



COMMONWEALTH OF AUSTRALIA

SENATE

Official Committee Hansard

FINANCE AND PUBLIC ADMINISTRATION
LEGISLATION COMMITTEE

TUESDAY, 10 MARCH 1998

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SENATE**TUESDAY, 10 MARCH 1998****FINANCE AND PUBLIC ADMINISTRATION LEGISLATION COMMITTEE****Portfolios:** Parliament; Prime Minister and Cabinet; Finance and Administration**Members:** Senator Gibson (*Chair*), Senator Murray (*Deputy Chair*), Senators Heffernan, Ray, Sherry and Watson**Senators in attendance:** Senators Abetz, Faulkner, Gibson, Heffernan, Murray, Ray and Watson**Committee met at 8.02 p.m.****DEPARTMENT OF THE PRIME MINISTER AND CABINET**

Proposed additional expenditure, \$13,001,000 (Document A)

Consideration resumed from 25 February 1998

In Attendance

Senator Hill, Minister for the Environment

Department of the Prime Minister and Cabinet

Office of Indigenous Affairs

Mr Wayne Jackson, Executive Coordinator, Social Policy

Mr Peter Vaughan, First Assistant Secretary

Ms Philippa Horner, Convenor, Wik Task Force

Mr Martin Bonsey, First Assistant Secretary, Government Division

Department of Finance and Public Administration—

Mr Ragu Ragunathan

Program 1—Departmental policy coordination**Subprogram 1.2—Social policy**

CHAIR—I declare open this public hearing of the Senate Finance and Public Administration Legislation Committee. On 4 March the committee agreed to reopen the examination of supplementary additional estimates in relation to the Prime Minister's portfolio, to further consider component 1.2.3, Office of Indigenous Affairs. I welcome the Minister, Senator Hill, and officers from the Department of the Prime Minister and Cabinet. Do you have any opening statement or comment, Minister?

Senator Hill—No.

CHAIR—Are there any questions?

Senator FAULKNER—Could I ask Mr Vaughan a question to commence? I am interested in your knowledge and understanding of parliamentary privilege. You might be able to explain to us if you are well appraised of this issue.

Senator Hill—I am sorry; what was the question?

Senator FAULKNER—I was just asking Mr Vaughan about his knowledge and understanding of parliamentary privilege and the statutory provisions and the consequences of the statutory provisions of parliamentary privilege.

Mr Vaughan—Yes, I am familiar with the broad concepts.

Senator FAULKNER—Senate parliamentary privilege resolution 6(12)(c) says:

A witness before the Senate or a committee shall not give any evidence which the witness knows to be false or misleading in a material particular, or which the witness does not believe on reasonable grounds to be true or substantially true in every material particular.

I wonder if you are aware of that particular provision of the Senate parliamentary privilege resolution.

Mr Vaughan—It is familiar to me.

Senator FAULKNER—Thank you. I just wondered, in relation to the recall of the Senate estimates committee tonight, Mr Vaughan, whether you had discussed the issues relating to the evidence that we heard from the Department of Prime Minister and Cabinet at the Finance and Public Administration Legislation Committee on 25 February 1998 with others of your colleagues in the Department of the Prime Minister and Cabinet? Was the issue of the recall of the estimates committee discussed?

Mr Vaughan—Yes, I had discussions with colleagues about that.

Senator FAULKNER—Would you be able to inform us as to the nature of those discussions?

CHAIR—I am not too sure that that is appropriate or relevant.

Senator FAULKNER—Why not?

CHAIR—We are here to look at the supplementary additional estimates, and we agreed to this additional hearing because there was some conflict with regard to evidence the other day.

Senator FAULKNER—That is right. There is a range of issues, but obviously the issue of conflicting evidence is an important one and I am canvassing that territory, as I think you can probably understand from my questioning at the commencement of today's hearing. I think it is not an unreasonable thing for me to understand from Mr Vaughan, in relation to the recall of the estimates committee, how broadly these issues have been canvassed in the Department of the Prime Minister and Cabinet, particularly in relation, of course, to the issue of privilege which is the thrust of my question.

Senator Hill—The official said that he understands in broad terms the principles of privilege. I would have thought the best thing now is to get on and see if we can sort out the differences between apparent parts of the evidence.

Senator FAULKNER—I have heard what Mr Vaughan has said. He has indicated to the committee, which is helpful, that he has discussed this matter with colleagues in the Department of the Prime Minister and Cabinet. I understand that is the evidence that Mr Vaughan has given. I am asking—and it is a quite specific and, I think, simple question—whether you have discussed, in relation to the recalling of tonight's estimates hearings, the issue of parliamentary privilege with colleagues in your own department. I think that is germane to tonight's hearings.

Senator Hill—I do not think it is at all. I do not think it is relevant to the task before the estimates committee. You might draw certain conclusions, which you are entitled to do, but

whether or not he has discussed the issue of parliamentary privilege I do not think has got any relevance to the matter before the Chair at all.

Senator FAULKNER—Senator, I am not about—

CHAIR—Senator, I agree with the minister. I cannot see that what the public servant has done in discussions with others or within the department is really relevant.

Senator ROBERT RAY—It might be relevant for tonight's evidence as to whether the officer at the table has refreshed his memory on these matters and whether he has discussed it with colleagues as to the answers we will later get.

CHAIR—Senators, I think you should make those questions direct through the minister rather—

Senator FAULKNER—If you would prefer me to use the terminology that Senator Ray used, Mr Vaughan refreshing his memory, I am more than happy to do so, if that is more acceptable terminology.

Senator Hill—The question is whether you have refreshed your memory since the last hearing on matters that are relevant to the committee.

Mr Vaughan—I have gone back to the original papers as I usually do before committee meetings.

Senator FAULKNER—So which papers have you gone back to, Mr Vaughan?

Mr Vaughan—The departmental files.

Senator FAULKNER—The departmental files. And have you discussed the matters in departmental files with other officers of the Department of the Prime Minister and Cabinet?

Mr Vaughan—Yes, I have.

Senator FAULKNER—Have you discussed it with colleagues from other government departments apart from the Department of the Prime Minister and Cabinet?

Mr Vaughan—Yes, I have.

Senator FAULKNER—Could you tell us what departments or agencies you have discussed it with, please, Mr Vaughan?

Senator Hill—Again I do not think that is relevant. A perfectly legitimate question is, 'Through what means have you refreshed your memory?' I do not think it is legitimate to—

Senator FAULKNER—We always have this problem with you at the estimates committees, that you have a preferred line. You hanker for the days when you were on the other side of the table, I think, preferring to ask the questions as opposed to—

Senator Hill—You are actually quite wrong in that instance.

Senator FAULKNER—I find that hard to believe. You really do like to ask the odd question yourself, which is much appreciated. What is not appreciated is your reinterpreting the questions that are being asked on this side of the table.

Senator ROBERT RAY—Senator Hill, you were very keen to inform us and mislead this committee on the basis of the officer's evidence on that matter. You affirmed that he was right and asked why we did not listen.

Senator Hill—I am sorry, I am having trouble hearing you.

Senator ROBERT RAY—In the previous estimates evidence, your enthusiasm is very apparent in one section when you say, 'The officer said that and that's the way it is'. It was

not the way it is. This issue goes across at least one other portfolio and a couple of ministers. Before we actually hear the evidence, Senator Faulkner is entitled to ask to what research this officer has gone to refresh his memory of certain events.

Senator Hill—I think it is legitimate to ask the officer by what means he has refreshed his memory.

Senator FAULKNER—That is precisely what has happened.

Senator Hill—No, it was not what was happening at all.

Senator FAULKNER—Mr Vaughan has indicated to us—

CHAIR—I do not think that is what is happening. I think you should get onto that point that Senator Ray just mentioned.

Senator ROBERT RAY—We are not interested in your ruling on this if it is a matter to do with the running of the committee. You are not there, Mr Chairman, to interpret our questions. You are trying to be helpful there, but it is really not your role to interpret our questions. If we go overboard, then you rule us out, but I do not think we have gone overboard yet.

Senator FAULKNER—Mr Chairman, I am sure you have heard the evidence. Mr Vaughan has indicated he has discussed this matter with others in his own department. That is appreciated. He has also indicated he has discussed it with public servants not from the Department of the Prime Minister and Cabinet. What I was interested in understanding, in terms of Mr Vaughan undertaking this action, was from what agencies or departments these other officers came.

Senator Hill—The first thing is whether that is relevant to the issue in refreshing in his memory.

Senator FAULKNER—I suspect you would not know the answer though, Senator Hill.

Senator Hill—I do not.

Senator FAULKNER—Thank you for your help. The problem is that it would be very difficult for you to answer this. I suspect that Mr Vaughan is in a much better position to advise the committee than you are.

Senator Hill—Mr Vaughan is entitled to have questions asked of him that are relevant to the issues before these estimates and not beyond that.

Senator FAULKNER—There are issues of substance and also issues of fact before the Chair. There is also a range of issues in relation to the fact that we have had this committee recalled because of the nature of evidence that was provided previously by yourself and Mr Vaughan. I think that is an important issue and, Senator Hill, I know that you actually understand the importance of parliamentary committees not being misled. I said that you do understand that.

Senator Hill—I understand that there is a conflict of evidence. I understood the purpose of tonight was to get to the bottom and resolve that issue of conflict.

Senator ROBERT RAY—No, Senator Hill, it is not. Because there was evidence, either not fulsome or inaccurate, Senator Faulkner was prevented from pursuing a line of inquiry. He returned to it several times. It is not just a question of resolving a conflict in evidence. He is entitled to pursue the line of inquiry that he was going along.

Senator Hill—That is all right.

Senator ROBERT RAY—That is the purpose of tonight. It is more than one thing.

Senator Hill—I agree with that. If he missed an opportunity because of evidence that was not correct he has the right to revisit it. That is true.

Senator FAULKNER—Senator Hill, I think you accepted in fact on that point that the nature of the questioning before the committee would have taken a very significantly different course if the information that was made available to us at a later stage was before the committee when the original evidence was presented. You yourself acknowledged that.

Senator Hill—Yes, and I acknowledged that it was very late in the hearing.

Senator ROBERT RAY—In refreshing your memory by reading the transcript and probably parliamentary privileges in preparation for tonight, did you talk to OGIA to help you as to the circumstances of events surrounding the matters we are questioning you on?

Mr Vaughan—About one aspect, yes.

Senator ROBERT RAY—So you talked to OGIA?

Mr Vaughan—Yes.

Senator ROBERT RAY—I assume you talked to a more senior official in that department for guidance.

Mr Vaughan—I spoke to various people in the department, including senior officials, about various aspects of it. They were from the questions on notice to the date of today's meeting.

Senator ROBERT RAY—Did you do a full search of the files to refresh your memory?

Mr Vaughan—Yes.

Senator ROBERT RAY—Was that on everything that was in writing, including every e-mail that may or may not be significant?

Senator Hill—You had better let him answer.

Senator ROBERT RAY—He nodded. He said, 'Yes' to writing.

Senator Hill—But every e-mail?

Mr Vaughan—I went through every copy of every e-mail on file.

Senator ROBERT RAY—There may be no relevant ones there. You checked with OGIA, discussed it with senior people in the department, checked your e-mail, et cetera. Did you need to go broader than that to refresh your memory to do your pre-match preparation for tonight?

Senator FAULKNER—We call it the big game build-up in Sydney.

Senator Hill—Were there other sources that you examined?

Mr Vaughan—The departmental records, departmental colleagues and OGIA. I did have discussions with ministerial office staff about the logistics of tonight's meeting because I was unable to come last week.

Senator ROBERT RAY—Was that only on the logistics and not on some of the events that happened?

Mr Vaughan—Also on my recollection of events.

Senator FAULKNER—Did you say ministerial office staff?

Mr Vaughan—Yes.

Senator ROBERT RAY—So you have done a pretty comprehensive look at it. Okay.

Senator Hill—You have to say yes or no, you cannot nod. You can nod but it will not be recorded.

Mr Vaughan—Yes.

Senator FAULKNER—Might you tell us which ministerial staffs you have had these discussions with, Mr Vaughan?

Senator Hill—Was it in terms of refreshing your memory?

Senator FAULKNER—That is a different question, Senator. That is helpful and could be an answer too.

Senator Hill—Yes, but the question you put could also cover irrelevant matters.

Senator ROBERT RAY—Senator Hill, we went to Mr Vaughan checking with him about the logistics of tonight. That was fine. I thought he then went on to say that he had also discussed their recollections. We were asking questions about this just to get it set in his own mind. Is that not right?

Mr Vaughan—I am not sure if I actually checked recollections with them.

Senator ROBERT RAY—That is fine. What did you check with them?

Mr Vaughan—I certainly checked a problem I had with the logistics of coming here last Friday. Senator Faulkner had asked for a range of documents to be tabled. I was uncertain about the scope of that.

Senator FAULKNER—Would you be able to indicate to the committee the staff of which ministers you canvassed that issue with? I assume they would be either those of Senator Hill or the Prime Minister, but just so we are clear.

Senator Hill—This is on questions as to what was meant by the letter?

Senator FAULKNER—I did not qualify my question.

Senator Hill—You have to provide the question in a form that can give some certainty in terms of the answer. If you are asking a question that relates to this very general letter that Senator Faulkner had written, I guess that is sort of relevant.

Senator ROBERT RAY—Let us go one step down the track. Which offices—that is physical locations—did you contact about the logistics of this meeting or the status of documentation?

Mr Vaughan—I discussed those questions separately with Senator Herron's office and with the Prime Minister's office.

Senator FAULKNER—Can I take your mind back to the situation in relation to the evidence that you presented on the 25th? You would recall that, at about 6.20 in the evening, you provided the committee, via Senator Hill, with a message in relation to a records check that took place after evidence had been presented earlier that day. You would recall that sometime after six o'clock in the evening Senator Hill was able to provide that information to the committee.

Could you explain to the committee what occurred prior to that communication with Senator Hill so that we are clear? I assume you have checked some records in your office or whatever but I think it would be useful for the committee to understand what occurred in relation to that.

Mr Vaughan—Certainly. In the process of leaving the building, after I had finished my evidence, I ran into a colleague from OGIA who had been, I gather, watching the OGIA

evidence on the monitor. He said, ‘Did you forget about events prior to the 20th?’ I said to him, ‘What do you mean?’ He reminded me about the events of around about the 15th or 14th. It had completely slipped my mind. I went back to my office, I checked my files and records to confirm the details, to see whether there had been something prior to the 20th, and sent over a note for Senator Hill to correct what I had said earlier.

Senator FAULKNER—I see. You obviously heard the evidence by OGIA officials or read the *Hansard* transcript of the evidence that was provided by the OGIA officials later that night. Would that be right?

Mr Vaughan—That is correct.

Senator FAULKNER—After it became clear that there were significant inconsistencies between your evidence and the evidence of OGIA before the committee, can you explain to us so that we are clear what course of action you took after 25 February?

Mr Vaughan—After my evidence was corrected?

Senator FAULKNER—After the day.

Mr Vaughan—Following that day of the 15th.

Senator Hill—After the OGIA evidence.

Senator FAULKNER—I obviously do not know whether you heard the OGIA evidence directly or whether you read the *Hansard* transcript but, subsequent to that occurring, you might outline to us what course of action you undertook.

Mr Vaughan—I read the OGIA evidence and it reminded me of an event that had taken place on 14th, I think—which was fairly minor at the time—so I wrote a letter to the chairman of the committee correcting that part of the record.

Senator ROBERT RAY—I agree that the second correction is minor in your mind, and that it may have prompted other questions from us. It was Mr Williams who told you on the way out that you may have made a mistake in your evidence, was it?

Mr Vaughan—That is correct.

Senator ROBERT RAY—And you went back and checked your files?

Mr Vaughan—That is correct.

Senator ROBERT RAY—Then you wrote a note for Senator Hill to deliver right at the end of PM and C. You did not pick up then that the 14th—you only flip read the files, did you?

Mr Vaughan—No. The only documentation on the files in respect of that was dated the 15th. It recorded the fact that I had that day signed a purchase order for—

Senator ROBERT RAY—Just to cut it short, how did you find out about the 14th other than from the OGIA evidence? You must have verified that somehow.

Mr Vaughan—No. I had some handwritten notes, which were not dated, on the bottom of the file about a telephone conversation. It was after I heard the OGIA evidence that I realised that telephone conversation was probably the day before the 15th.

Senator ROBERT RAY—Did you bump into Mr Williams as you left here or did he chase after you? It would not be unusual you bumping into him but did he seek you out to say that there was some possible problem with your recollection?

Mr Vaughan—No, I just bumped into him.

Senator ROBERT RAY—They were all waiting to come on here.

Senator FAULKNER—You have indicated to us that your first course of action was to write to the committee. You read the OGIA *Hansard* transcript obviously quite some time after 25 February. Was that a few days?

Mr Vaughan—It would have been two or three days afterwards.

Senator FAULKNER—In fact, you wrote to Senator Gibson, as chairman of the committee, on 2 March in relation to a couple of the issues on which information was provided to the committee by Senator Hill and also the issue in relation to 14 January. Before that date or about that time, did you communicate to any others in government, apart from the committee, about the inconsistencies in the evidence?

Mr Vaughan—Before I wrote—

Senator FAULKNER—Did you, before writing to Senator Gibson, as chairman of the committee, or around that time, provide any information to any minister or the Prime Minister's office or a minister's office about the issue of the inconsistencies in evidence that we are canvassing?

Mr Vaughan—I do not think I discussed the nature of the inconsistency with any minister's office before writing that letter.

Senator FAULKNER—Or the Prime Minister's office?

Mr Vaughan—Or the Prime Minister's office.

Senator ROBERT RAY—That is before but what about after?

Mr Vaughan—In the course of preparing for tonight's meeting, I have obviously discussed my previous evidence and events that have led to tonight's meeting.

Senator ROBERT RAY—With ministerial officers?

Mr Vaughan—Yes.

Senator FAULKNER—Did it cross your mind that that might have been a sensible thing to do in the circumstances, to provide some communication to government on this particular matter, given its seriousness?

Mr Vaughan—As a matter of routine, where issues involving committees of the parliament arise, it is standard practice to keep in touch with ministers' offices.

Senator FAULKNER—Did you draft the letter to Senator Gibson yourself?

Mr Vaughan—Yes, I did.

Senator FAULKNER—Did you run it past anybody before you sent it off to Senator Gibson?

Mr Vaughan—No, I did not.

Senator FAULKNER—I see. After what now, I gather, as you have explained to us, has been a fairly extensive check of your files, and given that you have had the correction courtesy of Senator Hill, and the correction that has been forthcoming as a result of your own letter, are there any other matters that now also require either a correction of the record or a clarification that the committee might be usefully informed about?

Mr Vaughan—Yes, there is one other matter which relates to the hearings on 25 February.

Senator ROBERT RAY—Do you have the page number that you are going to refer to?

Mr Vaughan—It comes up around page 35.

Senator ROBERT RAY—Bear with us.

Mr Vaughan—It is where I mention the total expenditure on the project before it was suspended and since then a further account for \$1,440 has come in which brings the total cost to \$23,570.

Senator ROBERT RAY—Which one of the two people you are using did that additional bill will apply to: Sweeney and Associates or the other group, Interactive Consultants?

Senator FAULKNER—Interactive Consultants?

Mr Vaughan—No, it was Just Print Management. There was design work in connection with the brochure which accounted for \$2,005 of the amount I previously mentioned.

Senator FAULKNER—Could I just take you back? I think it might be useful, Mr Vaughan, in this if you could go through all those figures for us now so that we get the total picture. That might be a more sensible way of dealing with it.

Mr Vaughan—The four components are: Brian Sweeney and Associates for the focus group testing which was \$17,050 which was the figure I mentioned last time.

Senator FAULKNER—Yes, that was the figure that was given in evidence.

Mr Vaughan—Interactive Consultants—

Senator FAULKNER—Is that their actual name? Can we be clear on this while we are going through this, Mr Vaughan?

Mr Vaughan—It is a company name.

Senator FAULKNER—The actual name is Interactive Consultants?

Mr Vaughan—Yes.

Senator FAULKNER—Can you tell me where they are based?

Mr Vaughan—In Canberra.

Senator FAULKNER—They are a Canberra company, okay.

Senator ROBERT RAY—You give their figure at some later point of time.

Mr Vaughan—At some later point. I cannot find it exactly in the transcript now—

Senator ROBERT RAY—Do not worry about it; just get the figure.

Mr Vaughan—It was \$3,075 and—

Senator FAULKNER—Three thousand and seventy five?

Mr Vaughan—That is correct. And some design work was commissioned for the brochure aspect before that was all cancelled and that came to \$2,005. Just Print Management, who were our print management agents whom I mentioned in the evidence on 25 February, if the production of the brochure had gone ahead, would have been entitled to a commission based on the cost. But they had invested a considerable amount of time in obtaining quotations and so forth so they subsequently sent us an account for \$1,440 which in the circumstances I judged warranted payment.

Senator FAULKNER—Just give me that figure again, sorry.

Mr Vaughan—One thousand four hundred and forty.

Senator ROBERT RAY—Who did the design of the brochure?

Mr Vaughan—Catriona Niven Design.

Senator FAULKNER—But that was a subcontract to Just Print Management. Is that right?

Mr Vaughan—That is right. We came to her via Just Print Management.

Senator FAULKNER—When we are talking about the brochure, let us be clear about what we are talking about here with the brochure. We have talked previously, of course, about two mock-up newspaper advertisements. Could you just be clear on what we mean by the brochure?

Mr Vaughan—Yes. It was contemplated that as part of an information campaign there would be a brochure produced for public distribution.

Senator ROBERT RAY—We might come back to that. Is that the totality of the record you need to correct from last time, those figures?

Mr Vaughan—Yes.

Senator ROBERT RAY—You would now probably concede, Mr Vaughan, that if you had been able to inform us of some of these other activities between the 15 and 20 January or had had a clearer recollection at the time—well, the minister can answer this—we may have gone on and explored that line of questioning for some time.

Senator Hill—That certainly would have been open to you and as it turned out it was not open to you.

Senator ROBERT RAY—Fine. So we have been able to establish, have we not, or you have been able to establish in your own mind, through consultative processes with colleagues et cetera, that your involvement prior to the 20th was more than just odd conversations with colleagues or, to quote you again, ‘It was inconsequential to the point where I can barely recollect the events’ in passing conversations with colleagues. There were some more concrete steps in there, were there not, as it turns out?

Mr Vaughan—Between the 14th, 15th and 20th, yes.

Senator ROBERT RAY—Before the cabinet decision on the 20th.

Mr Vaughan—That is correct.

Senator FAULKNER—But the odd conversations and the inconsequential matters related at the time to evidence that you gave in relation to all your interactions—for want of a better description—prior to 20 January?

Mr Vaughan—That is correct, Senator. I have reflected upon why I did not recollect more clearly or at all at the time. The reason was that the activity prior to the 20th was in a sense a false start and it started to be cancelled within 24 hours of it being started. For instance, after booking the advertisements on the 15th for the 21st, 24th and 25th, the one for the 21st I cancelled on the 16th.

Senator ROBERT RAY—You have read the OGIA evidence. That is not their evidence.

Mr Vaughan—I have read the OGIA evidence. Part of the reason I have since spoken with OGIA officials is that I had a distinct impression that the advertisements that were commissioned on the 15th, which were to run on the 21st, 24th and 25th, were in fact cancelled in two tranches. As it turned out, after I spoke to the OGIA officials they checked their records and confirmed that that was the case.

Senator FAULKNER—Could you inform us: the bookings that were made on the 15th, according to the evidence which is now before us from yourself but also confirmed by OGIA’s evidence, was for some \$600,000 worth of press advertising. Could you confirm that figure?

Mr Vaughan—Yes; \$630,000 I think was the figure at the time.

Senator FAULKNER—Thank you, \$630,000 of press advertising. Can you please inform the committee, Mr Vaughan, of the two tranches of cancellations for dates and amounts? It might be useful.

Mr Vaughan—The first tranche was the ads that were due to appear on Wednesday the 21st. They were cancelled on Friday the 16th. The second tranche was due to appear on the weekend of 24 and 25 January. They were cancelled on Tuesday the 20th.

Senator ROBERT RAY—Prior to or after the cabinet decision of the 20th?

Mr Vaughan—I do not know the exact time, I am sorry, Senator.

Senator ROBERT RAY—I thought it may have prompted the cancellation if cabinet decided to take another course; that is all.

Mr Vaughan—One could speculate that the cancellation on the 16th, the preceding Friday, may also have been in anticipation of the cabinet decision.

Senator ROBERT RAY—I see. We asked OGIA whether there was a cancellation fee. I think the evidence so far is that there was no cancellation fee applicable. Is that right?

Mr Vaughan—That is correct. We cancelled some four or five days ahead of when the ad was due and that therefore did not incur a penalty.

Senator ROBERT RAY—It must have been OGIA because when they said they cancelled on the 20th ads due to appear on the 21st, this is what sparked our interest as to whether there would be a cancellation fee.

Senator Hill—Twenty-first?

Senator ROBERT RAY—This is OGIA evidence, I suspect, not this officer's.

Senator Hill—I see, yes.

Mr Vaughan—I recollect that transcript. In fact, that was one of the issues I remember when I spoke to OGIA on the 14th about time lines and costings. I asked the question: what would be the cancellation costs if closer to the event we withdrew. They indicated at the time that once you get down essentially to the last 48 hours, then you are at risk of cancellation costs, but prior to that—

Senator FAULKNER—I always found it difficult, when I was in cabinet, to anticipate cabinet decisions, and I do not claim to be a real expert in this, I would have to be honest, but how were you able to anticipate a cabinet decision that took place? I accept what you say in relation to that, but how were you able to anticipate a cabinet decision of the 20th on the 16th? As I say, I found it hard enough when I was in it.

Mr Vaughan—It is an inference I made by the fact, in hindsight, that there was such a cabinet decision on the 20th, but the facts on the day of the 16th were that Catherine Murphy from the Prime Minister's office, who had rung me earlier in the week to ask me to arrange reserving space, rang me on that day to ask me to cancel the bookings for the 21st.

Senator ROBERT RAY—Exactly how much space did you book, and what newspapers, for Wednesday, 21 January?

Mr Vaughan—The metropolitan dailies.

Senator ROBERT RAY—Full page?

Mr Vaughan—Yes. We were, in the ensuing fortnight, commencing on 21 January, to take a one-page ad in the regional group As on one occasion.

Senator ROBERT RAY—Were you going to repeat the full page ad in the metropolitan dailies?

Mr Vaughan—On the 24th and 25th.

Senator ROBERT RAY—You were?

Mr Vaughan—Yes.

Senator ROBERT RAY—One of them would have been a Sunday in the later papers, would it not?

Mr Vaughan—That is correct.

Senator ROBERT RAY—And in one part of that you were going to do the A regionals?

Mr Vaughan—That is right, because the A regions did not necessarily come out between the 21st and the 25th, but the first available edition in effect after the 21st they would—

Senator ROBERT RAY—And that was going to cost \$630,000?

Mr Vaughan—That is correct.

Senator ROBERT RAY—Have you ever booked that amount of advertising before—ever—in your life?

Mr Vaughan—No.

Senator ROBERT RAY—No, neither have I, and I spent \$60 billion in six years. I am surprised you forgot it, but anyway.

Senator FAULKNER—You indicated that Catherine Murphy from the Prime Minister's office had rung you earlier in the week, presumably some time earlier than 16 January, to propose that you book this space. Is that accurate, or was that the nature of the instruction or the communication you received from Ms Murphy?

Mr Vaughan—Essentially that. She rang me because, as I indicated, I was aware of the fact that there was consideration being given to advertising. She rang me and asked me to reserve some available space for those dates.

Senator FAULKNER—Were quantities talked about?

Mr Vaughan—The sorts of publications, yes.

Senator FAULKNER—But available space could be a small advertisement or a full page. You got the message about full page?

Mr Vaughan—That is correct, yes.

Senator ROBERT RAY—Did you get it in writing?

Mr Vaughan—No, because I was aware that the matter had been under consideration.

Senator FAULKNER—Is this normally the way you would do business: someone gets on the phone—I assume it was telephonic communication, was it?

Mr Vaughan—That is correct.

Senator FAULKNER—You get a telephonic communication from Ms Murphy in the Prime Minister's office saying, 'Hey, can you book well in excess of half a million dollars worth of advertising space,' and you immediately respond by effectively booking it. Is this the way these things normally occur?

Mr Vaughan—The sequence then was to speak to OGIA to find out whether it was possible to book it on those dates—that is, the lead times, to talk about the costs: in other words, to establish the viability of it—which then, on the 15th, as a result I authorised.

Senator ROBERT RAY—But to prompt that particular weight, Ms Murphy did not say, ‘Look, I am just ringing and suggesting you do it’; it must have been authorised by the Prime Minister to do it. It must have been put to you in those terms.

Mr Vaughan—No.

Senator ROBERT RAY—What, a staffer can—

Mr Vaughan—Senator, in a sense I was at the administrative or implementation end of a process which had been under consideration for, I guess, some time beforehand.

Senator FAULKNER—Only two days—only a couple of days, surely.

Mr Vaughan—As I said last time, I recollected conversations with colleagues well prior to the 20th, so that when Ms Murphy rang me I took this to be the upshot and final outcome, at least in terms of a provisional decision, of those deliberations.

Senator FAULKNER—With respect, these were inconsequential communications and discussions with colleagues, were they not? That was your evidence.

Mr Vaughan—Yes, that is prior to the 15th.

Senator FAULKNER—I think I have understood you. What date did Ms Murphy ring you to say to book the space?

Mr Vaughan—She rang me on the 14th to outline this request and to ask me to establish the viability of it.

Senator FAULKNER—So she rang you on the 14th but, prior to the 14th, in fact, you had had other communications or discussions with others who are at this stage nameless?

Mr Vaughan—Yes, I was aware that the issue was under consideration. Ms Murphy had rung me a few days earlier to ask me to pass on a message about the drafting of some textual factual information.

Senator ROBERT RAY—I am not being a smart Alec here, but I do not know what position Ms Murphy holds in the Prime Minister’s office.

Senator Hill—She is an adviser who covers this and other areas.

Senator FAULKNER—But you would not describe that as substantive involvement, obviously, prior to the 14th because you have written the committee a letter that says, ‘Although this constituted’—

Senator Hill—I am sorry; she might be technically referred to as a senior adviser.

Senator ROBERT RAY—As I said, I am not trying to be a smart Alec; I just had not heard of her.

Senator FAULKNER—Mr Vaughan, you have written a letter to Mr Gibson, as chairman of this committee, the final paragraph of which says, and let me quote it directly:

Although this constituted my first substantive involvement, for the purposes of complete accuracy I should point out that I spoke by phone to OGIA the previous day (14 January) to ascertain some minor background information about matters such as costs and leadtimes.

The only conclusion I can come to is that any other involvement prior to the 14th was not substantive, in your view.

Mr Vaughan—I was not a principal in it. I was not a party to it, with the exception that I recollect passing on a message from Ms Murphy to some colleagues, but that was the only action.

Senator FAULKNER—We might come back to that. Do any of your file notes or any of your file records go to dates prior to 14 January?

Mr Vaughan—On the preceding Friday, which would be 9 January, I took a message from Ms Murphy and passed it on to a colleague about the drafting of some material. I was involved in some discussions in the department on 16 January.

Senator FAULKNER—On the 9th when you had that involvement, could you tell us what drafting of what material are we talking about here? Is this the two mock-up advertisements?

Mr Vaughan—Ms Murphy rang me and asked if the department could do some drafting for a possible advertisement. It was outside my area of expertise, and she was not able to speak to the people in the particular area so I passed the request on to the people working in the area.

Senator FAULKNER—Thank you. Can you tell me which area of the Department of the Prime Minister and Cabinet you passed that request on to?

Mr Vaughan—That was the native title task force.

Senator FAULKNER—I see. That is the Wik Task Force.

Mr Vaughan—Yes.

Senator FAULKNER—They are one and the same, obviously. Could you tell us what date you passed on to the native title task force that particular request from Ms Murphy of 9 January?

Mr Vaughan—That was Friday, the 9th.

Senator FAULKNER—The same day?

Mr Vaughan—Yes.

Senator FAULKNER—Did you do this informally, in a sense telephonically, or would there have been a note that went to—

Mr Vaughan—I walked downstairs—they are on a different floor of the building—and located some of the people there. Most of the senior managers of the area were away that day, which was why the matter was directed through me. I passed on the request.

Senator FAULKNER—But did you have draft advertisements?

Mr Vaughan—At that time?

Senator FAULKNER—Yes, from Ms Murphy—concept ones?

Mr Vaughan—No.

Senator FAULKNER—Just a request to develop them?

Mr Vaughan—A request to develop some information that formed the basis of such an advertisement.

Senator FAULKNER—I have got to say to you that it almost beggars belief that you just could not remember any of this the last time you gave evidence before the committee, Mr Vaughan. I am trying to be as generous as I can; I think I have got a reputation of being pretty generous to officers at the table—not to politicians, Senator Hill, but to officers I try not to be ungenerous. I think even you might acknowledge that, Senator Hill.

Senator Hill—I should not interrupt but there does seem to be a course of action post the 20th that led, in the end, to some concrete actions but was certainly a more certain process than this.

Senator FAULKNER—Yes, but we are talking about actions that took place 11 days before the 20th. Anyway, you took this request from the Prime Minister's office. Were you aware, by the way, of the involvement of any of the other ministers' officers, either Senator Minchin's or Senator Herron's, at this time? Clearly the request came from the Prime Minister's office; you knew of the PMO's involvement. But were you aware of the involvement of other ministers at this stage?

Mr Vaughan—No, not at that stage. As I indicated, I really was not involved in the issue at that stage. It was why events after the 20th rather overshadowed events beforehand. After the 20th, or at least after the 26th when I returned from interstate, the decision having been on the 20th, I assumed primary and personal responsibility for the matter.

Senator FAULKNER—On what date?

Mr Vaughan—Effectively, from the 26th.

Senator FAULKNER—Had it not been cancelled by then?

Mr Vaughan—No, I am talking about events flowing from the cabinet decision of the 20th, not that false start.

Senator ROBERT RAY—Let us take it back to your walk downstairs, because we are diverting a bit. We will get up to the 20th sometime soon, I hope. Whom did you brief down there and pass on the request to?

Mr Vaughan—Kerry Jackson.

Senator ROBERT RAY—What precisely was the request, so that we can get that out of the road?

Mr Vaughan—To do some draft material that might form the basis of an advertisement.

Senator ROBERT RAY—Not for the purpose of focus groups? That was not mentioned?

Mr Vaughan—No.

Senator ROBERT RAY—Are you actually telling us that there is a possibility here that the Wik Task Force was going to draw up the ads that were going to go in the newspapers on the 21st, the 24th, the 25th? Is that what you are telling us?

Mr Vaughan—They would provide draft material to the office which had requested the material and, as events transpired after the 20th as well, that material would be worked on in the office and then it would come back to the department for clearance.

Senator ROBERT RAY—We have always got this difficulty in picking up or interpreting what you are saying—maybe we are thinking of it a different way. What I am trying to get at is: is the Wik Task Force, as it is called, providing a bit of factual information or is it mocking up ads or designing ads? To what extent is it involved? I am just trying to—

Mr Vaughan—The simplest and most accurate way to describe it is that it is providing text, possible text.

Senator ROBERT RAY—Text for an ad?

Mr Vaughan—Yes.

Senator ROBERT RAY—So that is on the 9th.

Senator FAULKNER—Were any other colleagues involved, by the way? You used the plural, ‘messages to colleagues’. Was this activity what you meant by messages to colleagues?

Mr Vaughan—In that conversation that afternoon there were a couple of other people who worked in the area and who sort of joined in on the conversation as we discussed how you might go about drafting something, given the probabilities of limitations of space and how you would identify what you ought to focus on and those sorts of things.

Senator FAULKNER—But I assume Ms Murphy has told you what she wants. Is that right? You are not flying blind here; you have got a call from a senior adviser in the Prime Minister’s office with the responsibility for these issues. You must have got some level of direction so you could give the Wik Task Force some direction.

Mr Vaughan—Information about native title was the scope of the request.

Senator ROBERT RAY—So when you said that you were asked to pass a message on, that was not just because you picked up the phone and took the call? You were actually rung specifically to go down and brief the Wik Task Force on this matter?

Mr Vaughan—It was because the senior managers in the Wik Task Force were not there and often I deal with Ms Murphy on a range of non-native title matters in relation to indigenous affairs, so we speak quite frequently.

Senator ROBERT RAY—We can only anticipate that she tried to find someone else senior, and when they were not there she decided to go through you.

Mr Vaughan—That was my surmise, because that is why when I went downstairs—

Senator FAULKNER—And did you eventually at some point get completed text back from the Wik Task Force?

Mr Vaughan—I did not see that; that went direct to the office from the task force.

Senator FAULKNER—Direct to the Prime Minister’s office?

Mr Vaughan—Yes.

Senator ROBERT RAY—When we get to the Wik Task Force—

Senator Hill—I do not know whether we know—

Senator ROBERT RAY—We will call the Wik Task Force later on tonight and we can pursue what happened to that. But the officer does not know.

Senator FAULKNER—But there is an issue here, Senator. I refer to the fact that the Wik Task Force did not, as I understand it, send a copy to you, Mr Vaughan. You are not aware of what happened but you are assuming it goes to the Prime Minister’s office. My question is: it did not go to you? That is the point.

Mr Vaughan—I subsequently, today, saw a copy of it which actually had my name on it, so I cannot say entirely that it did not come to me. But I certainly could not recollect it at the time.

Senator FAULKNER—So it did come to you?

Mr Vaughan—No. There were a couple of people who received copies of it. The file copy had my name on it, so—

Senator ROBERT RAY—So when you say that it had your name on it do you mean ‘through so-and-so, Mr Vaughan, so-and-so’, like that?

Mr Vaughan—No, CC.

Senator ROBERT RAY—Yes, a copy to you?

Mr Vaughan—Yes.

Senator ROBERT RAY—So there is nothing on that, is there, to acknowledge that you actually read it? You did not put ‘Noted’ on it and sign it off or anything like that? That is what I am trying to establish.

Mr Vaughan—No.

Senator FAULKNER—Can you just tell me, though, from your examination of that particular file or note or whatever it might be, whatever status it has: have you got a date for when that actually came back to your office?

Mr Vaughan—The document went over to the Prime Minister’s office on about the 12th.

Senator FAULKNER—Thank you, that is helpful, but I was actually asking you this. I know it has come back to you also; you did not see it, because it is just one of those things that come back. But did that have a date on it?

Mr Vaughan—No, sorry, when I said that it did not come back to me from the Prime Minister’s office, I meant that I was given a copy as it was sent to the Prime Minister’s office—according to the file records, okay?

Senator FAULKNER—On the 12th?

Mr Vaughan—Yes.

Senator ROBERT RAY—Could we come back to Ms Murphy’s phone call to you on the 14th. I did ask you whether she said whether the Prime Minister had authorised this, but you took it as speaking on behalf of or with some authority from the Prime Minister, directly delegated. You assumed that this was a decision of the office to at least book advertising space. That is right?

Mr Vaughan—That is correct.

Senator ROBERT RAY—Were you told which dates?

Mr Vaughan—Yes.

Senator ROBERT RAY—And you were told the type of newspapers?

Mr Vaughan—Yes.

Senator ROBERT RAY—You were told an approximate budget?

Mr Vaughan—No. That was one of the things I had to establish—the cost.

Senator ROBERT RAY—You actually had to go and cost that, but the amount of space required dictated what the budget would be, eventually?

Mr Vaughan—The \$630,000 was a product of decisions about the range of newspapers, rather than vice versa.

Senator ROBERT RAY—And so you asked OGIA to make preliminary bookings. What budget item was going to pay for this?

Mr Vaughan—At that time we started turning our minds to the options we canvassed on the 25th here. There was an option of using the department’s existing running costs budget, at least as an interim measure.

Senator Hill—This is when?

Mr Vaughan—The 15th.

Senator Hill—Sorry, I thought you said the 25th.

Mr Vaughan—I was referring to the hearings we had here on the 25th. As I mentioned at the hearings here on the 25th, we canvassed this issue.

Senator ROBERT RAY—We canvassed the issue of where you are getting the \$3 million from.

Senator Hill—No; you canvassed the issue of the post-20 January—

Senator ROBERT RAY—Yes; but what you are saying is you are thinking of which hollow log you would find exactly the same prior to 20 January as after 20 January—that is, with running costs or maybe an advance to the minister for finance. You looked at that as well?

Mr Vaughan—We did eventually look at that, yes.

Senator ROBERT RAY—Did Ms Murphy tell you how you were going to pay for that, or did she just leave it with you?

Mr Vaughan—No; I did not discuss with her how we would go about organising the funds.

Senator ROBERT RAY—I find it strange, I must say, that you did not actually ask her how you were going to pay for all this. I would have thought that most public servants—

Senator FAULKNER—If you book over half a million dollars worth of space in newspapers, someone has to foot the bill.

Senator ROBERT RAY—It did not occur to you to ask?

Mr Vaughan—At that stage, certainly, it was \$630,000; it obviously became a different order of magnitude when it became \$3 million.

Senator ROBERT RAY—I understand that. But when a prime ministerial staffer rings up and gives you a series of instructions, which you accept in good faith—and I accept that—I would have thought you would have said, ‘This is going to cost a motser.’ Even if you did not anticipate it being \$600,000, a person of your experience would know it would cost about half a million dollars to book that amount. Didn’t you ask her, ‘Is this going to be supplemented to the PM&C budget?’

Mr Vaughan—That was one of the first issues I turned my mind to, after I had established the cost and we had made the provisional booking: how we would go about resourcing that matter.

Senator ROBERT RAY—All right. Let us go through it. You say that you rang OGIA on 14 January, with the proposition, ‘How much? Can you book it?’ Or it was just ‘How much?’ at this stage, was it?

Mr Vaughan—It was, ‘How much? What are the lead times, and can we make a booking?’

Senator ROBERT RAY—Then they rang you back, did they, with the information?

Mr Vaughan—On 15 January they rang back and said, ‘We can do it; you have got to authorise it, though, now if you want it to go ahead.’

Senator ROBERT RAY—So you did that?

Mr Vaughan—Yes, I did.

Senator ROBERT RAY—Did you have funding in place at that stage?

Mr Vaughan—I had not identified the specific source of funds at that stage. I had a few ideas, but I had not secured that at that point.

Senator ROBERT RAY—Who was going to do the art work for these ads? Which company?

Mr Vaughan—We canvassed two options with the advertising booking agency. Either they would come in camera-ready form or the agency might have to actually do the layouts of the ads, with some basic ideas provided.

Senator ROBERT RAY—Were they ever provided with any material?

Mr Vaughan—No, because the start-up phase of the campaign got cancelled before it ever got to that stage.

Senator ROBERT RAY—I am sorry to press this but I am curious. It goes against all my experience of the way these things work, but things can change or work differently. How can you commit at that stage to \$600,000 worth of advertising, as you know it to be on 15 January, without knowing where it is going to be paid from?

Mr Vaughan—There was always an option—as a final resort, if you like—of using running costs.

Senator ROBERT RAY—You obviously do not protect the empire as well as some other departments do. They usually like to protect their hollow logs, and they usually say to government, ‘Look, you have suddenly put a demand on for \$600,000. I want a budget supplement.’ That is usually the first try. When you get knocked over on that, you go to the advance to the minister for finance and, if you get knocked over on that, then you go to the hollow log, surely. Things cannot have changed that much.

Mr Vaughan—Senator, I do not disagree with the various options you just outlined; but the sum of \$630,000, whilst significant in terms of the department’s overall budget, was not going to break the bank.

Senator ROBERT RAY—I will just make sure that the department of finance hears your views on this for the next round. I am sure they would be interested: ‘\$300,000 spare cash in PM&C—please take.’

Mr Vaughan—It was \$600,000.

Senator ROBERT RAY—\$600,000!

Senator FAULKNER—In terms of the time lines here, for the purposes of completeness, Mr Vaughan, could you indicate to us whether, prior to Ms Murphy’s original telephone communication to you on 9 January, you had any other general awareness of this issue that you might be able to share with the committee?

Mr Vaughan—I have only some slight recollection of having heard about the subject, obviously in the course of conversations with people—but nothing I could put my finger on at all.

Senator FAULKNER—I see. Between the 9th and the 14th, was there any other activity undertaken by you, your office or officers, that you might be able to tell us about?

Mr Vaughan—The Wik Task Force people were obviously preparing some draft material, but I did not have any further involvement at all until I received that next call from Catherine Murphy on the 14th, asking me to explore some booking options.

Senator FAULKNER—I see.

Senator ROBERT RAY—When you cancelled on the 16th, why did you not cancel the rest? Why did you leave all those in?

Mr Vaughan—The cancellation on Friday 16th was for those ads that were due to appear on the following Wednesday the 21st. That was all I was requested to cancel at that point. I presume that was partly because we were not approaching the point of no return, if you like, in relation to the ads on the 24th and the 25th.

Senator ROBERT RAY—But still no art work or anything else had been done?

Mr Vaughan—No. The deadline for the advertising agencies for the ads to appear on the 21st was going to be Monday the 19th. On Friday the 16th, we were getting quite close—

Senator ROBERT RAY—I am sorry. I meant the ones that you left running and had not cancelled at that stage. Was there still no art work being done?

Mr Vaughan—No. They were cancelled on the same day that cabinet had decided in effect to re-engineer the whole process.

Senator ROBERT RAY—Yes; and put the budget up by five times.

Senator FAULKNER—Just so that we are clear on how these time frames fit with the engagement of Sweeney, can you tell us what the actual date of the engagement of Sweeney was?

Mr Vaughan—I spoke to Sweeney on the 30th, which would have been a Friday.

Senator FAULKNER—Obviously, we will have the Wik Task Force able to provide us with some information on this, but are you aware of whether the material that was actually produced by the Wik Task Force was actually used in the Brian Sweeney and Associates focus group testing? I appreciate that you may not know that.

Mr Vaughan—The mock-up draft advertisement used in the Sweeney testing had considerably less text than the material that had been provided by the department.

Senator FAULKNER—Less text than that provided by the department?

Mr Vaughan—Yes.

Senator FAULKNER—Who actually approved it? Was it done at the departmental level? For the approval of the draft advertisements that were focus group tested by Brian Sweeney and Associates, who had responsibility for making the decision?

Mr Vaughan—There was a deal of interaction between a number of departmental officers about various contents and aspects of various parts of the ads. Although the ads were to be finally approved by the department before they were published, they were further to be refined in the light of the Sweeney testing. So we had not got to a stage of actually formally approving the text. We had had a fair amount to do with corrections to the text and changes to the text, and we were happy that it was factually right in its form; but it had not yet reached the point where we had to finally sign off on it.

Senator FAULKNER—I am sorry, I missed that last point. Who was the authorising officer? You may have said it but it was a bit hard to hear.

Mr Vaughan—After the initial provision of some possible text information, there was then a considerable degree of interaction between various officers in the department and the Prime Minister's office about the text as the Prime Minister's office developed the text and developed the ad. At the time it went off to Sweeney for his focus group testing, we had checked and verified all the facts in the ad, but the ad had not reached a point then where it needed to be signed off to go to the advertising agency. It was still, in a sense, work in progress for the obvious reason that it had not gone through the market testing process where we anticipated that that could result in some changes.

Senator FAULKNER—Yes, but surely the department, or someone, provided Sweeney and Associates with the material to test. I appreciate what testing involves. Obviously, the material can evolve and change, but you start off with the raw material for Sweeneys. Someone must have given them something to start their focus group work.

Mr Vaughan—Yes—

Senator FAULKNER—My question is: who had the responsibility for finally determining and providing that material to Sweeney?

Mr Vaughan—The Prime Minister's office did the mock-up of the ad.

Senator FAULKNER—The Prime Minister's office did the mock-up of the ad.

Senator ROBERT RAY—At last!

Senator FAULKNER—How many weeks has that taken? I knew we would get there one day. It just goes to show I was a bit paranoid thinking it was the government members' secretariat.

Senator ROBERT RAY—They're in the clear, Brian.

Senator FAULKNER—So the Prime Minister's office did the mock-up for the ad, you said, but there were two ads, weren't there?

Mr Vaughan—Yes.

Senator FAULKNER—Did they do both?

Mr Vaughan—Yes, but as I indicated, there was this continuous interaction between the department and the office about the text and the content.

Senator FAULKNER—So the Prime Minister's office did the mock-ups. Thank you for that information. Can you tell us whether it was the Prime Minister's office that took the responsibility of effectively tasking Sweeneys, or was that an officer of the Department of the Prime Minister and Cabinet in terms of the earlier question I asked?

Mr Vaughan—The department commissioned Sweeney.

Senator ROBERT RAY—No, the question Senator Faulkner asked was 'tasking'. We know the department commissioned them but who actually tasked them and gave them the briefing as to what they wanted asked, and said, 'Here are the ads,' et cetera? Who did that?

Mr Vaughan—The department drafted the terms of reference for him and we cleared that with the Prime Minister's office. We sent it to him and we sent him a draft contract.

Senator ROBERT RAY—To Sweeneys?

Mr Vaughan—Yes.

Senator ROBERT RAY—Put very simply, who physically handed over the two ads to be concept tested amongst the other things they were doing?

Mr Vaughan—They were despatched directly to Sweeney from the Prime Minister's office.

Senator ROBERT RAY—You have commissioned them, you have given them the terms of reference, but the actual concept in its final form did not come to you; it went direct to Sweeneys?

Mr Vaughan—Yes, after the text had been verified by us.

Senator FAULKNER—Did you ever see the advertisements yourself, Mr Vaughan, in the form they went to Sweeneys?

Mr Vaughan—They were sent to us at the same time they went to Sweeneys.

Senator FAULKNER—It says here that you got a courtesy copy.

CHAIR—We will have a short break for tea or coffee.

Proceedings suspended from 9.15 p.m. to 9.21 p.m.

CHAIR—Are there any further questions, Senators?

Senator FAULKNER—On the bookings issue, Mr Vaughan, you might help us in relation to that. You talked about your approach, in answers to a couple of questions from Senator Ray. Don't you actually have to have such expenditure technically authorised in the Department of Prime Minister and Cabinet? That was what I was interested in understanding. It all just seemed an extraordinarily off-the-cuff sort of arrangement or under the table arrangement. So could you explain that a little? Do you have to have this sort of expenditure at this level properly authorised and, if so, who would be the authorising officer?

Mr Vaughan—Yes, you do, and that commitment was within my delegation.

Senator FAULKNER—So you were the authorising officer?

Mr Vaughan—By signing the purchase order I committed the funds.

Senator FAULKNER—I see.

Senator ROBERT RAY—What is your signing limit?

Mr Vaughan—Effectively to the limit of the funds available in my program.

Senator FAULKNER—In relation to the engagement of the qualitative researchers Sweeney and Associates, can we now be informed, please, who actually made that formal decision to engage Brian Sweeney and Associates?

Mr Vaughan—I did that.

Senator FAULKNER—Could you indicate to us whether you received advice from the Prime Minister's office or from government about the suitability and good sense of actually focus testing these proposed press advertisements, or PR campaign, more generally?

Mr Vaughan—It was OGIA's advice originally to focus test the advertisements.

Senator FAULKNER—I see. When did you receive that advice from OGIA?

Mr Vaughan—I think it was in the week that the 15th and 16th occurred in, but I cannot be entirely sure about that, Senator. I would have to check.

Senator FAULKNER—Okay. But I understand that the draft advertisements, the two advertisements that were prepared in the Prime Minister's office, were done for the express purpose—

Senator Hill—I am not sure that those were exactly the words he used.

Senator FAULKNER—I am sorry if I have got that wrong, Senator Hill. You could correct me.

Senator ROBERT RAY—Would you prefer 'designed in the Prime Minister's office with the assistance of text supplied by the department'?

Senator Hill—I am not actually sure that they were designed there.

Senator FAULKNER—You obviously have not been listening to what Mr Vaughan—

Senator ROBERT RAY—Yes—pay attention.

Senator Hill—I have, actually.

Senator FAULKNER—You are sleeping on the job again. Mr Vaughan gave us that very clear evidence, which was much appreciated by me. They were designed in the Prime Minister's office, weren't they, Mr Vaughan?

Senator ROBERT RAY—We have put you in a conflict position so we will give you a second to think up some words here.

Mr Vaughan—The Prime Minister's office personnel were the people with whom we interacted in providing and verifying a text.

Senator FAULKNER—Yes, but they were provided to you from the Prime Minister's office.

Mr Vaughan—The Prime Minister's office arranged the dispatch of the advertisements to Sweeney. That is, I gave them Sweeney's address, so I presume they did it.

Senator ROBERT RAY—Just for Senator Hill's benefit, you helped them with the text but the actual design of the ad, the graphics, were done in the Prime Minister's office?

Mr Vaughan—I am assuming or inferring that from the fact that they were the ones who transmitted the document to Sweeney. That may or may not be a correct inference.

Senator ROBERT RAY—So they could have outsourced it, but you have no knowledge of that?

Mr Vaughan—I would have no knowledge of that.

Senator ROBERT RAY—It is about five-love in the fifth, Senator Hill, on that.

Senator FAULKNER—Anyway, it was the material that was, as far as we know and you are aware, developed in the Prime Minister's office that was directly communicated to—

Senator Hill—No, he did not say that.

Senator FAULKNER—Sweeney's for—

Senator Hill—He said the material was transmitted from the Prime Minister's office.

Senator ROBERT RAY—The material went from the Prime Minister's office, you assisted with the text and, by some form of osmosis, some graphics appeared somewhere and that was sent across from the Prime Minister's office to Sweeneys.

Senator Hill—Certainly it seems, from what I have heard tonight, that the Prime Minister's office played some coordination role, but whether they played more I have not heard. You seem to believe you have.

Senator ROBERT RAY—The department did not prepare the graphics to the ads, did they? Let us just establish that. No?

Mr Vaughan—No.

Senator ROBERT RAY—The Prime Minister's office sent the ads to Sweeney for testing. Correct?

Mr Vaughan—Correct.

Senator ROBERT RAY—The Prime Minister's office sent to you a courtesy copy of those test ads?

Mr Vaughan—I presume it came from the Prime Minister's office. It was to them I gave Sweeney's address and therefore they, presumably, provided it to Sweeney.

Senator ROBERT RAY—So we have no evidence—no bills have come in for some other creative design group that you have paid. So, Senator Hill, we are presuming the work was done in the Prime Minister's office. You represent him here. Can you tell us different?

Senator Hill—No; I do not know.

Senator ROBERT RAY—So I think it is a reasonable assumption that we have been going on.

Senator Hill—You can draw that assumption but—

Senator ROBERT RAY—Look—well, I am not allowed to say that any more.

Senator Hill—I beg your pardon?

Senator ROBERT RAY—I was going to use a politically inappropriate expression to say someone could not see that, but I will have to think up a different one. You will take that question on notice will you, Senator Hill, and put it to the Prime Minister's office, as to what role they had in designing the ad?

Senator Hill—I will ask them if they want to answer that question.

Senator ROBERT RAY—We will make the bald assertion they did, because no evidence to the contrary has been provided and all the evidence leads us to that conclusion.

Senator Hill—No, there is no evidence to the contrary; that is true.

Senator FAULKNER—There has been direct evidence given to the committee and indirect evidence.

Senator Hill—There is certainly evidence that the Prime Minister's office played a coordinating role.

Senator ROBERT RAY—We know you have to defend; we are not criticising you for that. You have to defend the Prime Minister if you want to be foreign minister one day.

Senator Hill—I am not defending; I am just stating what is on the record to date.

Senator FAULKNER—In refreshing your memory, Mr Vaughan, have you been able to establish more detail about the focus groups? You took a number of questions on notice in relation to the conduct of the research—the research briefs, the reports and a range of other issues. Even though I did write to the secretary of this committee, asking that we have answers to those questions on notice, we have not yet received them. Are you able to provide the committee with any of that material tonight?

Mr Vaughan—I do not think we actually did take such a question on notice, Senator.

Senator FAULKNER—You took a number of questions on notice.

Mr Vaughan—We took, in effect, two questions on notice: one about the Taylor report, on an unrelated issue, at the end; and one about the possible role of the Government Members Secretariat in the advertising—and we have answered that one today.

Senator ROBERT RAY—Didn't I at some stage ask Senator Hill to table the Sweeney report? I thought I had a memory of that. You were not asked, Mr Vaughan; Senator Hill was. I will have to look it up.

Senator Hill—If you did, I think I have declined to do so.

Senator ROBERT RAY—I thought you used a little more softer words than that; that you would give it every consideration and take all the facts into account before you refused me.

Senator FAULKNER—I think there are a number of questions on notice, with respect to you, Senator Hill, and Mr Vaughan, that a close reading of the transcript would—

Senator Hill—In relation to the research brief, I had said that I believed that tabling was inappropriate.

Senator ROBERT RAY—Then what followed?

Senator Hill—You said, ‘That’s a pity.’

Senator ROBERT RAY—I mentioned that you had already tabled the RFA one somewhere in the transcript.

Senator FAULKNER—There are questions on notice on pages 123, 122—some of them are in the OGIA hearing, Senator Hill—and 32 of the transcript. Anyway, it is not worth getting—

Senator Hill—I do not think I was here for OGIA, was I?

CHAIR—Senator Faulkner, the minister is not certain—

Senator FAULKNER—I am just saying that those questions on notice are germane to this hearing, as you would be aware, Mr Chairman.

Senator ROBERT RAY—So you are not going to give us the focus group’s research on this occasion?

Senator Hill—No.

Senator ROBERT RAY—Are they cabinet-in-confidence, Mr Vaughan?

Mr Vaughan—No, Senator.

Senator ROBERT RAY—Are they commercial-in-confidence?

Mr Vaughan—Aspects of Sweeney’s contract would be—

Senator ROBERT RAY—No, no—

Mr Vaughan—but not the report.

Senator ROBERT RAY—The actual focus?

Mr Vaughan—No.

Senator ROBERT RAY—I suppose you know what you are expecting in the next day or two. I will have to fork out another 30 bucks but, okay, consider it done. We may have a couple of things to come back to prior to the 20th, but I think we have given it a pretty good run. That still takes us to a few questions that we may have asked differently, had we known that information. You were able to tell us—of course, you cannot tell us what was in the cabinet submission; we understand that—that there was a cabinet decision on 20 January.

Mr Vaughan—That is correct.

Senator ROBERT RAY—Just remind us of the cost. Was it \$3 million flat, or was it \$3.6 million? I cannot remember.

Senator Hill—Up to \$3 million.

Senator ROBERT RAY—It is capped at \$3 million; let us put it that way. Was this, again, a similar sort of newspaper advertisement booking regime, or more intense? Was it anticipated? Were you given any guidance on this?

Mr Vaughan—The project, when it moved to that phase, encompassed a brochure and a larger number of media advertising.

Senator ROBERT RAY—Were you given any indication of what the breakdown would have been vis-a-vis newspapers and brochures?

Mr Vaughan—No.

Senator ROBERT RAY—How many brochures were you thinking about?

Mr Vaughan—We were looking at up to seven million.

Senator ROBERT RAY—How could you distribute them?

Mr Vaughan—Through letter boxes.

Senator ROBERT RAY—By way of the post office, or commercial distribution?

Mr Vaughan—We were looking at both options.

Senator ROBERT RAY—So there is a potential mailing aspect of this that we went to last time when we did not get far.

Mr Vaughan—No. We spoke about the brochure distribution last time as being part of it.

Senator FAULKNER—Had any preparatory art work for the actual brochure been done?

Mr Vaughan—Yes.

Senator ROBERT RAY—This was by Catriona—

Mr Vaughan—Catriona Niven.

Senator FAULKNER—Could you tell us what form that got to?

Mr Vaughan—That got pretty near to a camera-ready version.

Senator FAULKNER—So it was beyond conceptual work.

Mr Vaughan—That is correct.

Senator FAULKNER—A camera-ready version. Who ticked off on that? Who approved that?

Mr Vaughan—It had not actually gone to the printers, so it had not actually been ticked off in that sense when the project was suspended.

Senator ROBERT RAY—Cancelled, or suspended?

Mr Vaughan—The project was suspended.

Senator ROBERT RAY—Or cancelled?

Mr Vaughan—Cancelled.

Senator ROBERT RAY—There is a big difference.

Mr Vaughan—I am sorry. It was cancelled, in a sense, without the intention of reactivating that I am aware of.

Senator ROBERT RAY—That is a good qualification.

Mr Vaughan—Coming back to your question, the text of the brochure had been formulated in a similar way to the text of the advertisement, that is, through a process of interaction between the department and the ministerial offices.

Senator FAULKNER—Of more than one? You said offices. So it was more than just the Prime Minister's office on this occasion with the brochure?

Mr Vaughan—Yes.

Senator FAULKNER—Can you tell us which other ministers' offices were involved in that?

Mr Vaughan—In the project overall?

Senator FAULKNER—No, just in the brochure.

Mr Vaughan—Senator Minchin's office was involved in the brochure, I think.

Senator Hill—I think that we were told on the last occasion that there were three ministerial offices involved in the project.

Senator FAULKNER—We will come back to what Senator Minchin had to say about his own office.

Senator Hill—I am just—

Senator FAULKNER—You were not here when it was—

Senator Hill—No, but I was there for part of the evidence because my recollection is that something to that effect was said. That seems to be a little inconsistent with what is being said now, so I am trying to probe the issue for the benefit of the committee.

Senator FAULKNER—Would you like to take over the questioning for a little while?

Senator Hill—No. I am not wanting to leave any ambiguity.

Senator FAULKNER—I think that you have left a substantial amount of ambiguity which I am quite sure was probably a deliberate course of action on your part, Senator Hill. Anyway, Mr Vaughan has been able to help us on this because he has told us that Senator Minchin's office was involved in the development of the brochure, and the Prime Minister's office. That is correct, isn't it?

Mr Vaughan—That is correct.

Senator FAULKNER—Can you tell us if Senator Herron's office was involved, too?

Mr Vaughan—I do not recall this. I do not think that we interacted with Senator Herron's office on some of that text work directly.

Senator FAULKNER—I see. Could you just tell me, please, what the nature of the involvement of Senator Minchin's office might have been in relation to the brochure? Was it similar to that of the Prime Minister's office, or a different role?

Mr Vaughan—It was similar in the sense of some of the figures and facts we were providing or verifying for or with them.

Senator FAULKNER—Would it have been limited just to checking? Was it more closely and assiduously involved than that?

Mr Vaughan—On our part or on their part?

Senator FAULKNER—I am talking about Senator Minchin's office. Would it just have been checking facts and figures, or would they have been—

Mr Vaughan—It was a similar relationship to that which we had with the Prime Minister's office, in that some basic material would be provided by the department. That material would be formatted and worked upon within the minister's offices. It would come back to us for verification, or to fill in gaps, or to add some facts, or to generally verify it.

Senator FAULKNER—So it was not just the supply of factual information then. It was broader than that. That is what I am trying to check.

Mr Vaughan—No, it was factual information.

Senator FAULKNER—Was it factual information only?

Mr Vaughan—Yes, it was entirely factual information. By that I do not mean purely statistical information, obviously.

Senator FAULKNER—I am sorry. It is not clear and I do not mean to be deliberately difficult on this. Can you just indicate to us what role the Prime Minister's office on the one hand and Senator Minchin's office on the other hand played in the development of the brochure? If you could just perhaps give me that information that would be helpful.

Mr Vaughan—We would not be in a position to draw that distinction or delineation because there could have been—or probably was—interaction directly between the two or three offices for all we know, as well as the bilateral dealings with us. It is very difficult for us to identify or be aware of which was the contribution from office X or which was the contribution from office Y.

Senator FAULKNER—Whose idea was the brochure?

Mr Vaughan—The brochure was part of the decision of 20 January.

Senator FAULKNER—The decision to have a brochure posted or delivered to seven million letterboxes in Australia was a cabinet decision.

Mr Vaughan—It was one of the options that we were asked to explore as a consequence of that.

Senator FAULKNER—Yes, but it is more than an option, isn't it? You told us it got to the point of virtually being camera-ready art.

Senator Hill—I think I said last time that the cabinet decision was that the package might include a brochure. I do not think that I said more than that.

Senator FAULKNER—Mr Vaughan has told us tonight that the brochure was almost at the point of being in final form in camera-ready art. It was beyond the conceptual stage.

Senator Hill—Yes, he has said that tonight. But you have gone on to probe the detail of the cabinet decision and I do not recall a cabinet decision going beyond what I said to you on the last occasion.

Senator ROBERT RAY—Senator Hill, we certainly did not get the impression last time in any sense that seven million brochures were going out. I think at some point in the evidence there we asked about direct mail. It is not direct mail, but putting a brochure in every letterbox is pretty close to that. We did not have any idea of the size of such an undertaking.

Senator Hill—No, we did not.

Senator ROBERT RAY—We did not get an idea of it anyway.

Senator Hill—No, we did not.

Senator ROBERT RAY—Mr Vaughan could come in here or maybe even Mr Bonsey. He might not want to come to the table; no-one ever does. Who makes the judgment—and I have known it to happen in other departments in the past—as to whether an information campaign is a genuine information campaign or just a party political exercise funded by the taxpayer? Is there someone who is actually responsible in the department for making a call on that?

Mr Vaughan—That was our responsibility in checking the material and satisfying ourselves that it only dealt with factual matters.

Senator ROBERT RAY—So you did actually run the ruler over it, in that sense?

Mr Vaughan—Yes.

Senator ROBERT RAY—That is good.

Senator FAULKNER—Was it the Prime Minister's office, or one of the other ministers' offices that made the authorisation in terms of the almost camera ready brochure to be distributed?

Senator Hill—I thought that it was said that there was not a final authorisation. Have I misunderstood?

Mr Vaughan—No, that is correct.

Senator FAULKNER—Let us go back a step then on this one. Who was responsible for tasking the consultants, Catriona Niven Design?

Mr Vaughan—The department was.

Senator FAULKNER—What level of input did you receive from prime ministerial or ministerial officers on that matter specifically? Did you run the proposal past the Prime Minister or ministers' officers?

Mr Vaughan—After we had agreed on the proposed text, we had a discussion with them. We had earlier had discussions with them about what would be the most viable length for a document, about illustrations of any number of colours—that sort of thing—and on the basis of that, design work was done. We had a near camera ready version at the point at which the project was cancelled.

Senator ROBERT RAY—This is artwork and text?

Mr Vaughan—Yes.

Senator ROBERT RAY—How much had you derived from the focus groups to put into the text and the type of artwork?

Mr Vaughan—Much of the content of the text was similar to what was in the mock-ups for the advertisements.

Senator ROBERT RAY—But when you got it to a camera ready stage you did not actually have the benefit of the focus group analysis, did you?

Mr Vaughan—We received the focus group analysis, and we knew we would receive the focus group analysis before we needed to commit to printing the thing.

Senator ROBERT RAY—Yes, but the actual design and text was done without the benefit of the focus group research, wasn't it?

Mr Vaughan—Yes, in the same way as were the ads and the text for the ads, in that sense.

Senator ROBERT RAY—Except that the ads did not get to the stage of being ready. How much discussion had occurred on whether this leaflet was to go ahead with seven million copies? How far had you got down the track in trying to work out how you were going to distribute them?

Mr Vaughan—We had identified a distributor we would use.

Senator ROBERT RAY—What state was that distributor in?

Mr Vaughan—The distributor was told that if we did go ahead with it, we would use them.

Senator ROBERT RAY—Yes, but what state were they based in, primarily?

Mr Vaughan—Sorry, when you said 'state' I thought you meant—

Senator ROBERT RAY—I did not ask what their state of mind was, sorry. Where were they located mainly?

Mr Vaughan—It is a national organisation. They have an office in Canberra.

Senator ROBERT RAY—In Canberra.

CHAIR—Can I just interrupt? Tonight we were planning to be here for an hour, or an hour and a half. We have been here for an hour and 50 minutes. I am going to warn you now that I am not going to be here past 11 o'clock and I suggest that you plan your questioning accordingly.

Senator ROBERT RAY—We will come back another day if we have to, but I do not think that we will need to.

CHAIR—Okay. But you can organise your questioning accordingly.

Senator ROBERT RAY—We are happy to take the chair if you leave, and keep the proceedings going if we need to. How are we going to make it last till 11.00 p.m.?

Senator FAULKNER—We are working on it.

Senator ROBERT RAY—You said that they are represented here in Canberra, but are they mainly based with their headquarters in a particular state?

Mr Vaughan—I do not know enough about them.

Senator ROBERT RAY—Okay. We will have to ask the name of the firm you were contemplating using.

Mr Vaughan—I am just hesitating on whether there are some commercial-in-confidence considerations attaching to that, Senator.

Senator ROBERT RAY—Let me see if I can assist you. In checking out this firm, were you satisfied that it had a history in this particular area?

Mr Vaughan—Yes.

Senator ROBERT RAY—I mean that it had been a firm in existence for some years.

Mr Vaughan—That is right. Senator, perhaps I can assist. Although we explored a number of alternatives, this particular firm was one which had been referred to us by OGIA.

Senator ROBERT RAY—There is just a bit of a tendency occasionally, and obviously not in this case, for a specific firm to be set up to do this job. The firm you are contemplating had a history of distribution; that is what I am trying to establish.

Mr Vaughan—It had a very well established commercial presence in this sort of function.

Senator ROBERT RAY—Fine, thanks.

Senator FAULKNER—Can I suggest, Mr Chairman, that in the interests of trying to progress the matter as quickly as possible, which I know that you are strongly committed to, we might ask some officers from the Wik task force to come to the table. Then if there is a need to go back to Mr Vaughan we can finish off that way. That might be the quickest way of dealing with it.

CHAIR—Sure.

Senator FAULKNER—Would that be okay with you, Senator Hill?

Senator ROBERT RAY—I would just like to say to Mr Vaughan that I want to come back to the actual cancellation so if he has any notes here he might like to read them while we do this.

Senator Hill—If the senators know the questions they want to ask the officer, I do not know why they do not ask them now. I presume that they want the right to go back to the officer if matters arose out of the evidence of the Wik task force that needed to be further explored.

Senator ROBERT RAY—Okay, we will do it now. The focus groups have reported back. Who did the report go back to?

Mr Vaughan—It came to me, Senator.

Senator ROBERT RAY—And where did you send it?

Mr Vaughan—I then provided a copy to the Prime Minister's office.

Senator ROBERT RAY—Nowhere else?

Mr Vaughan—No, I do not think so—nowhere else outside the department.

Senator ROBERT RAY—I imagine it would have some circulation in the department and in your section. So it just went to the Prime Minister's office? What was the next step? A general issue went to the ministerial council or the Ministerial Committee on Government Information Advertising?

Mr Vaughan—The Ministerial Committee on Government Communications was scheduled to meet the following day.

Senator ROBERT RAY—After you received it.

Mr Vaughan—Yes.

Senator ROBERT RAY—Right. They met the following day; were they given the report?

Mr Vaughan—I think they were aware of the import and broad content of the report. I do not know whether the ministerial members of the committee actually received a copy of the report.

Senator ROBERT RAY—Is Mr Tony Nutt of the Prime Minister's office on this committee—or was he on the committee even then; I do not know. He could have transmitted the views or not; you just do not know?

Mr Vaughan—He was on the committee, yes.

Senator ROBERT RAY—So he may have had access to the report to report to the committee?

Mr Vaughan—That is a possibility.

Senator ROBERT RAY—In the end, as you said, it was cancelled or suspended—but we think more cancelled than suspended. Who made that decision?

Mr Vaughan—That decision was effectively made by cabinet on the 10th.

Senator ROBERT RAY—On the 10th of?

Mr Vaughan—February.

Senator ROBERT RAY—And when was the ministerial council; was it a bit before?

Mr Vaughan—It was on the same day—earlier that day.

Senator ROBERT RAY—Oh, I see. So we have a ministerial council, they discuss it or we presume they discuss it, amongst other agenda items. We have to presume, Senator Hill, it is brought up under the line in cabinet and council?

Senator Hill—I think the evidence is correct that cabinet made the final decision not to proceed with the matter.

Senator ROBERT RAY—Was that before or after Senator Minchin stormed out?

Senator Hill—I do not remember that, nor the cappuccino, Senator Ray.

Senator ROBERT RAY—I think the latter was an urban myth. Who told you that it was to bail out, if you like? Was it by picking up the cabinet minutes or did someone ring you and say, ‘Drop off.’

Mr Vaughan—I read the cabinet minute and I spoke to the cabinet secretary to confirm the inference I had drawn from the minute.

Senator ROBERT RAY—You read the minute and, to get confirmation, you rang Mr L’Estrange to make sure that you fully understood the minute.

Mr Vaughan—That is correct.

Senator ROBERT RAY—That is sensible. So the wash up of this is that \$17,000 has been spent on Sweeney—no-one, certainly in the circle of government, could get the benefit of that now even though there is not going to be a campaign—\$3,000 has been spent on Interactive Consultants, a couple of grand on Catriona Niven and \$1,440 on Just Print. Just remind us; was that a cancellation fee for effort and work that they had put in?

Mr Vaughan—Yes. They are the department’s print management agent. We selected them following the loss of the AGPS function. We commission our printwork printing through them. It is their responsibility to go out and obtain quotes and manage the process for us. We went to them for assistance in finding a suitable contractor to produce the brochure and help with the distribution. When, at the end of the day, the entire project was cancelled, they had obviously incurred some costs which they would normally have picked up on their commission. We said, ‘If you think you are seriously out of pocket for this, let us know.’

Senator ROBERT RAY—Did they put in a detailed inventory of that?

Mr Vaughan—They put in an account based on their hours, which arrived after our last meeting on the 25th, which is why I never mentioned it then. Given at that stage that it was some weeks after the event, I was not sure whether they were going to pursue it.

Senator ROBERT RAY—That is okay. That is the amount of money they invested. I have one final question to anyone who wants to answer it. Do you have any bright ideas or good plans of where you are going to spend this spare \$600,000 that you have hidden away in running costs, or are running costs starting to catch up a bit here or are you just going to return it to consolidated revenue?

Mr Vaughan—There is a carryover provision within the running costs arrangements so I guess we will just carry over to next year.

Senator ROBERT RAY—If it carries over three years in a row, you blow it, do you not?

Mr Vaughan—No, not unless the cumulative effect goes beyond the threshold ceiling.

Senator ROBERT RAY—It is good to know you have a carryover provision. Mum is the word: we will not tell Finance!

Senator FAULKNER—Ms Horner, we have heard some evidence—and I think you probably heard it—from Mr Vaughan tonight about how the original communication or request from Ms Murphy in the Prime Minister’s office was effectively handed to the Wik Task Force. It would be helpful if you could just inform us how the Wik Task Force dealt with that matter that was communicated to you by Mr Vaughan.

Ms Horner—I was one of the senior staff who happened to be away that week. In fact, I was on my annual leave and I did not come back until the 20th. I have gone back through the files to the extent that I can work out what happened and I have a chronology here. I am not going on my own memory of what happened, but merely what I can be informed of. I

should also make the point that the other issues officer who was there intermittently at that time—she was on leave, but came back during that period—is on bereavement leave at the moment, so cannot be here tonight.

My understanding of what happened is that Mr Vaughan spoke to Kerry Jackson, who is our SOGC in the area. I think she was probably one of the few people who happened to be around on that day because Sandra was away. My understanding is that they had a meeting and discussed what should be provided in this text. The text, from what I understand, was a description of basically what the problem was with the Native Title Act and what the government's proposals were to fix it up. It was a fairly flat description and that material was put together over the three days from the 9th to the 12th and then provided—as Mr Vaughan said—to the Prime Minister's office to Ms Murphy and a copy to Mr Vaughan.

Senator FAULKNER—Would it be possible for the committee to be provided with the chronology which you have spoken of?

Senator Hill—No. That seems to me to be a working document.

Ms Horner—It was put together because I did not have any personal knowledge of these events, until after the 20th when I returned from leave.

Senator FAULKNER—Are you suggesting this was put together by the officers who did have the direct involvement?

Ms Horner—There was input from the officers. Apart from Sandra, who is not here at all and was not able to have any input, it was contributed to by people who were here at the time.

Senator FAULKNER—Okay. You could just go through the chronology step by step from the 9th. Who was the officer concerned?

Ms Horner—Mr Vaughan said he spoke to Kerry Jackson. I am taking his word for it; I do not know who he spoke to. That is what he said. I know that Sandra was not there on that day, but Sandra either came back that day or sometime soon afterwards, and there was discussion within the task force about how they would complete this request. Over those three days, from Friday the 9th to Monday the 12th, a few pages of text were put together which were then provided to the PMO in response to that request.

Senator FAULKNER—And a copy to Mr Vaughan, as I understand it, from the evidence of Mr Vaughan.

Ms Horner—That is what he said.

Mr Vaughan—That is correct.

Senator FAULKNER—Can you just tell us the nature of the material that was provided so that I can understand it a little better?

Ms Horner—The material was a factual description. From my reading, it was nothing that has not been out in the public domain before about what the government perceived to be the problems with the way the Native Title Act was not operating, and what the government was doing was trying to resolve some of those problems. There was a bit about the Mabo decision and a bit about the Wik decision and those sorts of things.

Senator FAULKNER—This was written material. It did not go to graphics like the map of Australia.

Ms Horner—No, it was a straight text.

Senator FAULKNER—Text only?

Ms Horner—Text only.

Senator FAULKNER—By the way, are you aware of whether any of the newspaper advertisements that were planned were more than one-colour advertisements? Is anyone aware of that?

Ms Horner—I am not aware of that.

Mr Vaughan—We were always operating on the assumption that they were just black and white.

Senator FAULKNER—You would recall, Mr Vaughan, from familiarising yourself with your own files and the *Hansard* record of evidence, that you had indicated to us that, effectively, you did not have any involvement with the Wik Task Force. I could dig out from the *Hansard* your precise words. But you refer to ‘Sandra’—who is Sandra Ellims, I gather, Ms Horner. Is that right?

Ms Horner—Yes, that is right.

Senator FAULKNER—Is she actually a branch head in Mr Vaughan’s division, or is she in the Wik Task Force? Or is that one and the same thing? I would like to be clear about it.

Ms Horner—Sandra has been on secondment in the Wik Task Force for a number of months and she is still on the Wik Task Force, but her permanent position is in Mr Vaughan’s division.

Senator FAULKNER—Were you preparing text for this brochure as well as the two newspaper advertisements? I refer to the brochure that we were speaking about earlier at the committee.

Ms Horner—My understanding is that the request was in generic terms and there was no question at that stage of its being for any particular kind of thing. I should ask Mr Vaughan; I don’t—

Mr Vaughan—The request of the 9th was for text for an advertisement, not the brochure. I am not sure if we ever received a specific request for brochure material, or whether the brochure material appeared to be extracted in part from some of the material supplied in response to the request on the 9th for advertising text. As I indicated earlier, there was a large overlap in content between the advertisement and the brochure.

Senator FAULKNER—But there was no subsequent request to the Wik Task Force for further material or information which might have been used in the brochure. Is that right?

Ms Horner—As far as I can tell from the file, there was not a request for particular information that would go into a brochure as opposed to an advertisement. As Mr Vaughan mentioned before, the amount of text sent up on the 12th was much greater than could have ever been used in an advertisement. I think that text just formed a basis on which other documents were created subsequently.

Senator FAULKNER—Were there any further requests to the Wik Task Force in relation to the PR or advertising campaign that we are talking about, in generalities, apart from that one of the 9th which was complied with by the 12th?

Ms Horner—As Mr Vaughan said, part of our function was to ascertain whether the drafts that were provided to us to have a look at were factually correct. To the extent that we were asked to check on particular different forms of drafting, yes, we were asked to do that.

Senator FAULKNER—Did the Wik Task Force have a look at the reports of the qualitative researchers, Sweeney and Associates, on the draft advertisements?

Ms Horner—I saw a document that Mr Vaughan had prepared in relation to that.

Senator FAULKNER—That Mr Vaughan had prepared?

Ms Horner—It was a record of a discussion he had.

Senator FAULKNER—This was the preliminary discussion, Mr Vaughan, that you gave evidence about at the previous hearing?

Mr Vaughan—I mentioned on the last occasion that we got an oral report from Sweeney a day or two before we got the final report.

Senator FAULKNER—Yes, that is right. But, Ms Horner, the Wik Task Force, as far as you are aware, did not actually have an opportunity to have a look at the final qualitative research report from Sweeney and Associates?

Ms Horner—I am not aware of having read it, no.

Senator ROBERT RAY—When I FOI it, I will send you a copy. How is the budget going for the Wik Task Force? Is it at all tight?

Ms Horner—Yes, the Wik Task Force budget is really very much the budget of the native title branch that was part of Mr Vaughan's position.

Senator ROBERT RAY—I just want to know where I can put my hands on a few bucks if we run short, that is all. I do not think we have any more on the Wik Task Force.

Mr Vaughan, we have talked a lot about qualitative research. Just to close it off so we are not trying to chase it up in three months time, there was no reliance on quantitative research. Wasn't any other department doing a bit of quantitative research in this area that you had the benefit of?

Mr Vaughan—No, the only quantitative data we had access to—we did not specifically commission any quantitative research in connection with the budget—

Senator ROBERT RAY—I understand that.

Mr Vaughan—We did have access to the previous Sweeney research that had been done for the reconciliation program which included both qualitative and quantitative, and we obviously also had access to various public opinion polls which showed certain insights into public attitudes towards Wik and native title and indigenous affairs.

Senator ROBERT RAY—You did not ever approach the Department of Immigration and Multicultural Affairs for any surveys they may have done that were relevant that impinged upon it?

Mr Vaughan—I would have to check that, Senator—unless they were approached in terms of any information they had in terms of community relations and attitudes which—

Senator ROBERT RAY—You are formally taking that on notice, Senator Hill?

Mr Vaughan—I shall.

Senator FAULKNER—That, I assume, Ms Horner, would be the case also for the Wik Task Force, would it, as far as you are aware of in relation to the Department of Immigration and Multicultural Affairs?

Ms Horner—I am not aware of anything occurring within the relevant period. You are saying for the purposes of this advertising campaign?

Senator FAULKNER—I think most relevant, probably, would be some of the elements of what I think have been described as the anti-racism campaigns.

Senator Hill—It seems somewhat irrelevant to the purposes for which we have heard the advice was sought from the Wik Task Force, which was the development of factual text.

Senator ROBERT RAY—You see, Senator Hill, the Department of Immigration and Multicultural Affairs, unlike this department at the table, has refused to answer questions on opinion polls, whereas this department overall has given a very comprehensive answer, as I recall, as have several others, and probably your own.

Senator FAULKNER—But, in terms of the anti-racism campaigns, as you would be aware, Senator Hill, there is no doubt that the Department of Immigration and Multicultural Affairs has been involved and made public statements to that effect. I believe I even heard the minister attempting to wax lyrical about this very matter. It is possible Ms Horner or Mr Vaughan may have heard the same thing. You have got to keep your eye on what your colleagues are doing.

Senator Hill—I cannot hear you.

Senator FAULKNER—I said you have got to keep your eye on what your colleagues are doing in that regard.

Senator Hill—I do keep my eye on my colleagues.

ACTING CHAIR (Senator Heffernan)—Have you run out of fun yet?

Senator ROBERT RAY—I think so. It is pretty close. I think we're stumps.

ACTING CHAIR—Thank you very much. I thank everyone for their attendance.

Committee adjourned at 10.14 p.m.