in relation to SIEV7—that is, children being thrown overboard from suspected illegal entry vehicles—were not an uncommon phenomenon?

Vice Adm. Shackleton—It is anecdotal. I would have to get greater clarification to say that it is a certainty.

Senator BRANDIS—That is not quite the point of my question. The point of my question is not whether there was direct proof of other such events, other than the SIEV7—

Vice Adm. Shackleton—If you are asking whether there is a belief that this is a common event, then I would have to say that that is probably the case.

Senator BRANDIS—Among Naval personnel?

Vice Adm. Shackleton—Amongst those people involved in these operations, yes.

Senator BRANDIS—In relation to the SIEV7 event, can you tell us, please, what steps were taken within the Navy to report that incident both within the naval chain of command and to government?

Vice Adm. Shackleton—That report, the commanding officer followed all of the guidance. He reported it to his immediate command, who was Commander Northern Command. The Commander Northern Command in turn reported it to Commander Australian Theatre, who in turn reported that to Strategic Command here in Canberra. I am not part of that operational reporting chain in practice, and I think you would be better placed to ask those people who are as to the details of that particular event.

Senator BRANDIS—Can you tell us who those people are, please, and I will ask them.

Vice Adm. Shackleton—Admiral Ritchie, who is here today, and Air Vice Marshal Titheridge would be able to help you.

Senator BRANDIS—All right. Admiral, do you know whether an inquiry has been sought within the Navy in relation to the SIEV7 incident on 24 October, or in relation to the subsequent reporting within the military chain of command, or perhaps to government, of that incident?

Vice Adm. Shackleton—I am not aware of any specific inquiry related to it. Based on the information I have seen from it, the commanding officer handled the circumstances and the situation as well as could be expected.

Senator BRANDIS—All right. Thank you.

Senator FAULKNER—Admiral Shackleton, just before the break I was asking you about your public statement on 8 November last year and I wondered if, for a moment, I could return to that. I will have to turn that up here; fortunately, I think I have left that in my office. Anyway, I think you had confirmed that on the morning of 8 November you had made a public comment. You had indicated that Mr Hendy had contacted your office in Canberra and you had rung him back a little later.

Vice Adm. Shackleton—That is correct.

Senator FAULKNER—Have you had any other contact from anyone else about the nature of or the reaction to that earlier statement you made on 8 November?

Vice Adm. Shackleton—I am sorry, Senator, could you just be a little more clear? Are you asking whether I have had any contact with—

Senator FAULKNER—I wondered if on 8 November, apart from the contact with Mr Hendy before you made your second statement, in the evening in Sydney, you had had any contact with any other person or contact had been initiated with you about concerns about the statement that you had made on the morning of 8 November.

Vice Adm. Shackleton—No, I have not.

Senator FAULKNER—So the only one was the message that was left by Mr Hendy in the office?

Vice Adm. Shackleton—I became aware of rumours that other people wanted to speak to me, but none did.

Senator FAULKNER—I have managed to turn up the statement now. The statement was: Our advice was that there were people being threatened to be thrown in the water and I don't know what happened to the message after that.

I wondered if you could confirm for the committee what you understand the situation to be in relation to that incident now, as we speak today—whether you are able to confirm, in fact, that there were no children thrown into the water in relation to the SIEV4 vessel.

Vice Adm. Shackleton—I have thought about this on a number of occasions, because it is obviously a vexed question. I spent some time talking with the commanding officer about it on board the ship on the morning of 8 November, and he himself was wondering whether his advice had been accurate. My view is that the officer he was speaking to at the time, which was Brigadier Silverstone, probably had a more accurate recollection of what was said than Commander Banks would have had, simply because of the intensity and the stress under which he would have been working at the time. He would have been very focused on what he was doing.

Frankly, it is possible that nobody was thrown into the water. But I think it is also possible that they might have been. I know that there were reports taken from the sailors on board the ship. I know that I looked at the videotape, which, from my viewing of it, did not show people being thrown into the water. What I said to the media on that day is still what I would say today, which said that there was a child being held over the side but was not dropped into the water. I think it is not absolutely clear. The balance of probabilities are that, no, there was nobody thrown into the water, but I would not discount it totally.

Senator FAULKNER—If that is the case, why did you say at HMAS *Stirling* that 'our advice was that there were people being threatened to be thrown in the water'?

Vice Adm. Shackleton—I suppose I was thinking about what I had seen on the tape.

Senator FAULKNER—When did you see the tape?

Vice Adm. Shackleton—I saw a tape that morning of the 8th—the same day that it was released publicly.

Senator FAULKNER—Was that the full tape?

Vice Adm. Shackleton—I would say it was the full tape—there was about 10 or 12 minutes of tape of the event. I was frankly interested in the more concentrated part the tape shows, the level of activity and the issues that were taking place on the boat.

Senator FAULKNER—Did you have the benefit of any other background material?

Vice Adm. Shackleton—I was aware that the photographs which had been in the media were not depicting, from what I could see, people having been thrown into the water. They were people who were in the water as a consequence of the boat sinking.

Senator FAULKNER—So when did you become aware of that? You were aware on 8 November, but when did you become aware?

Vice Adm. Shackleton—I became aware to the point where I did something about it on the 10th, I think it was, when I saw those photographs shown on the *7.30 Report*—one was of a female sailor and another one of a male sailor in the water—

Senator FAULKNER—This is 10 October we are now talking about?

Vice Adm. Shackleton—Correct—and I called the Chief of the Defence Force to say that I thought that those photographs were not of people who had been thrown into the water from the boat, as I understood it, but were in fact from the boat that was sinking.

Senator Hill—Did anyone check the other 400 photographs?

Vice Adm. Shackleton—At that stage I was not aware that there were that many photographs, Minister.

Senator FAULKNER—What Admiral Shackleton said is that these were the photographs that were printed in the newspapers. I think that was what you were indicating?

Vice Adm. Shackleton—I saw those—

Senator FAULKNER—I am sorry, on the *7.30 Report*.

Vice Adm. Shackleton—on the *7.30 Report* on the night of the 10th.

Senator FAULKNER—Okay. Did you have the benefit of any other evidence or advice on this?

Vice Adm. Shackleton—No. I was overseas from 20 October to 7 November. I returned on 7 November to go to the launch of the submarine *Rankin* in Adelaide and then went to Western Australia that same afternoon.

Senator FAULKNER—Given that you contacted CDF on 10 October and informed him that, in your view, the photographs of the kids in the water were not taken as a result of kids being thrown overboard, I wonder if this caused you to question the original claims that had been made about kids being thrown overboard. If the photos were dodgy, I wonder if you might have thought the original claims might be. The photos were not dodgy—they just did not represent what it was said they represented. But if they did not represent what they said they were supposed to represent, I wonder if it affected the other claims at all, in your mind.

Vice Adm. Shackleton—At that stage of the game, Senator, I do not remember thinking about it.

Senator FAULKNER—But you thought enough about it to ring CDF.

Vice Adm. Shackleton—I thought enough about it to say that, in my opinion, what I did know—or what I was reasonably sure of—was that the photographs that were being shown on the television were not photographs taken on the same day that these children were supposed to have gone into the water.

Senator FAULKNER—On 8 November you had that background, which is nearly a month of something stronger than doubt about the photographs. You were pretty certain about this, weren't you? What is wrong with that, Senator Hill?

Senator Hill—You do not lead the witness. You are telling him what to answer.

Senator FAULKNER—I am asking a reasonable question.

Senator Hill—‘You had a stronger doubt than that, didn't you?’ Ask him how much doubt he had.

Senator FAULKNER—Senator Hill, in the interests of getting through it, it is fine to reinterpret the question in that form, if you prefer. I am here to try to assist you. You have had a bad day; in fact, you have had a bad couple of weeks. Let us try to help you out.

Senator Hill—I am pleased that you are concerned about it.

Senator FAULKNER—I am.

CHAIR—Please ask the question, Senator.

Senator FAULKNER—I do worry about your efforts of late.

Vice Adm. Shackleton—Could you just give me the question again?

Senator FAULKNER—It is Senator Hill's question now, so he might care to repeat it.

CHAIR—You ask the question, Senator Faulkner.

Senator FAULKNER—He does not want to repeat it.

Vice Adm. Shackleton—You are asking me whether I had doubts on 8 November; is that the question?

Senator FAULKNER—That will do.

Vice Adm. Shackleton—Certainly, when I was on board HMAS *Adelaide*, the conversation with the commanding officer and my own witnessing of the tape made it difficult to see that his first report was still 100 per cent correct. My reason for not making any public comment on that was that it is for the Chief of the Defence Force to change the advice to the government. It is not for the Chief of Navy to make public comments about those issues.

Senator FAULKNER—Okay, so you did not make a public comment about it. Did you make an internal comment about it? Did you point out within Navy or Defence that the photos were not as presented?

Vice Adm. Shackleton—No, I did not. I discussed it with the Maritime Commander, who was in attendance at the time, but I did not take it any further.

Senator FAULKNER—You made your statement on 8 November with the benefit of having had some discussions with the CO of HMAS *Adelaide*. Is that correct?

Vice Adm. Shackleton—That is correct.

Senator FAULKNER—Having viewed the video?

Vice Adm. Shackleton—Yes.

Senator FAULKNER—You discussed it with CDF on 10 October. I want to be clear on this: you did not think that the video was conclusive. You thought the video was inconclusive when you viewed it; is that fair?

Vice Adm. Shackleton—I would say it was not quite completely conclusive. What I am trying to say here is that there were shades of grey. If you looked at the video, I would have said that there was a high probability that people were not thrown into the water, but it was not so perfect as to make that absolutely clear.

Senator FAULKNER—Did you point that out to anyone?

Vice Adm. Shackleton—Not specifically that I remember, no. At this point the video had been released, having been seen by other people in Sydney and—I am not sure—perhaps

Canberra. I made the assumption that what that video contained had been considered by other people in the command chain.

Senator Hill—I still don't understand why people looked at the video and not the 400 photos. Is there an explanation for that?

Vice Adm. Shackleton—The 400 photos? I did not become aware there were 400 photographs until the 8th—

Senator Hill—I am not saying that you did, but there must have been other people who had those photographs in the chain, as you say.

Vice Adm. Shackleton—Yes. The photographs were kept on board and I don't think were actually provided into the wider community, although I understand they were provided to the Federal Police in Christmas Island. But they were not made available to Navy until some time subsequently.

Senator FAULKNER—Do you have any further questions, Senator Hill?

Senator Hill—I would like to ask a lot, actually.

Senator FAULKNER—You are the minister. You have got plenty of opportunities. This is our only opportunity. We may be able to do so at the select committee, I suppose. I just didn't want to interrupt your flow of questioning. Admiral, let me ask this about the photos, first of all. Did Navy come to a determination that the two photographs that had been widely published did not depict children that had been thrown overboard? Did Navy come to that conclusion?

Vice Adm. Shackleton—On 10 October.

Senator FAULKNER—So they did come to that conclusion on 10 October?

Vice Adm. Shackleton—That was my opinion on 10 October, yes.

Senator FAULKNER—Did Navy come to the conclusion that the video did not show children being pushed overboard?

Vice Adm. Shackleton—I can't answer that question, Senator. Others in the Navy may have come to that opinion. I did not come to that opinion myself until 8 November.

Senator FAULKNER—Can we establish when Navy came to that position?

Vice Adm. Shackleton—Others who are not here may be able to help.

Senator FAULKNER—Are you saying to us you came to the conclusion about the photos on 10 October and, because you come to that conclusion, Navy comes to that conclusion?

Vice Adm. Shackleton—No.

Senator FAULKNER—I just want to be clear, because the CDF did make the point before because he can only comment in relation to Defence. When he came to a conclusion, his view was Defence comes to a conclusion. I don't want to put words into his mouth, but that was in a general sense I think the argument that CDF was developing.

Vice Adm. Shackleton—The information flow to government is through the operational chain of command, through the CDF, to the minister. Those photographs were provided from the ship through the appropriate chain of command, by and large, and were released to the media. Those particular photographs that appeared in the media had amplifying information

removed from them which would have shown the context in which the photographs were taken.

Senator FAULKNER—Okay. Did Navy at any stage come to a conclusion that kids had not been thrown overboard from the SIEV4?

Vice Adm. Shackleton—No. There are those who are in the Navy chain of command whose opinion may have been that, but the Navy view of whether children were thrown over the side or not in some respects is immaterial because I provide advice, as do others, to the Chief of the Defence Force, and what matters is his opinion.

Senator FAULKNER—Admiral Barrie, when you received that advice from Admiral Shackleton on 10 October in relation to the photographs not depicting the incident, did you accept that advice?

Adm. Barrie—Those photographs did not depict the incident?

Senator FAULKNER—Yes.

Adm. Barrie—Yes, I did.

Senator FAULKNER—Admiral Barrie, to pick up on the answer that we have received from Admiral Shackleton, can you say now whether Defence has, as we speak, a concluded view on the question of whether kids were thrown overboard from SIEV4?

Adm. Barrie—My view is that there is no concluded view. I go back to the point I made in my opening evidence. The commanding officer is making the call. He is there—he is the only person there—and we are all the armchair experts. It is my judgment that, in most circumstances, the call a commanding officer is going to make early on is likely to be more accurate than the reconstruction he puts on it after he has thought about it and people have raised some doubt about it, and in the absence of other advice. The issue is that the photographs and the visual material which was collected do not show, one way or the other, what occurred. But what is clear is that the photographs that were released to the media in that week did not specifically show the events of 7 October. You could not look at those pictures and say, ‘That shows you what happened on 7 October.’ You cannot do that.

Senator CHRIS EVANS—But you did know, then, that their being presented publicly as representing what occurred on that date was wrong?

Adm. Barrie—That was confusion about what those photographs actually represented. But it is not a case to say that the advice provided by the CO was wrong.

Senator CHRIS EVANS—But you knew that those photos which were being used publicly to depict that event were, in fact, not depicting the event they were claimed to depict. You knew from then on that those photos were not an accurate representation of what had occurred and that they were being misrepresented in a way.

Adm. Barrie—But they never were an accurate representation.

Senator CHRIS EVANS—I am saying that, from that date on, you knew that it was not fair for them to be used to represent that event. Is that right?

Adm. Barrie—‘Not fair’ are not the words I would use. I would say there was confusion about what those photographs depicted—the events of 7 October or the events of 8 October.

Senator FAULKNER—There is clarity about the photos, though, from 10 October. We can say that, can’t we?

Adm. Barrie—That is right, and those doubts were raised about what those photographs actually—

Senator FAULKNER—Admiral Shackleton tells us there is clarity from Navy. Navy knows about the photographs not depicting the incident on 10 October. I ask you: can we now say that Defence knows, because Admiral Shackleton tells you, on 10 October that the photographs do not represent kids in the water because they had been thrown overboard? Can we now say that?

Adm. Barrie—Yes, I think you can.

Senator FAULKNER—Okay. So we know Navy doesn't think this; we know Defence does not think these photographs depict kids who have been thrown overboard. Let me come back to where I started, a little earlier today. How is it that the public record was never corrected in relation to those photographs?

Adm. Barrie—That is not a question I can answer.

Senator FAULKNER—Would you accept, Admiral, that it is a reasonable question for me to ask you as CDF?

Adm. Barrie—It is, and it is not a question I can answer.

Senator FAULKNER—Can I ask you, Admiral Shackleton, as CNS—

Vice Adm. Shackleton—CN.

Senator FAULKNER—It dates me, doesn't it? Sorry, CN. I sincerely apologise. It took me so long to learn the damn acronyms and now they have all changed. As Chief of the Navy, Admiral.

Vice Adm. Shackleton—It is again not a question for me to deal with. I do not control what is going into the public space, in the public place.

Senator FAULKNER—But you have a situation where these photographs are publicly misrepresented. Most of them appeared to be taken from *Adelaide* itself, weren't they?

Vice Adm. Shackleton—That is correct.

Senator FAULKNER—Some of them may have been in the water. I actually have not looked at the hundred and however many photographs there are. What is it?

Adm. Barrie—Four hundred and twelve.

Senator FAULKNER—Four hundred and twelve, or whatever the latest figure is. I have not looked at them all.

Senator HILL—You have got them, which is more than some of us can say.

Senator FAULKNER—Well, I haven't got them, actually. I actually haven't got them.

Senator HILL—You have got piles of them.

Senator FAULKNER—But if you want to send them over, that is fine.

Adm. Barrie—Perhaps I can help, Senator. The issue here is that the confusion about what the photographs represented was discussed with the minister. Why the public record was not changed, I cannot answer. That is my view.

Senator FAULKNER—But you do not think that Defence should accept responsibility for that.

Adm. Barrie—I did not release the photographs into the public domain, so am I going to say, ‘That is my responsibility’? I also still hold the view that those photographs did not necessarily conclude that the event itself never happened.

CHAIR—Admiral Barrie, what was the description you gave? I think it was something like: ‘nothing to change your initial understanding’. What were the exact words that you used?

Adm. Barrie—There was insufficient and compelling evidence to show the initial report which I accepted and passed to government was wrong.

Senator FAULKNER—Let us have a look at these photographs, Admiral Barrie. Did you see the article in today’s *Sydney Morning Herald* that was published under the headline ‘Defence staff “were ordered to doctor details on the photos”’?

Adm. Barrie—I am aware of those articles.

Senator FAULKNER—I do not know if this is best directed to you or to Vice Admiral Shackleton.

Vice Adm. Shackleton—No, I did not see them.

Senator FAULKNER—Perhaps I could hear a response to some of the things that are alleged in this article.

Senator Hill—There is no evidence that defence staff were ordered to doctor the photos.

Senator FAULKNER—You have seen the article, haven’t you, Senator Hill?

Senator Hill—No, there is no evidence. But you start with the premise that it is a fact.

Senator FAULKNER—No, look, Senator Hill, you have got to keep up with the game. I am just asking some questions about some statements, or allegations—call them what you will—that appear in the article. I am trying to see if you, or any of the officers at the table, or any of the officers here who have come to assist us, can help us on this. If you can, that would be really very useful. It says in this article:

Defence public affairs officers were allegedly ordered by former defence minister Peter Reith’s office not only to remove captions from the ‘children-overboard’ photographs released to the media in October, but to ditch all identifying information.

Is there someone in Defence public affairs who could at least assist us with this, so we get to the bottom of this?

Ms McKenry—Would you mind repeating the question, Senator?

Senator FAULKNER—Not at all. It says in an article in today’s *Sydney Morning Herald* that public affairs officers were allegedly ordered by the former minister not only to remove captions from the children overboard photographs released to the media, but to ditch all identifying information. We might just go through this. Were captions removed from the photographs?

Ms McKenry—Captions were not disclosed or released with the photographs. The photographs themselves came on their JPG files with titles. One was titled: ‘Laura the hero’, the other: ‘Dogs and his family’. Attached to that was some text—captions—which actually described what was in the photographs, and dated the photograph the day that one of the photographs had been taken.

Senator FAULKNER—So there are two categories here: there is captions, and there is text and date. I want to get this right, so please tell me if I have not got that right.

Ms McKenry—The caption, which is the word we were using—another word that has been used for that is text—was actually describing what was in the photographs. And there were about four lines for one, and I think about five or six for the other.

Senator FAULKNER—Yes.

Ms McKenry—Accompanying the photographs, and just under the photographs, there were titles of the photographs near the JPG file.

Senator FAULKNER—So the caption, effectively, is the text and the date, and the other material is best described as the title of the photograph?

Ms McKenry—That is correct, Senator.

Senator FAULKNER—Thank you for that. That is helpful.

Senator Hill—Can I help people by asking you to explain what you referred to as the captions—is it the title?

Senator FAULKNER—We have just done that, Senator Hill. I told you you should be concentrating.

Senator Hill—I was probably getting some valuable advice on the side.

Senator FAULKNER—You should not be getting advice on the side. There are a lot of things you should not be getting on the side!

CHAIR—Ask your question, Senator Hill.

Senator Hill—As long as we stay on the advice.

CHAIR—Would you like me to order you the briefing on defence matters for you?

Senator Hill—When you have ‘title’ and ‘explanatory data’, what then do you refer to as ‘caption’?

Ms McKenry—The caption was the explanatory data or information. The caption described what was in the photograph.

Senator Hill—Why do you say that is the ‘caption’ and not the ‘title’?

Ms McKenry—The title was just ‘Laura the hero’, and the other title was ‘Dogs and his family’.

Senator Hill—Why don’t both make up the ‘caption’?

Ms McKenry—They were separate items.

Senator Hill—Was it a headed caption?

Ms McKenry—No, it was not.

Senator Hill—But this was your use of the language.

Ms McKenry—That is right; this is what we described as the material which was describing the photos.

Senator Hill—It is just another confusing element in the whole story.

Senator FAULKNER—You can sort this out full time, Minister. You have certain advantages the rest of us do not have. We are very jealous. Why don’t we just get on with it?

Ms McKenry—I am happy to use the word ‘text’, if that would help.

Senator FAULKNER—I think we understand that ‘caption’ and ‘text’ are interchangeable, and ‘title’ is something different. I have that right, I hope?

Ms McKenry—Yes, that is right.

Senator FAULKNER—Were any instructions given to Defence PR from Minister Reith’s office about either captions or titles for these photographs?

Ms McKenry—The day that the photographs were released, the media adviser to the minister asked the director of media liaison to release the photographs. He asked whether he should release the photographs with the captions and he was told to release just the photographs.

Senator FAULKNER—He was told by the Minister for Defence’s media officer?

Ms McKenry—That is correct.

Senator FAULKNER—Is that competent for the Minister for Defence’s media officer?

Senator Hill—I do not think you have the full explanation yet.

Senator FAULKNER—I am not asking you, Senator Hill. You are trying to ask as many questions as I am.

Senator Hill—No, I am trying to ensure that it is not distorted.

Senator FAULKNER—I am not distorting it, I am asking questions.

Senator Hill—You are distorting it by skilful distinguishing of the ‘caption’ over the ‘title’.

Senator FAULKNER—By asking the wrong questions—I am terribly sorry! Read the *Hansard*.

Senator Hill—Ask her what was said to the minister’s office.

Senator FAULKNER—Read the *Hansard*, for heaven’s sake. Anyway, was the Minister for Defence’s adviser direct? Does he ask or does he insist that the captions are removed?

Ms McKenry—He makes a request.

Senator FAULKNER—Do you know why?

Senator Hill—Because the title seemed inappropriate.

Ms McKenry—If I could just clarify: it is highly likely that the minister’s media adviser did not know the full extent of what was in the captions. When he was sent the material on 9 October, he was only sent the photographs.

Senator FAULKNER—Yes, but he asks that the captions be deleted too.

Ms McKenry—That is correct.

Senator FAULKNER—But the captions outline in some detail. These are not the titles, these are more substantive indications of what these photographs show, aren’t they?

Ms McKenry—That is correct.

Senator FAULKNER—And he asked for them to be deleted.

Senator Hill—He asked for what to be deleted?

Senator FAULKNER—He asked for the captions, but if you prefer to use the terminology ‘text’, it is one and the same.

Senator Hill—That is the point, you see.

Senator FAULKNER—‘Captions’ and ‘text’ are the same thing. We now know that—if we did not before, we may well have known before. You did not know before, but you know now.

Senator Hill—We now know how the language is being interpreted within Defence. As I understand it—and it is not disputed, if you read both the Bryant and Powell reports—the explanatory material, which is now referred to as the ‘caption’, was never sent to the minister. The titles were. When it came to publishing it, what he did not want was the titles, which the department now refers to as the ‘captions’.

Senator FAULKNER—That is another conspiracy theory, is it, Senator Hill?

Senator Hill—I think you know that, Senator Faulkner, because I think you have read the Bryant and Powell reports.

Senator FAULKNER—I have. Did the media adviser request that all identifying information be deleted?

Ms McKenry—He requested that the captions be deleted. When the material was actually given to the media, the media received the photographs and the titles.

Senator FAULKNER—So the answer to my question is—

Senator Hill—The media were not sent the titles. Let’s get it accurate.

Senator FAULKNER—Stop arguing with the officials. We’ve got it accurate.

Senator Hill—You do not have it accurate.

Senator CHRIS EVANS—Mr Chairman, I think there is a problem here. The minister is entitled to defend the witnesses and help answer the questions, but he is not entitled to actually contradict the witness and tell them what to say. Quite frankly, on the last couple of occasions, I think the minister has intimidated the witness by trying to say what evidence the witness should give. It is quite appropriate for the minister to say if he thinks it is an inappropriate question or that the officer should not answer. It is quite different to try to get in first, put a version on it and encourage the officer to give that version. That is where I think the minister is overstepping the mark, and I would encourage you to make sure that he does not do that in the future.

CHAIR—Thank you, Senator Evans.

Senator Hill—It would be better if you tried to get the truth.

CHAIR—The minister has to take responsibility for all answers, and I think he can answer questions as he sees fit.

Senator FAULKNER—He can, but he is not entitled to badger witnesses.

CHAIR—That applies to us, too.

Senator FAULKNER—Exactly. Equally, I am not the minister at the table, trying to stand over a witness at the table giving evidence.

CHAIR—Let the witness give her full story.

Senator FAULKNER—We are trying to—that is our point.

CHAIR—Let her finish—

Senator FAULKNER—If you have it on board, that is excellent.

Senator CHRIS EVANS—There must be some purpose in having four government senators here. They can ask the questions and Senator Hill can help respond. But, at the moment, Senator Hill is asking the questions and Senator Hill is trying to answer them as well.

Senator FERGUSON—You just stick to your questions.

Senator CHRIS EVANS—Senator Ferguson, if you want to pay enough attention and ask some questions, you go right ahead—that is what they pay you for.

Senator FERGUSON—You look after your own questions; don't worry what we are doing.

Senator FAULKNER—What is standard procedure, Ms McKenry, in terms of photographs that go to the minister's office from Defence public relations? Is the standard operating procedure to include all the information—captions and titles?

Ms McKenry—The standard operating procedure is that material that goes across is identified—that is correct. The situation we have at the moment, however, was one that was not in fact standard operating procedure. Normally, operational photographs are taken by military public affairs officers who are in the area of operation, and there is quite a specific way in which that material is transmitted. It is transmitted to the headquarters and from there it goes to the digital media area where it is cleared before there is any contemplation of the possibility that it might be in the public arena. In this particular case, we did not have a public affairs officer on the *Adelaide*, so material came in without that correct chain or process and was distributed around. So we did not have the normal material that accompanies the photographs.

Senator FAULKNER—Did any of the photographs that were emailed to the minister's office carry the captions? For Senator Hill's benefit, we know that 'captions' means the explanatory text and the date. Did any of the photographs that were emailed to the minister's office contain that material?

Ms McKenry—I can only speak for the two in question. I have seen five others that were, in fact, released this week by the minister and they did not have captions or explanatory text. Again, Senator, they were not taken in the normal way that public relations photographs are taken. They were taken on the ship and distributed in a different format.

Senator FAULKNER—Minister, you put out a couple of press statements about the photographs.

Senator Hill—Over recent times on the number of photographs, et cetera, yes.

Senator FAULKNER—The first one says that only two photographs were forwarded.

Senator Hill—Yes.

Senator FAULKNER—The next one says that, while that was technically correct, there were five. This is your further advice on disputed photographs.

Senator Hill—There is another five.

Senator FAULKNER—Yes. Your advice said, 'The DLOs have advised me that it was not standard practice for them to bring issues directly to the attention of the minister.' Can you confirm for the benefit of the committee that that advice in your press statement is correct?

Senator Hill—Yes. I did not ask them personally; my office asked the DLOs and that was the response as it was communicated to me.

Senator FAULKNER—So they did not advise you, they advised your office that it was not standard practice.

Senator Hill—But I stand by it. I am putting out the statement.

Senator FAULKNER—It says ‘the DLOs have advised me’. So they advised your office that it was not standard practice for them to bring issues directly to the attention of the minister. Did they bring it to the attention of other ministerial staff? Is that standard practice, or was it a practice that was adopted on this occasion?

Senator Hill—I think we said that, in relation to the five, they were emailed on to—I am sorry, I do not have the press release.

Senator FAULKNER—I have the press release. You might point out the page of the report that you are referring to.

Senator Hill—Pardon?

Senator FAULKNER—I thought you might have been referring to one of the reports. I may have missed that. I am quoting from your statement ‘Further advice on disputed photographs’ of 17 February.

Senator Hill—I said that in the press conference that I did with the French defence minister. The media decided to ask some questions on this subject and I said:

They were in turn emailed on to various advisers.

I also said:

We have been trying to make contact with those advisers and as of the moment those we have made contact with have said that they either did not see the photographs or did not pass them on.

Senator FAULKNER—Have you been able to contact all the advisers now?

Senator Hill—I would need to check that. Again, that was being done by my office not by me personally.

Senator FAULKNER—Was Mr Scrafton one of these DLOs?

Senator Hill—No.

Senator FAULKNER—I asked in PM&C about whether he was a MOPS staffer or a DLO? So he was a MOPS staffer on Mr Reith’s—

Senator Hill—That is my understanding.

Senator FAULKNER—Fair enough.

Senator Hill—It is interesting that the ABC asked me if he was a DLO—with great confidence as well. I suppose that they got it from you.

Senator FAULKNER—No, they did not. But there is a lack of clarity about this.

Senator Hill—I have subsequently been told that he was a MOPS. I thought he was beforehand and I have subsequently been told he is a MOPS staffer.

Senator FAULKNER—Okay, so he was a MOPS staffer.

Senator Hill—That is as I understand it.

Senator FAULKNER—No wonder people are asking questions about it given the qualifications you are providing in your answer—you are full confidence!

Senator Hill—After the saga with the photographs, I have become very cautious.

Mr Roche—I have checked that.

Senator Hill—Mr Roche is going to take full responsibility. Was he a MOPS staffer?

Mr Roche—He was a MOPS staffer?

Senator Hill—At all relevant times?

Mr Roche—Until, I think, 10 November.

Senator FAULKNER—Was he one of the ministerial staff that you had checked with at the time of your press conference with the French minister?

Senator Hill—I do not know. I would have to check that. I would have to check whether he was one of those who were included within the email stream and, secondly, if he was, whether we are able to contact him.

Senator FAULKNER—I saw on an earlier witness list Mr Scafton's name in italics with an asterisk.

Senator Hill—I beg your pardon?

Senator FAULKNER—His name was at the bottom of the witness list in italics with an asterisk, and I immediately noted that.

Senator Hill—He is here because he holds a senior position relevant to the estimates. I made the mistake of thinking there might be some estimates questions today.

Senator FAULKNER—Excellent. Why don't we ask him to join us and we will put the question to him directly.

Senator Hill—Whether he was a MOPS staffer?

Senator FAULKNER—I think that has actually been cleared up by Mr Roche, but we will put that question. Mr Scafton, were you employed under the Members of Parliament (Staff) Act?

Mr Scafton—Yes. I was.

Senator FAULKNER—Thank you very much. I do not know if you have seen this or not, Mr Scafton, but Minister Hill put out a press statement on 17 February which said:

The DLOs have advised me that it was not standard practice for them to bring it directly to the attention of the minister. They advised me that this occasion was no different to the standard practice.

What we are exploring with the minister is whether you, as a ministerial staffer—

Senator Hill—I am not going to agree that a then MOPS staffer be questioned in an estimates committee on matters relevant to that MOPS staffer's employment. That would be, I think, unprecedented—

CHAIR—And his advice to the minister, presumably.

Senator Hill—and most inappropriate. I said that Mr Scafton should attend because he is a senior officer and there may be estimates questions relevant to his current job as a public servant.

Senator FAULKNER—Well, Minister, can I ask you this?

Senator Hill—Yes. You can ask me what you like.

Senator FAULKNER—What is going to be your approach—and Mr Scafton is just one example—if, perchance, Mr Scafton were to be invited by the Senate select committee to provide evidence on this or any other matter?

Senator Hill—I would defer—

Senator FAULKNER—Senator Brandis wants to give you legal advice. He is on his knees!

Senator Hill—to a whole of government position on that. To my mind it is treading on very dangerous ground. On the other hand, that must be weighed against the benefit of getting as much relevant information as possible on the public record. I have certainly not been party to a discussion yet on how we should weigh that balance. I will be doing that in due course if the committee gives an indication that it wishes to call MOPS staffers.

Senator FAULKNER—In this instance Mr Scafton is actually a former MOPS staffer. I do not know the status of other MOPS staff and I do not intend to second-guess the Senate select committee. I am not progressing questioning to Mr Scafton either; I am asking you this. Mr Scafton is currently a departmental officer, as you point out to us. What is going to be your approach in relation to serving ADF officers and civilian officers in the Department of Defence in relation to any invitation that may be forthcoming to appear before the Senate select committee?

Senator Hill—I have not made a final decision on serving officers. I think therein also lie quite difficult questions. The attitude that I have taken with public contributions by serving officers is that I have not discouraged that when it has been at a very senior level—people that can, in effect, speak for the Defence Force. I think in every instance when a journalist has asked me if I would agree to them speaking to one of the chiefs I have agreed.

But I do have significant reservations about whether that is sound public policy when you go further down the ranks. On the other hand, even I can see that to try and establish the factual base in relation to SIEV4 could well be assisted by the evidence of the sailors who were on the *Adelaide* and who were part of the events. So that is going to be a difficult issue to weigh up as well. Again, obviously the committee has not got to the stage where it has given me any indication as to who it wants to call. Out of its request I hope that we might be able to reach an accommodation that seems to be reasonable.

Senator FAULKNER—I, along with a couple of the other committee members here, happen to be also a member of the select committee and I would not want to second-guess what the committee might do either. I think there is at least some clarity that a number of people may well be invited to attend and give evidence. I think that would seem to me to be likely to be the approach. It is certainly an approach that I would support.

Nevertheless, Minister, Mr Scafton may well be one of those who the committee might care to call. There may well be others, as you can imagine. So I think the sort of approach that you are going to take is important here, particularly in the light of the fact that Mr Scafton has made it to the witness table at this estimates committee.

Senator Hill—Is there a question before the committee?

Senator FAULKNER—That was a question to you but if you care not to answer it—

Senator Hill—I am sorry, I thought you were summing up the situation.

Senator FAULKNER—No, I was not. I was asking you a question about your approach in relation to the select committee.

Senator Hill—My current position is not finalised on either military staff or MOPS staff. MOPS staff, I think, would be firmer than the military staff.

Senator FAULKNER—General Powell, Mr Scrafton is mentioned in the appendix to your report in the list of key personnel contacted during the course of the inquiry. Did you interview him on 5 December 2001?

Major Gen. Powell—Yes.

Senator FAULKNER—In relation to the written statement, on your report dated 14 December 2001 it did say, ‘Written statement: no—still await.’ Is that still the situation, or have you now received Mr Scrafton’s written statement?

Major Gen. Powell—Each of those people that I interviewed was invited to submit a written statement. I have not received a written statement from Mr Scrafton.

Senator FAULKNER—Was this in the form of a request?

Major Gen. Powell—Correct. My inquiry was an information-gathering inquiry. There was no obligation on anyone to make a written statement. I provided a list of questions to each person that I interviewed. I had an informal discussion with them, with an assistant. Then, by leaving a set of questions with them, I invited them to respond.

Senator FAULKNER—I think I know the answer to this question, but it is useful for you to put on the record how you dealt with the records of interview that you had, in terms of recording and outcomes.

Major Gen. Powell—The interview itself was an informal discussion, at which I took notes. You would note from the early part of my report that it allowed me to form a general idea of the views of those I interviewed. It was not done in a formal way. The formal part of my findings was very much in the form of written statements which were the result of, firstly, answers to the questions I provided to each person I interviewed and, secondly, any further information that they wanted to add to the questions that I posed.

Senator FAULKNER—So in Mr Scrafton’s case, for example, neither of those two final steps were completed?

Major Gen. Powell—You imply that there was an obligation to complete them.

Senator FAULKNER—No implication is intended.

Major Gen. Powell—He was invited to respond and clearly chose not to.

Senator FAULKNER—I am only interested in establishing the status of it.

Senator CHRIS EVANS—What did you conclude from the five interviews where you did not have written responses? You say that you had an informal chat with those five people but that you were going to base your report on the written responses to the questions you led. What input or value, then, was on the five contacts from whom you did not receive any written information? It seems to me to be difficult for you to use that, if it was an informal chat. I just want to understand your thought processes, given that you did not get any further information from five of those witnesses, according to my quick count.

Major Gen. Powell—I concluded that the information they provided in an informal sense was not critical to my findings. Therefore, I based my report very much on the formal side,

which was the responses that I received. I might caveat my remarks by saying that you would note from my report, in terms of the way that I expressed my findings, that they were very much a starting point. If we really wanted to be very clear about what actually transpired we need to go through a formal process, which is really Admiral Barrie's choice. He has not made that decision yet.

Senator CHRIS EVANS—I do not think any of us have read that report—so, with your caveat, I think you have covered that pretty well. So that Senator Hill does not accuse me of putting words in your mouth, how would you describe, then, the value of the information gained from those five witnesses who are on your list but from whom you did not receive written reports?

Major Gen. Powell—This is a personal judgment. I would say that in certain cases where those people are reasonably important—bearing in mind that my report was really the first phase, in a sense, to the broader inquiry conducted by PM&C—it meant that the outcomes I came up with were less conclusive and continued to place weight on the fact that there was an expedient approach to getting as clear a picture as we could of exactly what happened. But until you conduct a thorough and comprehensive inquiry, where witnesses are taken through due process, you are not going to be able to clarify the circumstances to a point where we know exactly what happened. And even then you may not, because it is very clear to me that, based on the recollections of a lot of people that I spoke to, they were not conclusive in their own minds.

Senator FAULKNER—You would agree, though, that Mr Scrafton's evidence, for example, is pretty important in this matter, wouldn't you?

Major Gen. Powell—It depends on your perspective. I guess—

Senator FAULKNER—Yes, it does. My perspective is because Mr Scrafton has—

Senator Hill—Senator Faulkner certainly invites you to come to that conclusion.

Senator FAULKNER—I do, Senator Hill, because, after all, Mr Scrafton has discussions with the Prime Minister about some of these matters, so I do think that his evidence is important. I am not going to mince words about that; I believe it is important.

Senator Hill—I think it is even debatable in a public service inquiry such as this one for a public servant, who is obviously in a position where his superiors have significant influence over his future, to be asked to give evidence relating to his former employment under the Members of Parliament (Staff) Act. I have considerable doubt as to whether that is an appropriate thing to do.

Senator FAULKNER—I am interested to hear you say that, Senator Hill, because on Monday I consistently put a view to Mr Moore-Wilton from the Department of the Prime Minister and Cabinet about a report that was done by a comparatively junior officer in the Department of the Prime Minister and Cabinet and submitted to her immediate superiors—the branch head, the deputy secretary and the secretary amongst others—and this seemed to be an argument that you roundly rejected.

Senator Hill—To one's superiors—

Senator FAULKNER—You cannot have it both ways.

Senator Hill—is less threatening than to one's inferiors.

Senator FAULKNER—The point is, Senator Hill, there are very significant caveats that General Powell points out in his report. I think you would acknowledge that.

Senator Hill—I am not questioning the way in which General Powell conducted—

Senator FAULKNER—No, I think General Powell would say that.

Senator Hill—It seems to me to have been very fair but, in retrospect, I doubt if the issue was even thought about. I think it is somewhat unfair to question somebody—

Senator FAULKNER—I am interested in your change of heart in the space of 48 hours. General Powell's report is unarguably superior to the Prime Minister and Cabinet report. There is no doubt about that. In fact, very little new information of any value at all is contained in the PM&C report. Most of that report is based on the findings and the information sought by General Powell, who does make the point—I would like you to comment on this, General Powell—that the information you received from those you spoke to was not sworn evidence. Those individuals obviously were not on oath.

Major Gen. Powell—That is correct, Senator.

Senator FAULKNER—I do not want to put words into your mouth, but I do think you identify and recognise that as something of a shortcoming; hence, you make recommendations about possible further inquiries of a different nature.

Major Gen. Powell—I would not call it a 'shortcoming'. I think, again, you have to look at the purpose of my report. It was to inform the CDF, as best I could without going down a formal inquiry route, of the circumstances surrounding this whole series of incidents. Given the constraints of an informal inquiry and given the constraints of what people could recall—given the way that the situation has been explained by Admiral Shackleton—I think we have come to a relatively effective conclusion about exactly what contributed to the circumstances we find ourselves in.

Senator FAULKNER—But in your inquiry, General, in your discussion with Mr Scafton, can you indicate to us whether the question of Mr Scafton's telephone calls with the Prime Minister was discussed in any detail?

Senator Hill—If those questions were asked of Mr Scafton—

Senator FAULKNER—No, they are asked of General Powell.

Senator Hill—No, if they were asked by General Powell of Mr Scafton in the form of his inquiry, I would have thought that they were inappropriate questions to ask.

Senator FAULKNER—Well, you may have; now you will be able to make a judgment. It would only be your opinion.

Senator Hill—and it would be equally inappropriate for General Powell now, through this other technique of questioning him rather than Mr Scafton, to seek to explore those issues, which are really issues out of a relationship under the MOP(S) Act.

CHAIR—If you wish to ask that question, Senator Faulkner, you should address it to the minister. I rule it is inappropriate to ask that question.

Senator FAULKNER—On what basis?

CHAIR—For the same reason that the minister has explained.

Senator FAULKNER—What is that?

CHAIR—That it is inappropriate to ask General Powell to make a statement on a conversation he has had with Mr Scafton in reference to a conversation that Mr Scafton might have had with the Prime Minister.

Senator FAULKNER—What you seem to fail to understand is that Senator Hill makes the suggestion that a question that I direct to General Powell should not be answered by General Powell. Senator Hill suggests that the question I might direct to Mr Scafton, as a witness at the table, is not properly directed to him, and I am, in fact, not going to find fault with that, although I did not have an opportunity to ask the question. Senator Hill jumped to a courageous conclusion that I might go a bridge too far—he lacks confidence in that regard.

Senator CHRIS EVANS—I knew this question would be about infrastructure projects in Defence.

Senator FAULKNER—Then Senator Hill gives no guarantee that witnesses like Mr Scafton might be called before the Senate select committee.

Senator Hill—I rely on the authority of Senator Faulkner. Earlier this week, in relation to another staff member, I said:

It would be highly unusual for staff of any minister to be called before a Senate inquiry.

To which Senator Faulkner said:

It would; you are right. That is not the normal way these inquiries work. I accept that. I try to be consistent about these sorts of things.

Senator FAULKNER—That is why I did not press my question with Mr Scafton, even though I had not yet asked it. It may have been about Defence—

Senator Hill—Now you are going through the back door!

Senator FAULKNER—No, I am asking General Powell—and I would like to press my question with General Powell. It is a perfectly reasonable question in relation to General Powell and his report.

Senator Hill—Well, I object to the question.

Senator FAULKNER—I accept what you say about Mr Scafton, even though you did not hear the question I intended to ask. I hope that Mr Scafton and many other witnesses will be allowed to appear if invited—that is a major qualification—to the Senate select committee. I do suggest to you, Minister, and to you, Chair, who at the end of the day has to consider this, that questions directed to Major General Powell about his report are absolutely in order.

Senator Hill—I do not agree in relation to questions that refer to alleged actions that took place under a MOPS relationship.

Senator FAULKNER—You think this would be a perfectly reasonable question if it related to a member of the defence forces, an ADF member, or a civilian in the Department of Defence who had not previously had any incarnation or role as a MOPS staffer. That is the point you are making.

Senator Hill—It is a special relationship, and it is traditionally protected for good reason.

Senator FAULKNER—So it would be a reasonable question—

Senator Hill—In the case of Mr Scafton, I think even more so. It should be that public servants can take leave and contribute to the staff of ministers under that ministerial relationship and return without being prejudiced for having done so.

Senator FAULKNER—So it is a reasonable question in other circumstances but it is unreasonable because of Mr Scrafton's recent incarnation as a MOPS staffer?

Senator Hill—Correct.

Senator FAULKNER—Okay. Thank you for that, Senator Hill. This is to you, General Powell, the question we left in abeyance earlier in the hearings. I think I was asking you about your decision not to invite or request Air Marshal Houston to have a discussion with you in the preparation of your report. I think you were going to talk to us about your reason for that, and I believe you were going to depend on the evidence that Brigadier Bornholt had provided to you. I wonder if you could now outline that to the committee.

Major Gen. Powell—Senator, I thought I had responded to your question earlier regarding that. I explained my response once before.

Senator FAULKNER—You did in part but you were going to indicate to the committee the elements contained in that statement of the brigadier that assisted you to come to that conclusion. I wonder if you could share that with the committee.

Senator Hill—Come to what conclusion?

Senator FAULKNER—This is your approach, Senator Hill.

Senator Hill—My approach before dinner was that material should not be put on the table tonight that is prejudicial to an individual without that having been put to the individual. Then I did not of course know what General Powell was going to say. That is one point. The second point is that I do not quite understand, if Senator Faulkner wants to pursue this line of questions, why he didn't do it with the brigadier.

Senator FAULKNER—I can do it with the brigadier, but General Powell is at the table.

Senator Hill—I don't mind, subject to my proviso that it could be prejudicial to an individual without notice.

Senator FAULKNER—I don't know whether these are General Powell's notes that he intended to quote from or the brigadier's statement. I don't know that. You may have that information but, given that it was the general who was proposing to read that material into the record, it seems sensible to deal with him. That is why I am doing it. Given that you have made clear what your attitude is, and defined it in relation to MOPS staff, I think we ought to now proceed.

CHAIR—I might interrupt you there, Senator Faulkner. It being 9 o'clock, we might take a short break—

Senator FAULKNER—That's fine. Could we just have an answer to the question and then take a short break?

CHAIR—If the minister chooses to answer it.

Senator FAULKNER—Yes. General Powell can assist me on this, I think.

Senator Hill—I have said that I don't object to it being done this way if it is something that is not prejudicial.

Senator FAULKNER—Before you read it out, General Powell, do you believe it is prejudicial?

Major Gen. Powell—If I recall, I think we actually did this once before. Are we doing this again?

Senator FAULKNER—No, we didn't get to the statement, though, General Powell.

Senator Hill—By this time tomorrow night we will have done it a number of times.

Senator JACINTA COLLINS—You started to and then you stopped. *Hansard* will show it.

Major Gen. Powell—I am very happy to do it again unless—

Senator CHRIS EVANS—You are dealing with the Senate now. We are used to repetition, even if it is tedious. For my benefit—I only heard the first part of your statement, so even if it is just to amuse me—would you mind doing it again?

Major Gen. Powell—I will try to be exact. First of all, if I recall correctly, I said that I did not think what I was about to say was prejudicial. I then quoted, from Brigadier Bornholt's statement to me, words to the effect that he was requested to brief CAF on his knowledge of the issue—that issue clearly being the one in question—and that he then sat through a telecon between CAF and MINDEF to assist in clarification. I think, from memory, I chose words to the effect that I did not see this as significant and that I did not see it as a key issue. Then I went on and quoted from my report, at subparagraph K on page 7 of 10, which is CDF to Minister for Defence:

Those statements further suggest that the CDF may have informed the Minister of the doubtful nature of those allegations. In that discussion it appears that it was agreed that in the future it would be necessary to ensure that there was clarity about material under discussion. Further, it appears that the Minister may have advised the CDF that the issue would not be further pursued.

That is on the public record. The point I am making is that I saw the question of 'clarification' in Brigadier Bornholt's point as not shedding any further light on the clarification that clearly had been spoken to the minister by CDF.

CHAIR—Are you happy to take a short break?

Senator FAULKNER—Yes.

Proceedings suspended from 9.02 p.m. to 9.28 p.m.

Senator FAULKNER—I would like to be clear, General Powell, if I can, on the matter we were discussing before the break. Did I understand you to say that you did not regard Brigadier Bornholt's and Air Marshal Houston's speaker phone conversation with CDF as significant because you were aware that CDF had already clarified the situation for the minister?

Major Gen. Powell—I am not sure the word 'already' is appropriate. What I would say is that when I reviewed all the statements and looked at what I did know and what I did not know—and there was a significant amount that I did not know and I knew that I was not empowered to determine what I did not know—I made a judgment that I would go with what I had. Given the time frame that I had to do it and the availability of people, I went with what I had.

Senator FAULKNER—Understanding that, would the CDF's clarifying the situation with the minister—I may be jumping to a conclusion that is wrong here, so bear with me if that is the case—be the contact with Minister Reith on 11 October as relayed by Admiral Ritchie? Is that what you were depending on?

Major Gen. Powell—Without checking the facts, I cannot recall which particular piece of evidence led me to that deduction. I can say that, in terms of my focus, which was

predominantly internal ADF, and because there was not a clear picture in relation to what went in and out of the minister's office, my focus was predominantly within the ADF and I was happy, at least in answering the CDF's requirement, that I had covered that particular issue as well as I could under the circumstances.

Senator FAULKNER—Could I ask Brigadier Bornholt whether he regarded the conversation as significant in terms of conveying critical information to the minister?

Senator Hill—We had this debate earlier tonight. It is not for Brigadier Bornholt to say whether he regards his conversations as significant; it is for this committee to determine various facts and then Senator Faulkner or anyone else can call on—

Senator FAULKNER—We may learn from the brigadier whether he was aware at that time of the conversation between Minister Reith and—

Senator Hill—I have no problem with you asking whether he was aware, but that is not what you said.

Senator FAULKNER—There were two elements. Brigadier, I just wondered if you might be able to inform the committee in relation to the speaker phone conversation that we have heard about previously between you and the air marshal with Minister Reith. My interest here is whether you felt, as one of the participants, that you were conveying critical information.

Senator Hill—Fair go!

Senator FAULKNER—What is wrong with that?

Senator Hill—It is not for him to analyse the quality of the evidence. It is for General Powell to make an assessment on the basis of the evidence that was put before him. If you want to go beyond that, it is for this committee to ask the brigadier whether a phone call was made and what the content of the phone call was, but not whether the brigadier thought it was significant, super-significant, extraordinarily significant or whatever. That is a value judgment.

Senator FAULKNER—If you let the senators finish their sentences it might all fall into place for you, Minister. I would like to know whether the brigadier was aware at the time of the speaker phone conversation with the minister that CDF had clarified matters with Minister Reith on 11 October. Were you, Brigadier, aware of that conversation?

Brig. Bornholt—I was not aware of any conversations that CDF may have had with the minister.

Senator Hill—That is the answer.

Senator FAULKNER—If that is the case, Minister, no doubt the brigadier did think it was significant at the time and clearly so did, from the evidence we received from Air Marshal—

Senator Hill—That is your assessment. You are now giving your speech.

Senator FAULKNER—You do not doubt that. Brigadier, I assume that prior to this phone conversation no previous attempt had been made to clarify this issue with the minister. That is absolutely clear from what you said previously, but let us just rule that out, if we can.

Brig. Bornholt—Do you want me to start at the start? I am not sure where you want me to go to.

Senator FAULKNER—Where would you like to start, Brigadier?

Senator Hill—He would like to tell you what he wants you to say.

Brig. Bornholt—The question is not clear.

Senator FAULKNER—Fair enough.

Senator Hill—Fancy that!

Senator FAULKNER—We will try to clarify things so that we can make some progress. Brigadier, I am interested in understanding when you first became aware of the fact that public statements were being made that did not represent the situation in relation to the children overboard incident, as you understood it.

Brig. Bornholt—The first time that I became aware of that was in the afternoon of 10 October.

Senator Hill—Sorry, I am now not clear. Are you talking about the events of the 7th, or are you talking about the photos?

Senator FAULKNER—I asked a question about the events relating to children overboard. The brigadier may have interpreted that as either of the two elements.

Senator Hill—I think that should be clarified.

Senator FAULKNER—If the brigadier cares to clarify it, he may. Senator Hill makes the point, Brigadier, that there are two elements to this: (1), the question of the veracity of the claims that children were thrown overboard; and (2), the issue of whether the photos depict that incident.

Brig. Bornholt—As to the first, I had no evidence that children were not thrown overboard. What I knew was that the photographs that had been released did not represent the events on 7 October, whatever those events may have been. If children were thrown overboard on 7 October, I was not aware of any of that. What I was aware of, if I can say it again, was that the photographs did not represent events of 7 October; they represented the events of 8 October.

Senator FAULKNER—And you became aware of that on what date?

Brig. Bornholt—On 10 October.

Senator FAULKNER—Could you, for the benefit of the committee, indicate to us how you became aware of that?

Brig. Bornholt—On 10 October, I was in a meeting with my staff. At about 3 p.m. my staff officer came in and said to me that the minister's media adviser had spoken to her twice about photographs that they wanted to release. He was specifically interested in the break-up of the people who had been in the water on 7 October, and the numbers of women and children. She had tried to deal with him on two occasions to say to him that there was no evidence that we could find that would corroborate such a claim. After he had, as she said, got quite angry with her, she decided that it was time to hand the problem over to me, because I will not have my staff dealt with like that.

Senator Hill—Well, I do not know that—

Brig. Bornholt—I then spoke to him.

Senator CHRIS EVANS—Senator Hill, you cannot interject every time you do not like something a witness says.

Senator Hill—No—

Senator CHRIS EVANS—That is exactly what you are doing.

Senator Hill—No. You ought to call the primary witness if you want that evidence, rather than go to a secondary source.

Senator FAULKNER—The brigadier just said that he will not have his staff dealt with in that manner. He will not—

Senator Hill—Yes, but if you want to find out whether the staff were dealt with in that manner, you should be calling the staff and not the brigadier.

Senator JACINTA COLLINS—I do not think he asked that question.

Senator FAULKNER—At this stage, Minister, given that you are still pondering questions about the appropriateness or otherwise of more junior staff being called before the Senate select committee, perhaps that will be an element that will assist you in that consideration.

Senator Hill—I think it would be a much more reliable course of action if the brigadier concentrated on what action he took rather than gave us his views on how somebody else had spoken to one of his staff.

Senator FAULKNER—With respect, Minister, that is very offensive.

Senator Hill—I do not think it is offensive at all.

Senator FAULKNER—It is not up to you to reinterpret questions. Mind you, I am pretty relaxed about that. At the end of the day, there will be enough hearing days on this and we will finally get there. I am tired, but I am in a really good mood as well.

Senator Hill—Aren't we all?

Senator FAULKNER—You do not seem to be, I must say.

Senator Hill—No. It is again colouring—

Senator FAULKNER—Let the witnesses answer the questions and we will be out of here a lot more quickly.

Senator Hill—The witnesses should answer the questions in terms of their primary contact—

Senator FAULKNER—No. They should answer the questions as they see appropriate.

Senator Hill—and not in terms of the background that they think is relevant to the particular point of view.

Senator CHRIS EVANS—Brigadier Bornholt is more than capable of describing a conversation he had with a staff member, which is what he was doing. If you are going to rule out any conversations—

Senator Hill—As a result of the conversation with his staff member this is the action that he took, and then it would be fair.

Senator FAULKNER—You really do sound, Minister, as though you are trying to cover up.

Senator Hill—Don't be silly.

CHAIR—Would you like to ask the question again, Senator Faulkner?

Senator FAULKNER—No, I do not need to. I think the brigadier is well aware of what the question is. We are just awaiting the answer.

Brig. Bornholt—After I became aware of this, I then said that I would deal with the media adviser. Before I decided to call him, though, I asked my staff to gather together all of the facts that they could so that I could provide the right advice. I then called the minister's media adviser at about quarter to four on that day, and I said to him, 'My advice to you is that the photographs could not be of 7 October because Strategic Command have informed us that, of the 14 people that they understand were in the water, there were no women or children.' This conversation, as I said, took place at quarter to four. He expressed concern about my advice and told me that the CDF had confirmed with the minister that the photographs could be released and that there were women and children in the water. I said, 'I can't believe that.'

Senator Hill—But it was the Strategic Command that told the task force that there were children in the water.

Senator FAULKNER—Oh, for heaven's sake!

Senator CHRIS EVANS—On a point of order, Mr Chairman: this is just totally unbelievable. If Senator Hill wants to run a commentary on it, he can keep it to himself, but you have an obligation to protect the witnesses.

CHAIR—The minister can answer the questions as he wants.

Senator CHRIS EVANS—He was not asked the question, and he was not answering it. He was trying to provide a commentary on the witness's evidence. That is just totally inappropriate. You have an obligation to protect the witness and allow him to answer the question.

CHAIR—Also the minister has a right to—

Senator Hill—I also have an obligation to do my best to ensure that the evidence put before this committee fairly reflects the facts.

Senator FAULKNER—Minister, you know what it is like in relation to your responsibilities as a minister in terms of your obligation not to mislead the parliament and to ensure that answers you provide are accurate. Unfortunately, I have not had that responsibility for many years, but I did understand it when I did have it.

Senator Hill—It is a responsibility we all have.

Senator FAULKNER—Of course it is, and it is a responsibility that the witnesses at the table have, Minister, and the brigadier is giving evidence. His evidence is important in a sense that does not apply, I think, to virtually any other witness in this room. The brigadier, of course, in the next few days has very serious and important responsibilities. We wish him very well in that. There may not be an opportunity directly for the Senate select committee to hear this witness in another forum. From that point of view, I think you should acknowledge that and allow this witness—as you should allow all the witnesses—to give his evidence the way he sees fit. It is just fundamental and you know that, Senator Hill. Generally you have a good record of allowing this to happen, but this is preposterous behaviour from you, standing over witnesses at the table. You have never done it before.

Senator Hill—I am not doing it now.

Senator FAULKNER—Why cover up for ex-minister Reith?

Senator Hill—This is a commentary.

Senator FAULKNER—You know you have never covered up for him before. Anyway, let us get on with it.

Brig. Bornholt—At that stage of the game it became apparent to me that the minister's media adviser and I were actually talking about two different sets of pictures. I did not have the two photographs during that telephone conversation that were subsequently released. The only photographs that I had on my system were the five photographs that had been sent from Strategic Command. They were the shots that were released by the minister in the last few days that showed, at a distance, the SIEV sinking and, eventually, the people in the water. So I was at a loss to work out why there was so much specificity about these two photographs.

The deal was, though, that the minister was to make a media statement at about 4.30—that was my understanding. I then went across to the other Defence building on the way to a meeting and, on another system, when I logged on I discovered these other two photographs that had been sent to me after my staff had sourced them, again from Strategic Command. When I opened these two photographs up, it was clear that the captions under the photographs indicated that certainly one and therefore, I surmised, the second, were taken on and displayed the events of 8 November, because 8 November was actually in the captions.

Senator CHRIS EVANS—You mean 8 October, I suspect.

Brig. Bornholt—Excuse me, 8 October. I then brought that issue to the attention of my divisional head, Jenny McKenry. She then said that I should contact the minister's media adviser and bring it to his attention. At that stage I was on the way to a Strategic Command group meeting that was convened for 5 o'clock on that day. I called the minister's media adviser and left a message on his mobile phone answering machine to say, essentially, 'The advice I had given you earlier is correct. Those photographs do not represent the events of 7 November.'

Senator CHRIS EVANS—I think you mean October again.

Brig. Bornholt—Sorry, October. They are confusing, these dates; you can get them mixed up. I then went to the Strategic Command group meeting that finished at about 6.30 and our focus started to move from that time on to other things like the operations in the Middle East, because that is what that meeting was about. I came out of there and had not heard anything back from the media adviser, so I went back to my office and sent an email to Jenny McKenry to the effect that I was so concerned about this that we should bring this matter to the attention of Mr Scrafton at the earliest opportunity tomorrow—tomorrow being 11 October.

She called me that night and said, 'I think you're right—we do need to bring this to the attention of the minister's office properly.' So Jenny McKenry and I met in her office the following morning—11 October—and we clarified all the detail, and during that period Mr Scrafton rang Jenny's office and we clarified with him by telephone the nature of the events. He then brought to our attention that there were no captions on these photographs that they had in the minister's office, which actually surprised us because we were not aware of that particular detail at that stage, that the captions had been removed. So we then undertook to get the detail from Mr Bloomfield from media liaison as to why the captions were removed and how all of that occurred. He provided that information, and I am not a primary witness as to the detail of that information. Jenny McKenry then undertook to provide Mr Scrafton with an email with the two photographs on it, and the captions, to ensure that it was clear that 8 November was the date of these photographs.

Senator HOGG—You mean 8 October?

Brig. Bornholt—8 October, I am sorry. So that is essentially how I participated in bringing this to the attention of the minister's office.

Senator HOGG—With respect to the photographs, they were all digital photographs, I presume?

Brig. Bornholt—Yes.

Senator HOGG—Was the date and time that the photographs were taken superimposed on the photographs?

Brig. Bornholt—No, it was not.

Senator HOGG—It wasn't?

Brig. Bornholt—Not the photographs that I saw, no.

Senator HOGG—Is that a standard practice for photographs that are taken within Defence, that the time and the date might be superimposed upon photographs?

Brig. Bornholt—I cannot speak for these particular photographs because these were amateur photographs taken by the crew of the vessel. I only deal in professional public affairs photographs, and it is not common practice for those dates and times to be superimposed. I guess you are referring to the type of thing you do where it has the 3rd of the 6th, or whatever, on the front.

Senator HOGG—Yes.

Brig. Bornholt—No, we do not do that.

Senator FAULKNER—What do you mean by 'amateur photographs', Brigadier?

Brig. Bornholt—They were not taken by professional photographers. There are only two kinds of photographer that I am aware of: amateurs and professionals. These were not professionals.

Senator FERGUSON—If they were amateurs, how did they get to Strategic Command?

Brig. Bornholt—They were provided from the ship through the Navy communication system to Maritime Command and then onforwarded to a number of addressees in Defence, including Strategic Command.

Senator FERGUSON—Is it a normal practice to take photographs from any sailor on the ship who happens to take photographs and forward them on?

Brig. Bornholt—You would have to ask someone from the Navy about that.

Senator Hill—Why those two and not the other 400?

Senator FERGUSON—Why those two and not any others?

Adm. Barrie—I can answer that. It is quite simple: if there is no properly accredited public affairs adviser or representative in the ship—and there was not in this case—then the ship's staff will seek whatever resources they have available, and that sometimes includes personal photography and that sort of thing.

Senator HOGG—Did that apply also to the official film that was taken and later viewed—the video?

Vice Adm. Shackleton—No, that was through the electro-optic tracking system which is fitted to the ship.

Senator HOGG—Would that show a date and time on that particular film?

Vice Adm. Shackleton—That would record ship's position, date, time, bearings, elevations—

Senator HOGG—That would be shown as a subtitle, if I can use that word, on the film?

Vice Adm. Shackleton—It can be shown that way. These photographs that were taken on board the ship were taken with a hand-held digital camera, and the files from the camera would have had a date-time stamp with the file which would not appear on the picture as you viewed it. What I do not know is whether that date-time can be manipulated.

Senator HOGG—Subsequent to the photos being taken, someone has then taken the time to download them onto a PC and add captions to the photos and add the time of the photos. Is that correct?

Vice Adm. Shackleton—The photos can have a title added—so, like a normal file, it has a title—but you then have to load it into another application to add the supporting text normally, in this case.

Senator HOGG—Who would have done that?

Vice Adm. Shackleton—If the picture was incorporated into another application, such as PowerPoint, the ship could have done that and then sent the entire PowerPoint slide. I do not know how that came across.

Senator FERGUSON—Is it possible that the amateurs who took the photos could have also added the captions and the titles?

Vice Adm. Shackleton—There was one individual on the ship, a petty officer, who did the majority of the photography. We would have to check to see what he did in relation to the manipulation of those images.

Senator FERGUSON—So there was more than one amateur photographer taking the photographs?

Vice Adm. Shackleton—There could have been, but my understanding is that this individual was the ship's photographer, even though he does not rate the standard of professional.

Senator FERGUSON—You do not know whether he added the captions and the titles and wrote what he wanted on the photographs or not?

Vice Adm. Shackleton—No, I do not.

Senator FERGUSON—It would certainly be a benefit, I assume, for the Navy to have one of the crew doing that sort of thing. I assume a photographic record is also valuable to the Navy. That is an assumption on my part, but I assume that is right, isn't it?

Vice Adm. Shackleton—Perhaps I can read you some text from a message that came from the ship. It says that all photographic images were taken by the petty officer communications information systems maintainer (the ship's only authorised photographer) using a private digital Sony camera and were subsequently downloaded via a cable to a modified local area network workstation. Some were light/colour/brilliance altered using a PhotoShop software package. All were given a unique filename, saved, and all were stored on the local workstation and then saved to a compact disc. The photos were saved as the petty officer saw fit and are therefore not in absolute chronological order in the respective file/folder—they all appear now on this CD, which has been spoken about. The message says that 'Some names

are unusual and reflect the yeoman's black humour. Other users/administrators onboard do not have access permissions to the logical partition on the hard drive on his work-station'—so he had reason to believe that they were not being accessed by others. As the petty officer said, 'All the photos I took over the period, I considered, portrayed HMAS *Adelaide* and her ship's company in a good light, and all photos were taken on the spur of the moment as is my usual modus operandi. No photos were taken with the intention of misleading or confusing the viewer whatsoever. Other than manipulating contrast and brightness levels, I do not alter the images in any way.' That was the photographic support message.

Senator FAULKNER—Brigadier, you were informed by strategic command on 7 October that at no stage were there any women or children in the water? I think that is what you said, but I want to be really clear that that is the case.

Brig. Bornholt—No. I was informed on 10 October. I was not directly informed. My staff spoke to Strategic Command and gave me the information. Essentially, it was negative reporting. The information they had was that there were 14 people in the water and they had no information to support any contention that there were women and children amongst that 14.

Senator FAULKNER—Do you know who that contact was in Strategic Command—not in your office, but in Strategic Command?

Brig. Bornholt—I would have to get that clarified with my staff officer who made that contact.

Senator FAULKNER—Would you mind taking that on notice for us. We would appreciate that.

Brig. Bornholt—Yes, certainly.

Senator FERGUSON—Could I just go back to the photos with Admiral Shackleton just for one question. Admiral Shackleton, is it any wonder that the photos were passed on to whoever they might have been passed on to in the knowledge that the captions and titles contained, I think in your words, the petty officer's black humour? Is it any wonder that the captions and titles were not removed before they were sent on?

Vice Adm. Shackleton—I would not read 'black humour' as being 'crude' or otherwise offensive. One was titled 'Law' and the other was titled 'Dogs', which is the nickname of a particular individual.

Senator FERGUSON—Which is pretty irrelevant to the photos concerned.

Vice Adm. Shackleton—Yes.

Senator FERGUSON—So is it any wonder that they were removed?

Vice Adm. Shackleton—I am not sure I am following you in terms of 'removed.'

Senator Hill—I could help, but Senator Faulkner would get upset.

Senator FAULKNER—Sorry, is that all?

Senator FERGUSON—Yes. I would not want to interrupt your flow, Senator Faulkner.

Senator FAULKNER—Thank you. Brigadier, in relation to the issue that we started to ask Ms McKenry about, which was the removal of captions, I think from your evidence you are suggesting that matter was a matter that Commander Bloomfield dealt with directly. Was that the import of what you were saying?

Brig. Bornholt—I am not actually primarily attached to any of those decisions about who took what captions off or why they took them off or what discussions led to that, so it would only be my second-hand opinion that I would know about that.

Senator FAULKNER—But I was asking Ms McKenry some questions about that. I appreciate that you are not directly involved. I thought your evidence was suggesting that neither was Ms McKenry; in fact it was Commander Bloomfield who had the direct contact on that issue.

Brig. Bornholt—Well, I think so. What I said was that it was not until the next day, on the 11th, in the morning when Jenny McKenry and I had spoken to Mike Scrafton, that we actually became aware that captions had been removed, because the Minister's office had said they did not have any photographs with captions on them. We were quite surprised by that. That is why she then, I understand, went down that line to determine how that had come about.

Senator FAULKNER—I do not think Commander Bloomfield is on the list of witnesses. I suspect he is not here tonight. So, this is the status at 11 October. Can you just let me know, in relation to your own role on this matter, if there were any further developments on that day or, if not, when this issue next came across your desk?

Brig. Bornholt—Later on that day I had my staff continue to try to find some clarity on this issue because it was very difficult to get information that could corroborate one way or the other. The afternoon of 11 October was when I first got possession of the signal that was talked about earlier on, and that was used to brief Chief of the Air Force a month later or thereabouts about the facts because that was the only written material that I could find that actually showed a chronology of events.

Senator FAULKNER—How did you get that signal?

Brig. Bornholt—It was emailed to me from Headquarters Australian Theatre.

Senator Hill—That was a signal of what date?

Brig. Bornholt—The date on the signal was 10 October.

Senator Hill—So there were plenty of signals before then, from the seventh.

Senator FAULKNER—Having received that signal, can I ask you, Admiral Barrie, whether that particular signal is the one that might form the basis of the chronology which was forwarded to Prime Minister and Cabinet that includes the footnote, the famous footnote.

Adm. Barrie—I cannot answer that question; I do not know.

Senator FAULKNER—Can you help me with that, Brigadier?

Brig. Bornholt—I do not know who else saw this signal. The title of the signal was 'A list of chronological events of 7 October' and it was, essentially, a time summary in chronological order of all of the activities that happened on that day. From that signal I was able to determine the numbers of people who had been in the water, at what time they had been in the water and whether they were men, women or children. They were all men.

Senator Hill—I am sorry to be a pest, but there was a signal between whom? Exactly who were the parties?

Brig. Bornholt—As I recall, and I do not have it in front of me, the signal was to the maritime commander in Sydney and it originated from HMAS *Adelaide*. It went through the various headquarters on the way to the maritime headquarters in Sydney.

Senator Hill—On 10 October.

Brig. Bornholt—The date on the signal was 10 October.

Senator FAULKNER—Brigadier, I am now going to make a courageous assumption that signals do not contain footnotes. Would that be right?

Brig. Bornholt—None that I have ever seen.

Senator FAULKNER—I thought that was the case. Admiral Barrie, is there someone who, in short order, could inform the committee whether that particular signal formed part of the basis of the footnoted chronology—it seems quite logical that it would—that went to the Department of the Prime Minister and Cabinet.

Adm. Barrie—I cannot answer the question directly. What I can say is, because I have just been handed a copy of this particular message, that it has no footnote.

Senator FAULKNER—I actually assumed that it would not have one. As the Brigadier told me that had never seen a signal that had one, I was confident that that was the case.

Adm. Barrie—I cannot answer the precise question. What I can say is that this message does not have a footnote.

Senator FAULKNER—If there is no-one here who can answer that precise question, could that be taken on notice.

Adm. Barrie—Yes.

Senator Hill—Take what on notice? About a footnote?

Senator FAULKNER—No, Minister. I am asking whether that particular signal forms in part—

Senator Hill—Whether it was forwarded to PM&C?

Senator FAULKNER—No. I do not think it was. From my understanding it was not. But there was a chronology that was footnoted that was forwarded to PM&C. My question goes to whether this forms the basis or part of the chronology that was developed. Of course, going back to the question of a non-footnoted signal, one gathers at some point that somebody in Defence actually does spot the significance of the signal or the chronology and does add a footnote that says, ‘There is no indication that anyone was thrown overboard.’ I think we can say that, can’t we Admiral Barrie, because that is the footnote of the chronology that goes to PM&C?

Adm. Barrie—I do not know the answer to that question. The only chronology that I have seen is the one contained in the Powell report. I have not seen the chronology that went to PM&C.

Senator FAULKNER—We will try and get to the bottom of that later. Thank you for that advice about the non-footnote to the signal, Brigadier.

Adm. Barrie—Perhaps I could intervene: I am advised by Strategic Command Division the signal did not form the basis of the chronology forwarded to PM&C.

Senator FAULKNER—So it is another chronology. Thank you.

Vice Adm. Shackleton—There was the question earlier about where the text on those messages came from. The message I have here, which I read from earlier which is from the

Adelaide, says that the two photos entitled ‘Law and the hero’ and ‘The Dogs and his family’ had accompanied text commentary on those photos. So the text came from the ship.

Senator FAULKNER—Thank you, Admiral.

Senator Hill—I think it was designed to promote the heroic acts of the sailors, which was more than reasonable in the circumstance.

Vice Adm. Shackleton—Yes, it was.

Senator JACINTA COLLINS—Yes, we all remember that.

Senator FAULKNER—Brigadier, you have this chronology, passed through a number of places in Defence, but that originated with HMAS *Adelaide*.

Brig. Bornholt—That is correct.

Senator FAULKNER—With the benefit of that chronology, could you let the committee know of any further role that you may have had.

Brig. Bornholt—On that afternoon—

Senator FAULKNER—This is 11 October that we are talking about?

Brig. Bornholt—Yes. On that afternoon I passed that chronology, because I thought it was materially important, to Jenny McKenry and I also went to the CDF’s office and spoke to his chief of staff. I informed him that I had that chronology and that it indicated that there were no women or children in the water. I did not do anything else with regard to this issue until 7 November, and we have already discussed that.

Senator FAULKNER—Yes. So really from that point through to the speaker phone conversation that we are aware of there is no other involvement by you personally in this matter?

Brig. Bornholt—Not in this matter particularly. But in the operation obviously I had a role—a wider role.

Senator FAULKNER—Yes, but how do you define ‘operation’ in this sense?

Brig. Bornholt—The name of the operation was Relex.

Senator FAULKNER—Yes.

Brig. Bornholt—I had a role in my normal capacity. The role involved my monitoring of what was going on, ensuring that we had the right information and communicating that information to the minister’s media adviser because he was the Defence spokesperson and we essentially were providing support to him. So right through the activity that was essentially the role that I played. The other part I played was to be prepared to clear imagery for public release if necessary. There was never any imagery that we cleared for public release. So that was the only involvement that I had until, as I said, 7 November when the issue arose again. I was then called to brief CAF.

Senator FAULKNER—Yes. So no further concerns, advice or counsel passed to anyone in Defence on that issue between 11 October and 7 November, because, I think you are saying, Operation Relex did not attract any public controversy; would that be right?

Brig. Bornholt—I would not have said that. What I said was that my role in Operation Relex was essentially to do my job, which was to clear for public release any imagery, to monitor the activities of the operation and to clear the information that we were providing to

the minister's media adviser so that public comment could be made on what was going on. That was the role that I was playing. I was also, in my capacity as the senior military officer in the organisation, responsible for ensuring that the public affairs officers and deployed teams were acting in accordance with the directions that had been given. So I have a role in that as well, right through any operation. But I would not want to say that I actually had opinions about other things.

Senator FAULKNER—No, but none of those matters went to or were germane to the so-called children overboard and related incidents?

Brig. Bornholt—Not from my perspective. I was not involved, as I said. My participation in that issue ceased on the afternoon of 11 October because from my perspective I had brought it to the attention of those people in my chain of command that I should have. I had done that and I moved on.

Senator FAULKNER—Were you contacted by General Powell in the course of his inquiry?

Brig. Bornholt—I received written advice requesting that I submit a contribution to the inquiry. I was not given an option not to, because I was participating in a routine inquiry under the Defence Force Discipline Act.

Senator FAULKNER—General Powell reports that you had an interview with him on 3 December last year.

Brig. Bornholt—That would be right.

Senator FAULKNER—He also reports that you provided a written statement to his inquiry.

Brig. Bornholt—That is correct.

Senator FAULKNER—Do you recall when that would have been submitted?

Brig. Bornholt—I would have to get my notes. I do not have that information right with me.

Senator FAULKNER—You might provide that to us, Brigadier, if you are able.

Brig. Bornholt—I have it in the room, but I do not have it right here.

Senator FAULKNER—Brigadier, I want to be clear on this. Your written statement was a response to questions in written form that came from General Powell to you.

Brig. Bornholt—No, there was an option to either answer the questions, question by question, or to submit a simple statement. I submitted a simple statement which was essentially a sequence of events that summarised my involvement in this issue. It also included excerpts from emails I considered to be significant. I submitted that as a three- or four-page document.

Senator FAULKNER—I see.

Senator Hill—Were the emails issued by you?

Brig. Bornholt—The emails were either issued by me or received by me.

Senator FAULKNER—You took the second of those options. Did you limit your statement to the events of the 'children overboard' incident, in the broad, that occurred in the

month of October, or did you also canvass the events in the month of November that we have heard evidence on today?

Brig. Bornholt—No, I included my involvement, which was through until 7 November, when the discussion occurred between CAF and the minister.

Senator FAULKNER—In relation to the speaker phone conversation between yourself and the Air Vice Marshal on the one hand and the minister on the other, were the details of that, as have been outlined to the committee, included in your written statement to General Powell?

Senator Hill—Did you participate in the speaker phone telephone conference? You spoke directly, did you?

Brig. Bornholt—No, I sat in the room.

Senator Hill—You sat in the room.

Senator FAULKNER—So you heard it. I assumed you participated. I am sorry if I have used the wrong verb.

Senator Hill—‘Shared’.

Senator FAULKNER—‘Heard’.

Brig. Bornholt—I think I recall that, at the start of the conversation, the Chief of Air Force indicated to the minister that I was in the room to assist in clarification, but I did not speak during the conversation.

Senator FAULKNER—I will stick with ‘participate’ then, Brigadier. I think that is fair enough.

Brig. Bornholt—To answer your question, my statement in respect of that telephone conversation was about three lines: it indicated the date and the fact that the conversation had occurred. I did not provide in that statement the substance of the discussion, because I considered the discussion to be between the Chief of Air Force and the minister. I expected that the details would be followed up by the Chief of Air Force as the primary witness in that discussion and not by me. To clarify, I included in the statement the fact that this event took place and that I was there at the time, but I did not then go on in my statement and say, ‘And this is what the discussion was about.’

Senator FAULKNER—That may well be a reasonable judgment to come to, but there is no interview with General Powell and Air Marshal Houston.

Brig. Bornholt—I was only a contributor as a witness to the inquiry. I did not conduct the inquiry, nor was I subsequently cross-examined on the evidence that I provided. The first time that I became aware that this piece of evidence had not been included was after the inquiry had been tabled in parliament last week. That was the first time I had seen it.

Senator FAULKNER—I think it is understandable why that is the situation in the circumstances that I have outlined. Did you consider that the omission was of such significance that you took any action—

Senator Hill—I do not think—

Senator FAULKNER—All right, I will not use the word significant. As a result of it not being included—because, you see, Senator Hill does not like me to use the word significant—

Senator Hill—That is okay. As a result of it not being included—

Senator FAULKNER—I am just rephrasing the question so we do not have another 20 minutes of you badgering the witnesses. As a result of the conversation with you in the room and the Acting CDF and the minister not being included, with the tabling of the report in the parliament, I wondered if you could you let us know, Brigadier, if you took any action.

Brig. Bornholt—I went through those reports when I got a copy of them, which was not until Friday last week. I think they were tabled on Tuesday, if I am correct—

Senator FAULKNER—I suspect not, because that was the opening of the parliament. I think it may have been the Wednesday.

Senator Hill—I think we are talking about Wednesday.

Brig. Bornholt—I went through the reports a couple of times and, on Friday last week, I looked through the chronology again and compared it to what my witness statement contained. I noticed that the evidence that I had given related to 7 November had not been included. I then decided that I needed to bring that point to the attention of the secretary of the department and the Acting Chief of the Defence Force, and I did that last Friday afternoon at 5 o'clock or so.

Senator FAULKNER—Was the VCDF the Acting CDF at the time?

Brig. Bornholt—Yes, he was.

Senator FAULKNER—I see. Are you aware of any follow-up as a result?

Brig. Bornholt—After I brought it to their attention, we—the secretary, the VCDF, the CAF and me—then met in the CDF's office and I talked them through what I had discovered. I was then instructed by the secretary to go back over to my office and get the paperwork that related to this, which I did. We came back and a decision was taken later that day that both the CAF and I would write additional witness statements related to this particular event and that we would submit them on Monday—that was Monday just passed—to the VCDF so that they could be forwarded to the CDF, as he had convened the inquiry, for his use on his return from overseas. So I submitted an additional statement related to that phone call, under those arrangements, to him at about lunchtime on Monday.

Senator FAULKNER—I see. Who was at the meeting with you and the Chief of the Air Force?

Brig. Bornholt—On Friday?

Senator FAULKNER—Yes.

Brig. Bornholt—In the meeting was the secretary of the department, the VCDF, the Chief of the Air Force and me.

Senator FAULKNER—Admiral Barrie, were you aware that that meeting had taken place? I appreciate that you were not present.

Adm. Barrie—I was not aware until I returned yesterday.

Senator FAULKNER—No doubt this matter has landed on your desk and the secretary's desk, but you might let us know—if you are aware—whether, after the process that Brigadier Bornholt has outlined to the committee, any action was taken by VCDF. Perhaps Mr Roche can help us, or the secretary. Or did this matter simply rest and wait for your return?

Adm. Barrie—As I am aware of it, the direction given was to prepare the paperwork. This is my interpretation. It is a serious omission from the Powell report, so I think the intent of the

direction was that as soon as I got back I should be delivered of this advice and then decide what the next step should be. That is really what the minister and I talked about this morning.

Senator FAULKNER—The Minister for Defence was informed, I think we heard earlier this morning. Is that the first contact with the ministers?

Senator Hill—I heard of the issue last night, from memory, but that the material had been passed to Admiral Barrie who, it was suggested to me, might well have been asleep after a long and arduous aeroplane ride. I therefore left the matter until this morning. So, as I said earlier, I was briefed on it this morning.

Senator FAULKNER—I will ask you this, Admiral Barrie, because you have just described this as a serious omission from the Powell report—they are your words and I think you stand by those—

Adm. Barrie—Yes, in this context: when the Powell report was delivered to me, I had a read of the report. I could see no reason to change my view of the turn of events on the basis of that report, as I have outlined earlier. This, of course, is quite new information and I thought in that sense it was a serious oversight.

Senator FAULKNER—I certainly believe it is a serious omission; I am not critical. I was going to ask you whether, since General Powell completed his report, which I think he did on 14 December because that is the date of the report, any other omissions—serious or otherwise—have been drawn to your attention.

Adm. Barrie—Not that I am aware of.

Senator FAULKNER—Just so we are clear on this: if there had been any, would you be aware of them? In other words, am I asking the right officer?

Senator Hill—You said, ‘drawn to your attention’ and then said, ‘Would you be aware of them?’

Senator FAULKNER—It is a serious question. The reason I ask CDF is that it may have been a matter handled by Dr Hawke; it may have been handled by VCDF—I am not sure. That is why I ask the question, not to be scoffed at. It is a serious point.

Senator Hill—It was internally inconsistent.

Senator FAULKNER—Get it clear, minister: I want to be aware whether, if there were other omissions—be they defined as omissions or serious omissions—any have been drawn to the Defence executive’s attention. I asked CDF but I do accept that CDF has been overseas. You just made the point that he was jet-lagged and so forth. Fair enough, it may have been drawn to the attention of Dr Hawke, who I think is overseas also, or the acting CDF or VCDF. I just wanted to check that.

Senator Hill—But the reporter himself acknowledges that there were serious omissions in that he was not able to interview the crew of the *Adelaide*. In particular, he recognised, in this hearing today, the short time in which he had to do the job.

Senator FAULKNER—Yes, that is true minister, but this—

Senator Hill—And he does not claim that the report is exhaustive. What is now being asked of Admiral Barrie really is, ‘Are there any omissions of consequence,’ which I think is an impossible question to ask anyone—

Senator FAULKNER—Senator Hill, I think you are well aware that I am asking a question that goes to omissions from the report that were not identified by General Powell. I

accept and understand that General Powell's report is qualified. I think it is probably highly qualified, and that is fair enough. I am not critical of that. I am not talking about those. They have been identified clearly by General Powell and everyone is aware of it. You know what I am asking. I think Admiral Barrie knows what I am asking but I am also asking CDF, to be clear about this, if another matter of this nature has been drawn to his attention or to the senior executive of defence.

Adm. Barrie—My answer is that the only other shortcoming, if you like, that I need more information on is the degree to which the public affairs plan itself was established and followed and so on, as I explained earlier. We have commissioned a look into that particular issue. But in the general context of information, I have not yet had the opportunity to trawl through the Prime Minister and Cabinet's report. I am very conscious of the fact that the way has been left open in General Powell's report to say there may be other matters, of which you are not aware or I am not aware, that might need a further look. But, as of this time, there is nothing in my mind that says to me this is a seriously deficient report apart from that set of issues.

Senator FAULKNER—Thanks for that, but I think you understand the context in which I ask the question. In relation to this particular matter—we have heard what has occurred to date—are there any further plans apart from where the additional reporting or submissions or statements lie from the two primary witnesses here, if you like, the Brigadier and CAF?

Adm. Barrie—In the context of this report?

Senator FAULKNER—No. I am just asking you: are there any further plans? Have you developed any further plans in relation to action as a result of the particular serious omission that has been identified tonight? In other words, where does it go from here?

Adm. Barrie—I outlined earlier that I had some concerns about the nature of public affairs organisation in relationship to military operations. That is not particularly related to that set of circumstances but it is very clear when you read General Powell's report that we need to lift our performance in that respect. We are going to have a look at that. I will make that advice to the minister as soon as I can credibly do so. But I do not have any feel that I need to commission a more formal board of inquiry to look in further depth at a range of issues because, as we know, there is a great deal of confusion about particular events. I do not have a sense that these will not be elaborated in the select committee and all of that process, where I think it will help, but there may be stuff coming forward in the select committee of which General Powell was not aware, and maybe the other report was not aware, that might lead to further inquiries. Right now I would say no, I do not have any.

Senator FAULKNER—This new information, the serious omission—that was not drawn to the attention of the Prime Minister or the Prime Minister's office separately to the advice that Senator Hill spoke about earlier? He has indicated he has.

Senator Hill—It only originated on Friday, I think.

Adm. Barrie—I think the Secretary of PM&C was advised on Friday about this issue.

Senator FAULKNER—By whom?

Adm. Barrie—I am advised it was by the Acting CDF, who was General Mueller.

Senator FAULKNER—The VCDF did that on Friday?

Adm. Barrie—Yes.

Senator FAULKNER—Of course. Was anyone else advised?

Adm. Barrie—Not that I am aware of.

Senator FAULKNER—So Mr Moore-Wilton was advised on Friday. I want to be clear on this. Maybe the VCDF can confirm this. This was advised to the Secretary of the Department of the Prime Minister and Cabinet.

Senator Hill—Brigadier, you can go.

Senator FAULKNER—We may well come back to the brigadier.

Senator Hill—He can come back to the table when that occurs.

Senator FAULKNER—Do you feel hemmed in?

Senator Hill—This is not a board of inquiry.

Lt Gen. Mueller—I was Acting Chief of the Defence Force last Friday.

Senator FAULKNER—Thank you, General. Could you quickly outline—I think we know this, but just for the record—when you became aware of this serious omission and how you responded to it as the Acting CDF?

Lt Gen. Mueller—Just shortly after 5 o'clock on Friday afternoon, I was summoned by the secretary, who was in his office. Also present was—

Senator Hill—You are supposed to be an equal, you know. You do not get summoned.

Lt Gen. Mueller—Sorry?

Senator Hill—You are an equal. He invited you to his office.

Lt Gen. Mueller—He is the first among equals, I think, on these sorts of matters.

Senator FAULKNER—I think it is going to sound like a summons.

Lt Gen. Mueller—Yes. Let me put a slightly different nuance on it: I was invited to the secretary's office. Present was Brigadier Bornholt and, if I remember correctly, we were also joined by the Chief of Air Force. The secretary pointed out to me the advice that he had been given by Brigadier Bornholt and said that, in his view, it would be prudent for me to speak to the Secretary of the Department of the Prime Minister and Cabinet. I subsequently did so. When I rang the Secretary of the Department of Prime Minister and Cabinet, the Chief of Air Force was in my office, as was Brigadier Bornholt. I brought to the attention of the Secretary of PM&C the advice that had been given to the Secretary of the Department of Defence by Brigadier Bornholt. I said that I had Chief of Air Force in my office. He then spoke briefly to Chief of Air Force, at the end of which Chief of Air Force said to me, 'A statement is to be made, to be forwarded to CDF.' I said to Air Marshal Houston, 'Would you please provide that statement to me on Monday?' I said similarly to Brigadier Bornholt, 'Would you provide me with a statement also on Monday and I will forward those to CDF on his return on Tuesday,' which is what I did.

Senator FAULKNER—Thank you very much, General. So this was a telephonic communication with Mr Moore-Wilton?

Lt Gen. Mueller—Yes.

Senator FAULKNER—Directly?

Lt Gen. Mueller—Yes, it was. I spoke to him personally.

Senator FAULKNER—Did the Secretary of the Department of the Prime Minister and Cabinet indicate that he would pass the information to the Prime Minister?

Lt Gen. Mueller—No, he did not make any comment to me to that effect.

Senator FAULKNER—Thank you, General. Can you help us with that, Minister?

Senator Hill—No, I cannot help you with that. What are you asking; in the knowledge of the Prime Minister?

Senator FAULKNER—I was not asking that directly. I was going to move to that. We know that the Secretary of the Department of the Prime Minister and Cabinet was informed of this serious omission late on Friday afternoon. If, of course, I had an opportunity and Mr Moore-Wilton was with us, I would ask him this myself, but he is not. I wonder if you can help us as to whether Mr Moore-Wilton passed this information on to the Prime Minister or to the Prime Minister's office—in other words, informing the Prime Minister's public comments about this since that time, and certainly his comments both inside and outside the parliament during this sitting week?

Senator Hill—No, I would refer that to the Prime Minister. I am interpreting that as a question as to whether the Prime Minister was advised by his secretary—

Senator FAULKNER—The secretary of PM and C.

Senator Hill—yes, the secretary of his department—that there was an issue of some further information. I am not even sure what detail was provided to the secretary of Prime Minister and Cabinet, so I will refer it to the Prime Minister.

Senator FAULKNER—We do have the benefit of what VCDF has informed the committee.

Senator Hill—Yes, but that did not seem to me to go into any great depth.

Senator FAULKNER—He outlined the process.

Senator Hill—The process of preparing statements.

Senator FAULKNER—Yes, and the fact that this information had been referred to the secretary of Prime Minister and Cabinet. Just to clear it up for you, could we ask VCDF to come back and indicate that to us. Always try to be helpful, Minister.

Senator Hill—Clarity is important.

Senator FAULKNER—It is. You are right.

Lt Gen. Mueller—I just reiterate: I was acting Chief of the Defence Force last Friday. Senator, could you please repeat your question.

Senator FAULKNER—Could you outline for the committee's benefit—particularly Senator Hill's, in this instance—what you informed Mr Moore-Wilton of, by telephone on Friday.

Lt Gen. Mueller—I informed the secretary of PM and C of a summary of the statement that was contained in Brigadier Bornholt's submission to Major General Powell—that, in other words, there had been a conversation between the acting CDF and the minister on 7 November.

CHAIR—Are there any further questions on the portfolio?

Senator FAULKNER—We are going to conclude at 11 o'clock tonight, aren't we?

CHAIR—We are going to conclude at 11 o'clock. If you would like to conclude this evening's session early, we would be very happy about that.

Senator FAULKNER—I think that is a good idea. Why don't we give ourselves an extra 15 minutes.

CHAIR—Do you want to stop now?

Senator FAULKNER—You don't want another 15 minutes? We can come back refreshed in the morning.

CHAIR—Whatever you prefer, Senator Faulkner.

Senator FAULKNER—I am looking around the room and I look at so many tired faces and think that no-one is as tired as I am, so why don't we knock off 15 minutes early.

CHAIR—The arrangement is that tomorrow we have a full day on defence. Tomorrow night, if we have not finished before, 11 o'clock is the cut-off time.

Senator FAULKNER—I am aware of that. Admiral Barrie, I think everyone understands that, don't they?

CHAIR—That is very good news.

Senator FAULKNER—We can get back to this issue in the morning.

Senator JACINTA COLLINS—Yes.

Senator HOGG—That is not the understanding that the chair has got.

CHAIR—My understanding was that you had concluded the general portfolio questions.

Senator JACINTA COLLINS—No.

CHAIR—Why don't you continue on until 11 o'clock?

Senator FAULKNER—We can. But I thought you were—

CHAIR—No, we thought that you had finished.

Senator Hill—Perhaps we could be advised at 11 o'clock who is wanted tomorrow. If we are just going to do this all day, then it is a bit of a waste of their time having a lot of these other people sitting here.

CHAIR—We will do what we can.

Senator Hill—Mr Roche has got a lot to do in Materiel, and he is acting secretary too.

Senator FAULKNER—I am sorry about that misunderstanding, Mr Chairman—I thought you were asking for an early mark. I apologise for that. I am more than happy to go on.

CHAIR—We thought you had finished, Senator Faulkner.

Senator FAULKNER—No such luck. Admiral Barrie, could I ask you to indicate clearly to the committee when you got this information that we have heard about. I want to draw a distinction here between the process issue in relation to the meeting, Brigadier Bornholt's and CAF's phone link with Minister Reith—put that process issue aside—and the matters that were discussed with Minister Reith at that time; the substance of the issues, not the fact that the meeting took place. I just want to be very clear on when you personally became aware of the substance of the issues that were dealt with in that phone hook-up, as opposed to the fact that the phone hook-up took place. I am drawing a distinction between the issues discussed there and the fact that the meeting took place.

Adm. Barrie—I think there may have been some sort of conversation between me on 10 November, or maybe the following week, and Air Marshal Houston about a conversation with the minister. That was after I came back from Hawaii. But, in the particulars that I now know about, really I did not become aware of that until I read it yesterday afternoon.

Senator FAULKNER—Could I ask you, Air Marshal, if you could tell the committee in relation to this matter, given the seriousness of the nature of the discussion you had, what subsequent action you took, if any, after the phone link with the brigadier and the minister?

Air Marshal Houston—Fundamentally, I back-briefed Head of Strategic Command, Air Vice Marshal Titheridge, about the phone call. The PACC side of it—

Senator FAULKNER—The what?

Senator Hill—That is public affairs.

Air Marshal Houston—I am sorry—the Public Affairs part of it was obviously taken care of because Brigadier Bornholt was with me. The other key personality I contacted was Deputy Chief of Navy, Rear Admiral Brian Adams, and I asked him to brief Chief of Navy on what had occurred. Then, after that, the next morning Secretary Hawke came back to Canberra and I spent the first part of the morning briefing him on what had transpired in the conversation with the minister. I gave him a brief outline and explained what I had done.

Senator FAULKNER—This all occurs on 8 November? Back-briefing Strategic Command, Air Vice Marshall Titheridge, DCN—that is probably not the right acronym any more.

Air Marshal Houston—Yes, Deputy Chief of Navy.

Senator FAULKNER—This all occurs on the 8th?

Air Marshal Houston—Yes.

Senator FAULKNER—And Dr Hawke?

Air Marshal Houston—On the 9th.

Senator FAULKNER—I want to turn to General Powell's report for a moment, where Air Vice Marshal Titheridge makes a statement. To save time, Minister, I would like to ask the question of General Powell if I can, as a result of that, about whether any of that back briefing appears in his report and, if not, why not?

Senator Hill—Yes.

Senator FAULKNER—Thank you, Air Marshal. General, I think you heard the air marshal's answer. You might let us know if any of the interviews you conducted or written statements you received included the back briefing that the air marshal outlined to the committee?

Major Gen. Powell—To the best of my knowledge, Senator, there was no mention, from any of the people that I interviewed, of the discussions that Air Marshal Houston had with the minister. The only reference to it was in Brigadier Bornholt's statement.

Senator FAULKNER—I see. As the report's author, when did you become aware of the meeting—the brigadier's and CAF's telephonic meeting with Mr Reith?

Major Gen. Powell—I cannot remember the exact time and date, but it was in the last couple of days.

Senator FAULKNER—So it is very recent.

Major Gen. Powell—Very recent. I called Brigadier Bornholt to gain clarification of a couple of things in his statement, well after the event, so it was really the last couple of days. He explained that there was obviously some action being taken to remedy what was clearly an omission on my part based on the fact that I was not aware of the significance of the conversation.

Senator FAULKNER—Thank you for that, General. I do not know if I have time to progress this, Mr Chairman.

CHAIR—We will stop now. That is good.

Senator Hill—There has been a capitulation!

Senator FAULKNER—Are you giving it away?

CHAIR—Absolutely.

Senator FAULKNER—Do you want an extra six minutes?

CHAIR—No. We are happy to stop. We will give ourselves an early mark.

Senator FAULKNER—That is good, because my next line of questioning might take just a minute or two longer than the five minutes available.

CHAIR—That is very good then. We will leave it at that. We will resume the hearing tomorrow morning.

Committee adjourned at 10.54 p.m.